



W.A(MD)No.811 of 2024

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 03.06.2024

CORAM :

**THE HONOURABLE MR.JUSTICE R.SURESH KUMAR
and
THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN**

**W.A(MD)No.811 of 2024
and
CMP(MD)No.6027 of 2024**

1. The Chairman Cum Managing Director,
Tamilnadu Small Industries Development
Corporation Limited (TANSIDCO).

2. The General Manager,
Tamilnadu Small Industries Development
Corporation Limited (TANSIDCO).

3. The General Manager (Admin),
Tamilnadu Small Industries Development
Corporation Limited (TANSIDCO).
Address for Appellants 1, 2 and 3
are Head Office, Electronic Complex,
Thiru Vi.Ka.Industrial Estate, Guindy, Chennai 600 032.

4. The Branch Manager,
Tamilnadu Small Industries Development
Corporation Limited (TANSIDCO),
SIDCO Industrial Estate,
K.Pudur, Madurai-625 007.

... Appellants

vs.

1. P.Surendran



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2. The Additional Chief Secretary,
Government of Tamilnadu, Micro Small
and Medium Enterprises Department,
Secretariat,
Chennai-600 009.

... Respondents

Prayer : Appeal filed under Clause 15 of the Letters Patent, against the order dated 04.01.2023 made in W.P(MD)No.12608 of 2022.

For Appellants : Mr.T.Sakthikumaran
For Respondents : Mr.B.Saravanan, Senior Counsel for
Mr.D.Kirubakaran

JUDGMENT

(Judgment of the Court was made by **R.SURESH KUMAR, J.**)

This intra-court appeal has been directed against the order passed by the Writ Court dated 04.01.2023 made in W.P(MD)No.12608 of 2022.

2. The plot allotted and sold by the appellant/SIDCO to the 1st respondent had been cancelled and when that was the issue raised before the Writ Court, ultimately, the Writ Court even though dismissed the said writ petition filed by the 1st respondent, has observed and directed at paragraph 7 of the order, which reads thus:

"7. A fervent plea is made by Learned Counsel for the Petitioner that interest should be award on the refunded amount from the date of its remittance as the Petitioner had lost the benefit of utilizing the same during



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that period. It would assume significance here that if the Petitioner is bound to pay interest for delayed remittance as per the terms of allotment, it would follow as its corollary that SIDCO would also have to be mulcted with liability to pay interest at the same rate for the relevant period on refund due to cancellation. As such, if any representation is made by the Petitioner in that regard, the same shall be examined by the concerned authority of SIDCO and a reasoned order with a working-sheet showing the calculation of interest at the applicable rates shall be passed on merits and in accordance with law within a period of 30 days from the date of its receipt."

3. Pursuant to the same, the 1st respondent/writ petitioner had given his application on 22.02.2023 to the appellant/SIDCO for getting the interest at the rate of 13% which is the workable interest which has to be paid by the 1st respondent, in case, if he has made a belated payment to the appellant/SIDCO.

4. The said logic as has been observed by the learned Judge in the order impugned at paragraph 7, has been considered to be an onerous one according to the appellants and therefore, only to that extent, with regard to the direction given for the entitlement of the interest to be paid to the 1st respondent, the appellants have come before this Court, by filing the present appeal.

5. Justifying the said action on the part of the appellants to prefer this intra-court appeal against the order impugned of the Writ Court,



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Mr.T.Sakthikumaran, learned standing counsel appearing for the appellants would contend that, it is the public money. Therefore, when such an observation and direction given by the learned Judge in the order impugned, the learned Judge has observed that, the appellant also would follow the corollary that SIDCO would also have to be mulcted with liability to pay the interest at the same rate for the relevant period on refund due to cancellation.

6. This portion is offending according to the learned counsel appearing for the appellants.

7. However, Mr.B.Saravanan, learned Senior Counsel appearing for the 1st respondent would contend that, on allotment of plot, if the plot cost is paid belatedly as per the condition imposed by the appellants, 13% interest has to be paid by the allottee i.e., the 1st respondent and when the cancellation is made after making the full payment and the amount paid by the 1st respondent is refunded, equally, the 1st respondent/allottee would be entitled to get back the interest for the period where the money of the 1st respondent is held by the appellants. Therefore, what has been observed by the learned Judge in paragraph 7 of the impugned order is absolutely correct on the basis of the accepted norms and therefore, no interference is called for. He would also



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submit that, though the 1st respondent has made an application on 22.02.2023, since the same has not been considered, when the 1st respondent/writ petitioner had moved a contempt petition, in order to avoid the same, the present intra-court appeal has been filed. Therefore, no interference is called for against the order impugned, he contended.

8. We have considered the said rival submissions made by the learned counsel appearing for both sides and perused the materials placed before this Court.

9. Insofar as the direction that has been given by the learned Judge through the impugned order to pay the interest for the refunded money to the 1st respondent by the appellants/SIDCO, it is fully justifiable. The reason being that, the money that has been paid by the 1st respondent for purchasing the plot on allotment, if it is not paid, the allotment would have been cancelled and the money definitely would fetch the interest. After having paid the said amount and having receipt of the same, after sometime if the allotment is cancelled and the money is refunded, during the period when the money has been held by the appellants/SIDCO, certainly, the money was utilized by the SIDCO. That must be the construction to be made and therefore, in all fairness, the SIDCO is liable to pay the interest.



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10. In this context, the submission that has been made by the learned standing counsel for the appellants was that, since it is a public money, that kind of exorbitant interest of 13% as allowed by the learned Judge may be on the higher side.

11. Insofar as the said plea raised by the appellants' counsel is concerned, we, after having considered the said plea and after hearing the learned Senior Counsel appearing for the 1st respondent, of the view that, the interest component which is payable by the appellants/SIDCO to the 1st respondent is concerned, instead of 13%, it can be fixed some lesser percent which we quantify at the rate of 8% per annum.

12. Resultantly, the following orders are passed in this writ appeal:

That, the appellants shall calculate the interest at the rate of 8% per annum for the refunded amount payable to the 1st respondent/writ petitioner and accordingly the said amount be calculated and paid to the 1st respondent by the appellants, within a period of eight weeks from the date of receipt of a copy of this order. The said interest shall be calculated from the date of payment till the date of refund of the amount.



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13. In view of the above, the order which is impugned herein is modified to the said extent and the remaining portion of the order shall remain the same. With these order and direction, the Writ Appeal is accordingly disposed of. No costs. Consequently, connected miscellaneous petition is closed.

(R.S.K., J.)

(G.A.M., J.)

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Index : Yes / No
Neutral Citation : Yes / No
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To

The Additional Chief Secretary,
Government of Tamilnadu, Micro Small
and Medium Enterprises Department,
Secretariat,
Chennai-600 009.



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