



W.P(MD)No.24735 of 2024

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 18.11.2024

CORAM

THE HONOURABLE MR.JUSTICE G.K.ILANTHIRAIYAN

W.P(MD)No.24735 of 2024

and

W.M.P(MD)Nos.21042, 21043 & 21045 of 2024

A.Kanmani,
Proprietor M/s.Risha Industries,
No.1/101, Kulandaivelgoundan Pudur,
Salaipudur,
Lakkayankottai, Attaikombail Post,
Oddanchathram,
Dindigul District – 624 619.

... Petitioner

Vs

1.The Tamil Nadu Small Industries Development
Corporation Limited,
Near SICO Electronics Complex,
Thiru.Vee.Ka.Industrial Estate,
Guindy,
Chennai – 600 032.

2.The Branch Manager,
The Tamil Nadu Small Industries Development
Corporation Limited,
SIDCO Branch Office, Industrial Estate,
K.Pudur,
Madurai – 625 007.

... Respondents

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorarified Mandamus, to call for the records of the first respondent's H.O cancellation order No. 7573/1E3-1/2017 dated 13.08.2024 and quash the same and consequently direct the first respondent to allot the plot No.8



W.P(MD)No.24735 of 2024

measuring to an extent of 0.250 acres to the petitioner as per the allotment order dated 05.01.2018 in Industrial Estate, Batalgundu, belonging to the respondents and execute a sale deed in respect of the same.

For Petitioner : Mr.K.Jagadeesan

For R – 2 : Mr.T.Sakthi Kumaran

ORDER

This Writ Petition has been filed challenging the order passed by the first respondent dated 13.08.2024 thereby cancelled the allotment of plot No.8 measuring to an extent of 0.250 acres as per the allotment order dated 05.01.2018 in Industrial Estate Batalgundu, Dindigul District.

2.Heard the learned counsel appearing on either side and perused the materials placed before this Court.

3.The first respondent issued notification for allotment of plots/sheds on outright purchase in SIDCO, Industrial Estate across Tamil Nadu including Batalgundu. The petitioner submitted an application and he was allotted plot No.8 to an extent of 0.250 acres



W.P(MD)No.24735 of 2024

by the proceedings of the first respondent in R.C.No. 7573/1E-5/2017, on an outright sale basis for setting up an Industry with the line activity of manufacturing of saree screen printing, block printing, embroidery fabrics subject to certain conditions. The tentative cost of the plot was fixed at Rs.9,34,600/- inclusive of administrative charges. The said cost is valid upto 31.03.2018. The petitioner had paid 25% of the cost of the plot at Rs.2,33,769/- on 05.03.2018 in favour of the second respondent. Subsequently, a sum of Rs.2,00,000/- was paid on 10.10.2018. Further payment was made. However, thereafter there was a delay in payment and as such the second respondent issued a show cause notice dated 31.10.2018 thereby informed why action should not be taken to cancel the allotment of plot No.8 for non-payment of the balance amount. Therefore, immediately, the petitioner had paid the balance amount with penal interest at Rs.5,38,643/-. Finally, the petitioner had paid the entire cost of the plot in favour of the second respondent. However, the second respondent failed to enter into a memorandum of understanding and it is a clear violation of Clause (ii) of para No.2 of the allotment order dated 05.01.2018. Though the petitioner submitted several representations to the second respondent, the second respondent failed to execute any sale deed in respect of the subject property in favour of the petitioner.



W.P(MD)No.24735 of 2024

Thereafter, the petitioner was informed that by order dated 13.08.2024, the allotment order itself was cancelled.

4.The learned counsel appearing for the petitioner would submit that the petitioner was not issued any show cause notice and was not given an opportunity of hearing before the cancellation of allotment order. In fact, the allotment order was not communicated to the petitioner.

5.The learned counsel appearing for the second respondent would submit that the petitioner was allotted plot No.8 measuring to an extent of 0.250 acres at Industrial Estate, Batlagundu. However, the petitioner failed to make the payment in time. Every time the petitioner was issued a show cause notice and after issuance of the show cause notice, the petitioner had paid the entire amount by installments. The petitioner failed to come forward for the execution of memorandum of understanding as per the allotment order. However, the petitioner also failed to fulfil the other conditions such as construction of the industrial building on the developed plots shall be commenced within six months from the date of taking possession of the plot by obtaining the approval of



W.P(MD)No.24735 of 2024

local bodies/competent authorities concerned and completed within 18 months from the date of such commencement. Therefore, the allotment order is deemed to be cancelled, if the petitioner fails to fulfil the conditions.

6. Admittedly, there is no due from the petitioner's side with regard to the allotment of plot No.8. As per the terms of the allotment order, the possession of the developed plot shall be handed over only after the payment of plot cost paid in full along with belated payment interest, if any and thereafter, on the execution of memorandum of understanding with the second respondent in the prescribed format. Even after payment of the full cost of the plot, if the memorandum of understanding is not executed within one month, the plot would be deemed to have been taken over/handed over on the expiry of 30 days from the date of fulfilling the entire amount of the cost of the plot. After allotment of plot No.8 in favour of the petitioner, the final payment was made with penal interest of Rs.5,38,643/- on 12.12.2018. On receipt of the same, the petitioner was issued a receipt. However, the second respondent failed to execute any memorandum of understanding within a period of 30 days from the date of receipt of entire cost of



W.P(MD)No.24735 of 2024

the plot. As per the conditions of the allotment order, dated 05.01.2018, if the full cost of the plot is paid and memorandum of understanding is not executed within a period of one month, the plot would be deemed to have been taken over/handed over on the expiry of 30 days from the date of settlement of full and final payment of the land cost. Further, the developed plot shall be utilized only for the purpose for which it is allotted and not for any other purpose. The construction of the industrial building on the developed plot shall be commenced within six months from the date of taking possession of the plot by obtaining the approval of local bodies/other competent authorities concerned and completed within 18 months from the date of such commencement. Though the petitioner made entire cost of the plot, the possession of the plot was not taken over/handed over to the petitioner. Therefore, the second limb of the condition does not arise, since the possession of the plot itself was not handed over to the petitioner. Hence, there is no possibility for commencement of construction of the industrial building within a period of six months from the date of taking possession of the plot and completed within a period of 18 months from the date of such commencement.



W.P(MD)No.24735 of 2024

7.Further on perusal of the order impugned dated 13.08.2024, the allotment of the developed plot was cancelled without any prior notice to the petitioner. No enquiry was conducted and the petitioner was not given an opportunity of hearing before cancelling the allotment of plot. It is a clear violation of principles of natural justice. The original allotment order dated 05.01.2018 was cancelled on the ground that the petitioner failed to take over the plot as per the allotment order and it is a violation of condition No. 2(ii) of the allotment order. Therefore, the allotment of the subject plot was cancelled automatically and forfeited the EMD amount of Rs.10,000/-, administrative charge Rs.1,21,904/- with GST 18% and Rs.23,743/-. The balance amount of Rs.8,26,765/- has to be refunded in favour of the petitioner. Even till today, no amount has been refunded to the petitioner so far. Therefore, the order impugned cannot be sustained and it is liable to be quashed.

8.Accordingly, the impugned order dated 13.08.2024 passed by the second respondent is quashed and the Writ Petition is allowed. As per the allotment order, dated 05.01.2018, the second respondent is directed to execute memorandum of understanding with the petitioner and further, the second respondent is directed to



W.P(MD)No.24735 of 2024

hand over the possession of plot No.8 to the petitioner within a period of two weeks from the date of receipt of a copy of this order.

Thereafter, the petitioner shall commence the construction of the industrial building within a period of six months from the date of taking possession by obtaining necessary approval from the local body and complete the same within a period of 18 months from the date of such commencement. There shall be no order as to costs. Consequently, connected Miscellaneous Petitions are closed.

18.11.2024

NCC : Yes / No
Index : Yes / No
Internet : Yes
ps



WEB COPY



W.P(MD)No.24735 of 2024

To

- 1.The Tamil Nadu Small Industries Development Corporation Limited,
Near SICO Electronics Complex,
Thiru.Vee.Ka.Industrial Estate,
Guindy,
Chennai – 600 032.
- 2.The Branch Manager,
The Tamil Nadu Small Industries Development Corporation Limited,
SIDCO Branch Office, Industrial Estate,
K.Pudur,
Madurai – 625 007.



WEB COPY



W.P(MD)No.24735 of 2024

G.K.ILANTHIRAIYAN, J.

ps

Order made in
W.P(MD)No.24735 of 2024

18.11.2024