



W.P.(MD).No.11540 of 2017

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 04.12.2024

CORAM

THE HONOURABLE MR.JUSTICE K.KUMARESH BABU

W.P.(MD).No.11540 of 2017

and

W.M.P.(MD)Nos.8878 and 11941 of 2017

V.Sundaresan

...Petitioner

Vs

1.Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO),
Through its Managing Director,
Office at Near SIDCO Electronics Complex,
Thiru Vi Ka Indl.Estate, Guindy,
Chennai – 600 032.

2.The General Manager (Administration),
TANSIDCO,
Office at Near SIDCO Electronics Complex,
Thiru Vi Ka Indl.Estate, Guindy,
Chennai – 600 032.

3.The Branch Manager/
Estate Officer,
SIDCO, Thanjavur,
SIDCO Industrial Estate, N.K.Road,
Thanjavur.

... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying this Court to issue a Writ of Certiorarified Mandamus, to



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call for the impugned proceedings of the second respondent in R.C.No. 12819/IE-4/2007 dated 19.03.2016 and the notice dated 02.06.2016 and the order cancelling allotment dated 04.10.2016 and quash the same as illegal, arbitrary and without jurisdiction and consequently forbear the respondents from in any manner interfering with the petitioner's peaceful possession and enjoyment of the plot no.114, SIDCO Industrial Estate, Thirubuvanam, Kumbakonam.

For Petitioner : Mr.H.Lakshmi Shankar

For R-1 : Mr.J.K.Jayaselan
Government Advocate

For R-2 : No Appearance

For R-3 : Mr.I.Murugesan

ORDER

Challenge in the Writ Petition is to an order passed by the respondents calling upon the petitioner to pay a sum of Rs.19,34,931/.

2. The case of the petitioner is that the petitioner was allotted with a land for establishing industry by the respondent in the year 2013 and as per the terms of allotment, he had to pay 25% within two months before the expiry from the date of issue of the allotment order and that he was also made a payment of 25% on 23.01.2014. However, the balance 75%



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was remitted to by the petitioner on 10.12.2014 and had also entered into MOU on 12.12.2014. By further communication, the petitioner was called upon to pay additional amount for excess land found in the land allotted to the petitioner. Though allotment was for 16.7 cents, it was subsequently found that the plot on ground has 18 cents and the additional land cost has also been paid by the petitioner. Thereafter, the possession was also handed over to the petitioner on 14.03.2015 and the petitioner had been carrying on the business thereafter. However, the petitioner was surprised to receive an impugned communication from the respondents indicating that the petitioner having paid the amount beyond the period of one year would have to pay a sum of nearly Rs.19,00,000/- by considering the cost of land for the year 2014-2015. He would submit that when the payment was made on 10.12.2014, the respondents had calculated the principal amount and also penal interest for delayed payment and only thereafter they handed over the possession of the plot. He would submit that the cost of the land in the year 2013 was fixed at Rs.27,64,500/- but in the impugned order, the cost of the land per acre for the year 2015 had been indicated to Rs.1,21,96,800/-. There is no proper reason as to why there was multiple increased in cost assessed by



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the respondents. He would further rely upon the recent proceedings issued by the Government fixing the cost of land per acre at Rs.82,00,000/-. Therefore, he would submit that the amount arrived at Rs.1,21,96,800/- is arbitrary. Without prejudice to the above contention, he would also further submit that having accepted the penal interest for delayed payment, the respondents cannot seek for increased land cost, as the same would affect the vested rights of the petitioner. Therefore, he seeks this Court to interfere with the order impugned and the consequential orders also.

3. Sustaining the claim, the learned counsel appearing on behalf of the respondents would submit that the usual procedure followed by the Department in cases where the delayed payment is made after the period of one year is to make a demand either the allotted cost along with the belated payment interest or revised plot cost fixed for next succeeding year of the allotment whichever is higher. In the present case, he would submit that the allotment was made to the petitioner on 27.11.2013 and the period of one year comes to an end on 26.11.2014. Admittedly, the petitioner had made remaining payment on 10.12.2014. When that be so,



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he would submit that the petitioner is liable to make the payment of the revised plot cost of the succeeding year that is revised plot cost that was prevalent in the year 2014. He would submit that benefit had been granted only to persons who have paid 50% of the land cost under circular dated 10.01.2014 and since the petitioner had not made the payment of 50% of the land cost he would not be entitled for benefit of circular and he would have to make good the payment by paying the revised plot cost as demanded altogether with interest. Therefore, there is no infirmity in the order passed by the respondents which would warrant interference by this Court.

4. I have considered the submissions made on either side and perused the materials available on record.

5. It is admitted case of the petitioner that he had made the payment on 10.12.2014 that is beyond the period of one year. The existing procedure of the Department is that if the allotted cost is not paid within one year from the date of allotment and no extension for payment is granted, then the allottee would have to pay:



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- a) the allotted cost along with the belated payment interest;
- b) the revised plot cost fixed for the next year, succeeding the year of allotment, whichever is higher.

6. In the present case, it is not disputed by the respondents that when the petitioner made the belated payment on 10.12.2014, the petitioner was subjected to the liability of paying interest as per the established practice, and thereafter, possession of the land was also handed over to him. Since the respondents followed the first part of the procedure, they are refrained from making any claim against the petitioner to pay only the revised plot cost. Therefore, I am of the view that the respondents cannot impose the liability on the petitioner by directing the petitioner to pay the revised plot cost fixed for the succeeding year, as they have already chosen one of the two alternative procedures they are required to adopt when receiving the land cost beyond the period of one year. Hence, I am of the view that the impugned orders are liable to be set aside and accordingly set aside.



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7. In view of the above, this Writ Petition is allowed. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

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NCC:yes/no
Index:yes/no
Internet:yes/no
Nsr

To:

- 1.The Managing Director,
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Corporation Limited (TANSIDCO),
Office at Near SIDCO Electronics Complex,
Thiru Vi Ka Indl.Estate, Guindy,
Chennai – 600 032.
- 2.The General Manager (Administration),
TANSIDCO,
Office at Near SIDCO Electronics Complex,
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K.KUMARESH BABU, J.

Nsr

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