IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON :	**23.07.2025**
PRONOUNCED ON :	**07.08.2025**

CORAM:

THE HONOURABLE MRS.JUSTICE J.NISHA BANU

AND

THE HONOURABLE MR.JUSTICE M.JOTHIRAMAN

W.A.Nos.1951 of 2024 and 193 of 2023
and
C.M.P.Nos.14190 of 2024 and 1836 of 2023

W.A.No.1951 of 2024:

1.The State of Tamil Nadu,
Rep. by its Principal Secretary to Government,
Housing and Urban Department,
Secretariat, Chennai 600 009

2.The Commissioner/ Director,
Town and Country Planning,
Government of Tamil Nadu,
No.807, Anna Salai, Chennai 600 002

3. The Deputy Director,
Town and Country Planning,
Salem Region,
No.6, Sannathi street, Subramaniya Nagar,
Sooramangalam, Salem 636 005 ... Appellants

-Vs-

1. Mettur Dam Small Scale Industrialists Association,
   Regd.No.109/2010,
   Represented by its President Mr.A.Madhappan,
   No.E2, SIDCO Industrial Estate,
   Mettur R.S. 636 402
   Salem District.

2. The Commissioner,
   Mettur Municipality,
   Mettur Dam, Salem district.

3. The Tamil Nadu Small Industries
   Development Corporation Ltd., (SIDCO),
   Rep. By its Chairman & Managing Director,
   Thiru. Vi.Ka.Industrial Estate,
   Guindy, Chennai 600 032

4. M/s.Sunbright Industries Pvit.Ltd.,
   Rep. By its Managing Director,
   Mr.R.Shanmugavelu,
   No.6, SIDCO Readymade Garments Complex,
   Industrial Estate, Guindy,
   Chennai 600 032 ... Respondents

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W.A.No.193 of 2023:

M/s.Sunbright Industries Pvit.Ltd.,
Rep. By its Managing Director,
Mr.R.Shanmugavelu,
No.6, SIDCO Readymade Garments Complex,
Industrial Estate, Guindy, Chennai 600 032 ... Appellant

-vs-

1. Mettur Dam Small Scale Industrialists Association,
   Regd.No.109/2010,
   Represented by its President Mr.A.Madhappan,
   No.E2, SIDCO Industrial Estate,
   Mettur R.S. 636 402, Salem District.

2. The State of Tamil Nadu,
   Rep. by its Principal Secretary to Government,
   Housing and Urban Department,
   Secretariat, Chennai 600 009

3. The Commissioner/ Director,
   Town and Country Planning,
   Government of Tamil Nadu,
   No.807, Anna Salai, Chennai 600 002

4. The Deputy Director,
   Town and Country Planning,
   Salem Region,
   No.6, Sannathi street, Subramaniya Nagar,
   Sooramangalam, Salem 636 005

5. The Commissioner,
   Mettur Municipality,
   Mettur Dam, Salem District.

6. The Tamil Nadu Small Industries
   Development Corporation Ltd., (SIDCO),
   Rep. By its Chairman & Managing Director,
   Thiru. Vi.Ka.Industrial Estate,
   Guindy, Chennai 600 032 ... Respondents

COMMON PRAYER: Appeals filed under Clause 15 of Letters Patent, praying this Court to set aside the common order dated 09.11.2022 passed by this Court in W.P.No.1724 of 2021.

In W.P.No.1951 of 2024:

For Appellants	: Mr.J.Ravindran, Addl. Adv. General Assisted by Mr.M.Rajendran, Addl. Govt. Pleader.
For R-1	: Mr.N.L.Raja, Senior Counsel, For Mr.K.Balu
For R-2	: No Appearance
For R-3	: Mr.S.Karthikeibalan
For R-4	: Mr.V.P.Sengottuvel, Sr. Counsel For Mr.V.Jayaprakash Narayanan

In W.P.No.193 of 2024:

For Appellant	: Mr.A.L.Somayaji, Sr. Counsel For Mr.V.Jayaprakash Narayanan
For R-1	: Mr.N.L.Raja, Senior Counsel, For Mr.K.Balu
For RR 2,3 & 4	: Mr.J.Ravindran, Addl. Adv. General Assisted by Mr.M.Rajendran, Addl. Govt. Pleader.
For R-5	: No Appearance
For R-6	: Mr.S.Karthikeibalan

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COMMON JUDGMENT

[Common Judgment of the Court was delivered by ***J.NISHA BANU*, *J.***]

Since the issue involved in both the writ appeals are one and the same, they are disposed of by this common judgment.

2. The essential facts of the cases, required for the disposal of these writ appeals are elucidated herein below:

2.1. An extent of 242.05 acres of land and buildings situated on the banks of River Cauvery known as "Salem Camp" along with four officer's bungalows at Mettur, originally that belong to the Government, was offered to be purchased for a consolidated sum of Rs.90,000/- to M/s.W.A.Beardsell & Co. Ltd., Madras vide G.O.Ms.No.960, Public Works Department (Irrigation) on 20.04.1936.

2.2. Later, vide G.O.Ms.No.360, Public Works Department (Irrigation), the subject lands were transferred to the said M/s.W.A.Beardsell & Co. Ltd., Madras wherein the alienation was conditional with a right to resume. The said land was surveyed and fixed as 278.83 acres. As per the terms and conditions of the alienation, the Government could resume the land wholly or in part, if the land was required for public purpose or for conducting mining operations and in the event of such resumption or acquisition of land for any reason, the compensation payable for the lands should not exceed the amount paid by the grantee or their value, at the time of resumption or acquisition whatever was less.

2.3. Out of the said extent of 278.83 acres of land held by M/s.W.A.Beardsell & Co. Ltd., Madras, an extent of 209.08 acres was acquired by the Government from it under the Land Acquisition Act, 1894, for the establishment of Industrial Estate for Chemical Industries, Developed Plots Estate, other industries, etc. However, an extent of 25 acres was ordered to be reserved for allotment to M/s.W.A.Beardsell & Co. Ltd., Madras, if they come up with a concrete proposal to utilise the said 25 acres. Compensation was paid at the rate of Rs.87.37 per acre. M/s.W.A.Beardsell & Co. Ltd., Madras filed an appeal before the Sub Court, Salem, seeking enhancement of compensation. The Sub Court, Salem, awarded enhanced compensation at the rate of Rs.4,000/- per acre. Challenging the same, the State filed an appeal before this Court. After acquisition of 209.08 acres, the remaining extent left with M/s.W.A.Beardsell & Co. Ltd., Madras was only 69.75 acres. In the year 1971, M/s.W.A.Beardsell & Co. Ltd., Madras approached the Government with a compromise proposal, requesting to order,

(i) outright assignment of 67.83 acres then in their possession to enable them to improve their title over the land;

(ii) to grant outright assignment of an additional extent of 25 acres of land lying immediately adjoining their factory site and to the east of it; and

(iii) to agree to the cost being recovered from M/s.W.A.Beardsell & Co. Ltd., Madras for the total extent of 92.83 acres mentioned in item No.(i) and (ii) above at the rate of Rs.200/- per acre.

2.4. The Government examined the said request and by G.O.Ms.No.49, Industries Department, dated 11.01.1972, directed that the total extent of 92.83 acres be assigned to M/s.W.A.Beardsell & Co. Ltd., Madras at the rate of Rs.200/- per acre. The Government also approved the draft assignment deed and the draft memorandum of compromise to be executed with M/s.W.A.Beardsell & Co. Ltd., Madras. The draft modification deed was also approved by the Government in September, 1975 and sent to the Collector, Salem District, for necessary action.

Following the same, the appeal filed by the State was withdrawn and the same was dismissed as settled out of Court. Further in 1978, M/s.W.A.Beardsell & Co. Ltd., Madras requested for permission to use 80 feet SIDCO road for access and permission was accorded.

2.5. M/s.W.A.Beardsell & Co. Ltd., Madras went into liquidation and was ordered to be wound up by an order of this Court dated 02.07.1993 in C.P.No.125 of 1988. The Liquidator had taken possession of the land, pursuant to the orders of this Court, for settling the claims of the creditors. The Official Liquidator, in his letter dated 10.12.2007, addressed to the Secretary to Government, Revenue Department, informing that he has filed C.A.No.3013 of 2007 in C.P.No.125 of 1988, for sale of the land and building and other structures belonged to the company, in liquidation. Under such circumstances, the Government raised its objections on the ground that the Government could resume the land since there was a breach of the conditions, as found in the assignment. Those objections were negatived by the learned single Judge. Under such circumstances, the State has filed appeal O.S.A.No.239 of 2009 challenging the order dated 12.11.2008 made in Company Application No.3013 of 2007 in Company Petition No.125 of 1988 and the same was dismissed.

2.6. After M/s.W.A.Beardsell & Co. Ltd., Madras went into liquidation, M/s.W.A.Beardsell & Co. Ltd., Madras became M/s.Mettur Textiles Industries Limited and it was set up for running Textile Mill and thread unit. While so, in the year 1983, the Mettur Beardsell Textile Mills closed due to some reasons and the company was also in liquidation. Subsequently, the properties belonging to Mettur Beardsell Textile Mills were brought up for court auction by this Court in Company Application No.3107 of 2007 and thereafter, the auction was held on 08.03.2012. The property/ land of 25 acres in Block No.68, T.S.No.4 was also part of the auction dated 08.03.2012. The said property was purchased by one M/s Jayalakshmi Pressing Pvt.Ltd. Hosur and the same was divided into four shares and the sale deed executed in favour of said M/s Jayalakshmi Pressing Ltd. and three other nominees by the Official Liquidator on 19.12.2012. Therefore, the entire property of 25 acres was owned by (1) M/s Jayalakshmi Pressing Pvt.Ltd. Hosur (2) S.Mani, (3) M/s Sun Bright Industries Pvt. Ltd., and (4) M/s Ganapathy Associates.

2.7. The subject property of 25 acres of lands were maintained as Industrial Units except M/s Sun Bright Industries Pvt. Ltd., who tried to convert the said industrial lands into residential plots in the year 2013. Mettur Dam Small Scale Industrialists Association was formed by the Mettur SIDCO industrialists and the same was registered in Regd.No.109/2010. Aggrieved against the conversion of industrial units into residential plots by M/s. Sun Bright Industries Pvt. Ltd., the Mettur Dam Small Scale Industrialists Association made an objection to the Government on 02.01.2013 and requested not to convert the said industrial units into residential plots, since the entire area was declared as industrial zone. A order was passed against the original purchaser M/s.Jayalakshmi Pressing Pvt.Ltd. Hosur and its nominees including M/s.Sun Bright Industries Pvt. Ltd., on 28.01.2013 in R.C.No.1378/B/05 stating that the subject lands was transferred to Mettur Textile Mills for establishing Textile Factory as per G.O.Ms.No.49, Industries Department dated 11.01.1972 and therefore, the said lands should be utilized only for industrial purposes by Tamil Nadu Small Industries Development Corporation Ltd.,(SIDCO). The order passed by SIDCO on 28.01.2013 is as follows:-

(i) That the lands should be utilized only for the industrial purpose.
(ii) That the land should not be converted into housing plots.
(iii) That the SIDCO 80 feet road will not be permitted use of residential plots.

2.8. Thereafter, M/s.Jayalakshmi Pressing Pvt.Ltd. Hosur and three others have approached this Court by way of filing writ petition in W.P.No.5130 of 2014, challenging the above said order dated 28.01.2013 passed by SIDCO. Meanwhile, on 24.04.2017, M/s.Sun Bright Industries Pvt. Ltd., submitted an application for conversion of the subject land from industrial use into residential use to the Deputy Director of Town and Country Planning, Salem, who undertook site inspection of the subject lands on 09.05.2017. On 20.02.2019, the re-classification of the above lands was forwarded to the Director of Town and Country Planning, Chennai and the said proposal was forwarded to the Government on 21.03.2019.

2.9. Based on the recommendations of the Director of Town and Country Planning, Chennai, the Government has issued G.O.(2D) No.126, Housing and Urban Development [UD-IV(1)] Department, dated 05.08.2019 for re-classification of the land in-use from industrial plot into residential plot. Subsequently, on 27.11.2019, Gazette notification was published in the Tamil Nadu Government Gazette (TNGG) dated 27.11.2019 as per section 32(4) of the Tamil Nadu Country Planning Act, 1971. Against the said G.O., Mettur Dam Small Scale Industrialists Association have preferred writ petitions in

W.P.No.1724 of 2021 and W.P.No.1098 of 2021, which was filed for implementing the order passed by SIDCO dated 28.01.2013. This Court, after hearing all the three writ petitions, dismissed the writ petition in W.P.Nos.5130 of 2014 filed by M/s.Jayalakshmi Pressing Pvt.Ltd. Hosur and three others and allowed the writ petition filed by Mettur Dam Small Scale Industrialists Association in W.P.No.1724 of 2021 and also dismissed W.P.No.1098 of 2021 as infructuous. Aggrieved against the said common order passed by this Court, Writ Appeals have been preferred by the Government as well as by M/s.Sun Bright Industries Pvt. Ltd.

3. Mr.J.Ravindran, learned Additional Advocate General assisted by Mr.M.Rajendran, learned Additional Government Pleader made the following submissions:-

3.1. The learned Additional Advocate General commenced his arguments before this Court by stating that the Mettur Master Plan was approved vide G.O.Ms.No.985, Housing and Urban Development Department, dated 24.11.1984. The site situated at Salem District, Mettur Municipality / Single Local Planning Area, Mettur Town, Ward D, Block No.13, T.S No.4/42. The local authority (Mettur Municipality) is the Mettur Single Local Planning Authority

(Planning Authority). The reclassification application received for the conversion of Industrial use to residential use was received with letter of Commissioner, Mettur Municipality, in this letter Roc.No.4981/2015/F1, dated 01.03.2017 stated that the site gain access from 60'0" wide Tar road which is maintained by SIPCOT which lies in the approved industrial layout LP/DTCP 1076/92. The Commissioner / Member Secretary, Mettur Municipality / Single Local Planning Authority, Mettur, Salem District had invited Objections and suggestions, if any shall be intimated to the office within 30 days through locally available leading daily Tamil newspaper "Thina thanthi" in Page No.03 and English newspaper "The New Indian Express" in Page No.05 on 11.07.2017. After that, the Commissioner, Mettur Municipality in the letter Roc. No.4891/F1/2015, dated 11.08.2017 stated that "No Objection and suggestion not received in this office" regarding reclassification of Industrial use into residential use.

3.2. He further submitted that the 1st respondent did not raise objections to the concerned planning authority, who has invited objection and suggestion through daily newspaper. Morover, the Commissioner, Mettur Municipality letter Roc.No.4891/F1/2015, dated 11.08.2017 stated that "No Objection and suggestion not received in this office" regarding reclassification of

Industrial use into residential use. Hence, the proposal was submitted to Director of Town and Country planning, Chennai vide Roc.No.2894/2016/SR-3, dated 20.02.2019 and the same was forwarded to the Government by Director of Town and Country Planning vide Roc. No. 3570/2019/MP2, dated 21.03.2019.

3.3. He also submitted that the subject land was reclassified from Industrial to Residential use vide G.O (2D) No.126, Housing and Urban Development [(UD4-1)) department, dated 05.08.2019 and the same was published in Tamil Nadu Government Gazette No.48, Part VI, Section 1, P.No.329, dated 27.11.2019 under Section 32(4) of Town and Country Planning Act 1971. The reasons for not raising any objection to the concerned planning authority within the stipulated time period by the first respondent has not explained by the first respondent. Only on 11.09.2017, the Mettur Sam Small Scale Industrialists Associations vide their letter have stated their concern on not to grant residential layout approval due to Chemical Industries functioning in SIDCO Industrial Estate. The above objection out-rightly denies the development rights of the owners having land surrounding the industrial layout. The responsibility of maintaining safe buffer distance and control the pollution generating from the Chemical industries lies with the concerned industrial units.

According to the learned Additional Advocate General, the TamilNadu Pollution Control Board has vested with powers to enforce the said Industries to implement the safety precautions as per the Pollution Control Act in the Industrial units.

3.4. Furthermore, the subject land was reclassified from Industrial to Residential use vide G.O (2D) No.126, Housing and Urban Development [(UD4-1)] department, dated 05.08.2019 with the condition to give buffer as there was existing industrial development adjacent to the proposal. Though the Tamil Nadu Combined Development and Building Rules 2019, Annexure XVIII Zoning Regulations, Industrial use zone (1) (iv) states that residential activities are permissible in Industrial use zone, which are classified in the approved Master Plan, the subject lands in this case was classified as Industrial use in approved Mettur Master Plan. Once the layout is approved, the roads and public purpose such as park, playground, etc., should be open to public access and the roads should open to adjoining land for access to public. Roads and public purposes are reserved for public use. Hence, the denial of SIDCO vide its letter dated 28.01.2013 , wherein it has been stated that "*the SIDCO 80 feet road will not be permitted use of residential plots*" is illegal and arbitrary.

3.5. He also putforth his contentions that the Government has the power to make variation (Partial variation) in Master plan under section 32(4) of Town and Country Planning Act 1971 other than sections 32(1), 32(2)(b), 32(3) and without following the sections 26, 28 and 30 of the said Act to rectify the defects in Master plan instantly. Also, the Government has the power to make variation (entire variation) or modification in Master plan under sections 32(1), 32(2)(b), 32(3) with following the sections 26, 28 and 30 of the of Town and Country Planning Act 1971.

3.6. The learned Additional Advocate General, Government stressed out that the Government exercises the power to reclassify the land under Section 32(4) of the said Act and issue variation order which was published in Tamil Nadu Government Gazette (i.e. Issue amendment order in the Master plan). The Government has the authority to make immediate changes in Master plan in terms of evolving technology advances under Section 32(4) of the said Act. Thousands of variations have been done by Government by exercising the the powers under Section 32(4) of the said Act so far.

3.7. In addition, the conversion was allowed based on the recommendations of the Principal Secretary Commissioner of Town and Country Planning dated 21.03.2019 for conversion of land from Industrial use into Residential use on the strength of recommendation of the Deputy Director of Town and Country Planning and No Objection Certificate issued by the Tahsildar, Mettur Salem and after consultation with the Local Planning Authority in consonance with the provisions of Tamil Nadu Town and Country Planning Act, 1971. He stated that as the power available to the Government under Section 32(4) of the Tamil Nadu Town and Country Planning Act, 1971 is independent, the procedure set out under section 32(2) of Tamil Nadu Town and Country Planning Act, 1971 need not be followed before allowing conversion of the land.

3.8. It was vehemently argued by the learned Additional Advocate General that the observations of the Writ Court that power under section 32(4) of the Tamil Nadu Town and Country Planning Act, 1971 can be exercised only for either revocation of the plan or substitution of the plan is against the very object of the Act and indeed a denial of the exercise of the power vested under the Act to the Government.

3.9. He drew the attention of this Court to Section 91 of Town and

Country Planning Act, which empowers the Government/Director to delegate its powers to make appropriate rules under the relevant Act. The said rule is extracted herein below for ready reference:

> *"91. Delegation of powers.*
> *(1) The Government or the Director may, by notification, authorise any officer or authority to exercise any of the powers vested in them or him by this Act except the power of the Government to make rules and the power of the Director to hear any appeal preferred under section 76 and may, in like manner, withdraw such authority.*
> *(2) The exercise of any power delegated under sub-section (1) shall be subject to such restrictions and conditions as may be specified in the notification and also to control and revision by the Government or the Director or by such officers as may be empowered by the Government or the Director in this behalf. The Government or the Director shall also have power to control and revise the acts and proceedings of any officer so empowered."*

3.10. The learned additional Advocate General further emphasised that the power vested under sub-section (4) of 32 of the Tamil Nadu Town and Country Planning Act, 1971 is independent power and dehors the power available under sub-section (2) of 32 of the said Act. The said legal position was affirmed by the Division Bench of this Court in the matter of ***V.G.P. Golden Beach Resort***

Ltd., Vs. State of Tamil Nadu, in W.P.No.12113 of 1987 etc.. dated 12.02.1988. Therefore, the procedure set out in Sections 26, 27, 28 and 30 of the Tamil Nadu Town and Country Planning Act, 1971 is not applicable while exercising the power under Section 32(4) of the said Act.

3.11. The learned Additional Advocate General relied upon the following cases:

(i) In ***Besant Nagar Residents vs. Madras Metropolitan Development Authority*** reported in **(1990) 1 MLJ 445,** wherein it has been held as follows:

> *"12. I have carefully considered the arguments of the learned Counsel for the petitioner and also the learned Counsel for the respondents. What we are concerned now is about the variation made under Section 32(4) of the Tamil Nadu Town and Planning Act, 1971. Section 32 of the Act provides for variation, revocation and modification of regional plans, master plans and new town development plans. Sub-section (3) of Section 32 speaks of the provisions of Sections 26, 28 and 30 with such modifications as may be necessary shall apply to such modified regional plan or the master plan. But, it can be seen that Sub-section (4)of Section 32 is an independent power. Sub-section (4) of Section 2 reads as follows:*
>
> *....(4) The Government may, at any time by*

notification in the Tamil Nadu Government Gazette, vary or revoke the regional plan, master plan or a new town development plan, as the case maybe, prepared and approved under this Act....

Development plan is defined in Section 2(15) of the Act, which reads as follows:

development plan means a plan for the development or re-development or improvement of the area within the jurisdiction of a planning authority and includes a regional plan, master plan, detailed development and a new town development plan prepared under this Act....

In G.O.Ms.No. 419, Housing and Urban Development Department dated 1-6-1984, the Government has delegated the powers to the first respondent herein and the notification reads as follows:

NOTIFICATION In exercise of the powers conferred by Sub-section (1) of Section 91 of the Tamil Nadu Town and Country Planning Act, 1971 (Tamil Nadu Act 35 of 1972), the Governor of Tamil Nadu hereby delegated the powers vested with of Section 32 of the Tamil Nadu Town and Country Planning Act, 1971 (Tamil Nadu Act 35 of 1972) to the Member-Secretary, Madras Metropolitan Development Authority, so as to enable him to vary the land use in individual cases relating to certain survey Nos. Plots after placing the request before the Authority and obtaining its approval. This delegation of powers shall not *empower him to revoke or revise the whole or parts of Master Plan or Detailed Development Plan affecting the broader interests of the public. The powers under Sub-section (4) of Section 32 and under Sub-section (3) of Section 33 of the Tamil Nadu Town and Country Planning Act 1971 (Tamil Nadu Act 35 of 1972) shall continue to be exercised by the Government.... Under this power, the impugned notification is issued. Sub-section (4) of Section 32 is held to be independent of Sub-sections (1) to (3) of Section 32 of the Act, by the Division Bench of this Court in V.G.P. Golden Beach Resort Ltd. v. State of Tamil Nadu W.P.No. 12113 of 1987 etc. date 12-2-1988. As such, there is no substance in the argument of Mr. S. Govind Swaminathan the learned senior counsel for the petitioner association that the procedure set out in Sections 26, 27, 28, 29 and 30 of the Act has not been followed before the issuance of the impugned notification. In view of the decision of the Division Bench of this Court in the above mentioned case, the argument of Mr. S. Govindaswaminathan, the learned Counsel for the petitioner association falls to the ground.*

...

16. The point to be considered here is whether the principles of natural justice have been followed in so far as the objections of the petitioner association with regard to ground water are concerned. As held by the Supreme Court in A.K. Kraipak Union of India in Government of Mysore v. J.V. Bhat and in

Swadeshi Cotton Mills v. Union of India the principle of natural justice apply to the facts of this case. Though the power under Section 32 of the Act, 1971 is an independent power, yet I am of the view that before the reclassification is made, the principles of natural justice have to be followed. Even if the Statute itself does not prescribe the hearing, it is open to the Court to incorporate the principles of natural justice as has been pointed out in A.K. Kraipak v. Union of India in Government of Mysore v. J.V. Bhat and in Swadeshi Cotton Mills v. Union of India. A reference...to a passage 'Administrative Law by Prof. De. Smith is worth mentioning and it is to the following effect;

....Can the absence of a hearing before a decision is made be adequately compensated for by a hearing ex port facto? A prior hearing may be better than a subsequent hearing, but a subsequent hearing is better than no hearing at all; and in some cases the Courts have held that statutory provision for an administrative appeal or even full judicial review on the merits arc sufficient to negative the existence of any implied duty to hear before the original decision is made. The approach may be acceptable where the original decision docs not cause serious detriment to the person affected or where there is also paramount need for prompt action, or where it is impracticable to afford antecedent hearings."

(ii) In the case of ***V.G.P. Golden Beach Resort Ltd.***, ***represented by its Director, V.G. Panneerdas vs. State of Tamil Nadu***, ***represented by its Commissioner and Secretary to Government, Public Works Department (Electricity), Fort St. George*** reported in **(1988) SCC Online Mad 524** , while dealing with the power under Section 32(4) of the Act, it has been held as follows:

> *"25. In our view, the arguments advanced by Mr Venkatraman though eloquent have no substance. We have already extracted S. 32 of the Tamil Nadu Town and Country Planning Act Sub-S.(4) or S. 32 of that Act is undoubtedly independent of sub Ss (1), to (3). If a variation by the Government is also to be governed by sub-S.(3) of that section, then the legislature would have numbered sub-S.(4) as Sub-S (3) and Sub-S. (4) Sub-S.(3). The very order in which the sub sections are placed shows that the power of the Government to vary or revoke any of the plans mentioned in that sub-section is not controlled by the other sub-sections. The learned Advocate General referred to S. 25 of that Act which deals with the approval of a plan by the Government after the submission of the same by the Metropolitan Development Authority. Under S 28, the Government, may, after consulting the Director, either*

approve the plan or approve it with such modifications as they may consider necessary or may return the plan to the Metropolitan Development Authority to modify the same or prepare a fresh plan in accordance with such directions as the Government may issue in that behalf and resubmit it to the Government for approval When the Government approves of the plan with such modifications as they may consider necessary, it can do so without any notice to anybody or giving any opportunity to any person. The power of the Government to make modifications in a plan submitted by the Metropolitan Development Authority for approval is absolute. The Government is recognised to be the supreme and ultimate authority under the Act with reference to the plans prepared thereunder. Our attention is also drawn by the learned Advocate General to S. 47 of that Act which reads that after the coming into operation of any development plan in any area, no person other than the State Government or the Central Government or any local authority shall use or cause to be used any land or carry out any development in that area otherwise than in conformity with such development plan. It is seen thus that the Government is entitled to use any land or cause to be used any land otherwise than in confirmity with the development plan after its coming into operation There is no provision in the Act requiring the Government to give notice to any person before varying or modifying any plan. The scheme *of the Act discloses that the ultimate power rests with the Government and the principles of natural justice cannot be invoked in this case. Unless the action of the Government is arbitrary or mala fide, it cannot be questioned in a Court of law. On the facts of the case, there is no scope for applying the principles of natural justice or importing the rule of audi alterum partem. Admittedly, the area in question his very little of economic activities at present. Out of 2180 acres to be acquired, wet cultivation is confined to 170 acres of land and the remaining 2010 acres are either dry land or manavari land. There is no industrial activity in the entire block of land. The number of persons residing in that area is only around 2000 The Wonderland which was proposed to be brought into existence by one of the appellants was only in the stage of planning. Almost the entire area is only an open space. Even as early as on 8th October, 1979, the classification of the area was proposed to be modified by G.O.Ms. 1902. At that time, the appellants were nowhere in the picture. Though the actual notification was not published in the Gazette at that time the proposal for installation of thermal plant was considered and proceeded with only on the footing that the Zone would be classified as 'Special and Hazardous Industrial Use Zone'. In such circumstances, the proceedings for acquisition were initiated.*

...

28. We accept the contentions of the learned Advocate General and hold that even if the principles of natural justice are to be imported in the provisions of the Tamil Nadu Town and Country Planning Act this is not a case in which the rule of audi alteram partem could be applied and the urgency of the situation is such that the rule of audi alteram partem if applied would have the effect of unduly delaying the implementation of a scheme intended for the benefit of the entire State. We have already dealt with the necessity for dispensing with the enquiry under S. SA of the Land Acquisition Act. The same reasons would hold good for excluding the principle of audi alteram partem particularly when there is no express provision therefore in the Tamil Nadu Town and Country Planning Act and the rules framed thereunder. We do not agree with the contentions of learned counsel for the appellants that Rr. 14 and IS of the Rules framed under the Act contemplate a preliminary notification in the 6rst instance and after considering the representations of interested persons a final notification for the purpose of modification or variation of a plan under S 32(4) of that Act. When the section does not contemplate such a procedure, the rules cannot go beyond the provisions of the section and provide for the same. There is actually no such procedure prescribed in the rules. R. 14 requires publication of the notification under S. 32(4) in the Tamil Nadu Government Gazette and in the concerned District

Gazette where it relates to any area situated outside the city of Madras. No doubt, the rule is clumsily worded by using the word 'draft'. It is only a copy of that notification mentioned in R. 14(1) which has to be republished by the local authorities in the manner prescribed in R. 15. We do not find any infirmity in the publication made by the Government in the Gazette dated June 4, 1986."

(iii) In the case of ***Kannan Balachandran v. Chennai Metropolitan Development Authority***, reported in **2018 SCC OnLine Mad 8619,** while dealing with the power of the Government to vary or modify the master plan under Section 32(4) of the Act, it has been held as follows:

"13. Apart from that, the Tamil Nadu Government has got power under Section 32(4) of the Tamil Nadu Town and Country Planning Act, for varying the master plan by notification in the Tamil Nadu Gazette and in respect of the Chennai city, the CMDA has got power to do the same.

14. In paragraph 10 of the counter affidavit in W.P. No. 18716 of 2018, it is stated by the CMDA that it has been delegated the powers by the Government of Tamil Nadu in G.O.Ms. No. 419, Housing and Urban Development Department, dated 1st June 1984 issued under Section 91(1) of the Tamil Nadu Town and Country Planning Act, to make *variations in the master plan under Section 32(4) of the Act. The said provision is usefully extracted hereunder:*

"For CMDA. -In its application to Chennai Metropolitan Development Area, Section 32 shall be read as follows:

32. Variation, revocation and modification of Master Plan, new town development plan and detailed development plan. (1) A Master Plan, a new town development plan or a Detailed Development Plan of the Metropolitan Development Authority approved under section 28 or may, at any time, be varied or revoked by a subsequent Master Plan, as the case may be, prepared and approved under this Act. New town development plan of Detailed Development Plan.

(2) Once in every five years after the date on which the Master Plan for the Chennai Metropolitan Planning Area comes into operation, the Metropolitan Development Authority may, and if so directed by the Government shall, after carrying out such fresh surveys as may be considered necessary and in consultation with the local authorities concerned, review the Master Plan and make such modifications in such plan wherever necessary and submit the modified Master Plan for the approval of the Government.

(3) The provisions of Sections 26, 28 and 30 with such modifications as may be necessary shall apply to such modified Master Plan.

(4) ***The Government may, at any time by notification in the***

> ***Tamil Nadu Government Gazette, vary or revoke the Master Plan, the new town development plan or the Detailed Development Plan, as the case may be, prepared and approved under this Act.***
>
> *15. Therefore, the contention of the petitioner that the zonal reclassification alone is possible and conversion of individual plots is against law does not hold good, as there is no prohibition under the Act to reclassify the use of individual plots."*

Therefore, the learned Additional Advocate General concluded his arguments by submitting that the order, dated 09.11.2022 passed by the Writ Court is liable to be set aside and seeks the intervention of this Court, thereby prayed to allow the writ appeal.

4. Mr.A.L.Somayaji, learned Senior Counsel appearing for Mr.V.Jayaprakash Narayanan, learned counsel appearing for the appellant in W.A.No.193 of 2023, who is also the fourth respondent in W.A.No.1951 of 2024 made the following submissions:-

4.1. The leaned Senior Counsel submitted that on 02.05.2015, M/s.Sunbright Industries Private Limited/ the appellant in W.A.No.193 of 2023 has submitted an application for change of land use from Industrial use Zone to Residential use Zone. Thereafter, on 30.06.2016, another application was submitted for change of land use with the Commissioner, Mettur Municipality. The Mettur Municipality submitted its recommendation on 19.09.2016 for change of use with Deputy Director, Town and Country Planning, Salem. On 09.05.2017, the Deputy Director, DTCP, Salem Region inspected the subject site and submitted a report. The Local Planning Authority issued newspaper publications in the New Indian Express and Dinathanthi on 11.07.2017. Thereafter, the Commissioner of Mettur Municipality submitted a report to the Deputy Director, Town and Country Planning, Salem on 11.08.2017.

4.2. Thereafter, the Deputy Director, Town and Country Planning, Salem by their proceedings dated 20.02.2019 made its recommendation for variation of use with the Commissioner of Town and Country Planning. The Commissioner of Town and Country Planning, Chennai in its proceedings dated 21.03.2019 has approved the change of use and conversion of the aforesaid land from Industrial use Zone to Residential use Zone and submitted the same to the Government.

4.3. The Government of Tamil Nadu, Housing and Urban Development

Department in G.O.2D.No. 126 dated 05.08.2017 granted variation of land use for the above said land from Industrial Use Zone to Residential Use Zone and the same came to be published in the Tamil Nadu Government Gazette on 27.11.2019. The Deputy Director, Directorate of Town and Country Planning (DTCP), Salem in his proceedings dated 21.01.2020 instructed the District Collector, Salem to publish variation in the District Gazette. On 05.03.2020, the appellant has applied for approval of layout in the subject land with DTCP, Salem. The DTCP, Salem recommended for approval of layout on 28.05.2020 with the Commissioner of DTCP. The Commissioner, DTCP vide proceedings dated 28.05.2020 instructed the appellant to execute Gift Deed with respect to roads and common area.

4.4. After a period of 14 months from the date of grant of variation by the Government, the 1st respondent- Mettur Dam Small Scale Industries Association has challenged the Government Order in G.O.2D.No.126 dated 05.08.2017 and the consequential notification issued by the Deputy Director, Town and Country Planning, Salem Region dated 19.11.2019 which came to be published in the Tamil Nadu Government Gazette on 27.11.2019 in W.P.No.1724/2021.

4.5. The learned Senior Counsel submitted that even though the said writ petition was dismissed vide common order dated 09.11.2022, no appeal was filed by the appellant in view of the following:-

(i) Supplementary affidavit dated 19.10.2022 filed in W.P.No.1724/2021 by the Tamil Nadu Small Industrial Development Corporation Limited (SIDCO), stating that the subject land is situated next to the boundary line of SIDCO Industrial Estate and does not fall within the Industrial Estate and further prayed for eschewing and taking of the earlier counter affidavit from the records.

(ii) G.O.Ms.No.157, Housing and Urban department, dated 28.08.2017 issued amendments to Development Regulations of the Master plan for certain local planning areas U/s. 34 (2) of the Town and Country Planning Act for variation of regulation No.9 (2)(d)(v) as follows:

> *"... In cases of industrial estates developed by the Government agencies, the Authority reserves the right to allow the Government agencies to retain the spaces set apart for road, recreation purpose such as parks/playgrounds etc. and maintain the same for the purposes for which these spaces have been reserved in the approved layout to the satisfaction of the Authority and not to sell such spaces for industrial development or any other purpose. The roads in the layout must be open to the public for access and should open in the adjoining lands to*

ensure access to the lands surrounding the industrial layout."

4.6. The learned Senior counsel further submitted that G.O.Ms.No.126 Housing and Urban Development [UD-IV(1)] Department, dated 05.08.2019, granting various variations of land use under Sec. 32(4) of the Town and Country Planning Act, 1971 converting 6.5 acres out of 25 acres of land is not only recognized by the Principal Secretary/Commissioner of Urban Development but also the Deputy Director, Town and Country Planning, who made a similar recommendation to the Government of Tamil Nadu. The Tahsildar, Mettur, Salem has also issued a *'no-objection certificate'* for the conversion of land from industrial area to residential area. Consequently, newspaper publications were published inviting objections of the public for conversion of 6.5 acres of the said land from industrial use into residential use. Since no objections were received from any person in this regard, the 1st respondent/ the Principal Secretary/Commissioner of Urban Development based on the recommendations of 2nd respondent/ Director, Town and Country Planning and on considering all the materials and after due application of mind has issued the impugned G.O.Ms.No. 126 dated 05.08.2019.

4.7. According to the learned Senior Counsel, the Writ Court has allowed the Writ Petition No.1724/2021 filed by Mettur Dam Small Scale Industries Association on the view that the Government of Tamil Nadu has no power under Section 32(4) of the Tamil Nadu Town and Country Planning Act, 1971 because what was done by G.O.Ms.No.126 dated 05.08.2019 is a modification of the master plan, which can be done only by the Local Planning Authority, who in turn can do such modification under Section 33(2)(b) of the Act. In other words, according to the learned senior counsel, the Writ Court has considered the same as partial modification of the sanctioned master plan, allowing conversion of land from Industrial Zone into residential zone, which is subject to interference of this Court.

4.8. The main contention of the learned Senior Counsel is that the issue relating to the power of Government under Section 32(4) of the Act is no longer res integra. The scope and power under Section 32(4) has been the subject matter of two decisions of the Division Bench of this Court and he relied upon the following judgments:-

(i) In the case of V.***G.P. Golden Beach Resort Ltd. Vs. State of Tamil Nadu*** reported in **1991 Writ LR 673,** the specific question raised was whether the reclassification of an area in the master plan would not fall under Section 32(4) of the Act. This contention was negatived by the Division Bench of this Court holding that the power under Section 32(4) of the Act is independent of sub sections 1 to 3 of Section 32. The power of variation is also governed by Sub Section 3 of Section 32. On this view, the Division Bench held that power under Section 32(4) to vary or revoke any of the plans namely master plan, new town development plan or detailed development plan approved under Section 28 can be varied and that power of the Government to vary or revoke under Section 32(4) of the Act is not controlled by other sub sections of Section 32. According to the Division Bench, the Government is recognized to be supreme and ultimate authority with regard to the plans prepared thereunder and under the scheme of Act, the ultimate power vests with the Government to use any land of carry out any development in that area otherwise than in conformity with such development plan referred to above after its coming into operation. On this view of the matter, the Division Bench has rejected the contention raised by V.G.P. challenging the reclassification of lands into special and hazardous industrial use zone which are classified as open space and recreational use zone in the master plan. The relevant paragraph is extracted hereunder:-

> *"25. In our view, the arguments advanced by Mr. V.R.Venkatraman though eloquent have no substance. We have already extracted S. 32 of Tamil Nadu Town and Country Planning Act. Sub-S (4) of S. 32 of that Act is undoubtedly independent of subsections (1), to (3). If a variation by the Government is also to be governed by sub-S(3) of that section, then the legislature would have numbered sub-S (4) as Sub-S.(3) and Sub-S (4), Sub-S.(3). The very order in which the sub sections are placed shows that the power of the Government to vary or revoke any of the plans mentioned in that sub-section is not controlled by the other sub-sections...."*

(ii) In the case of ***Kannan Balachandran Vs, Chennai Metropolitan Development Authority*** reported in **2018 SCC Online Mad 8619** relates to challenge to notification by which the State of Tamil Nadu has reclassified usage of the property in question from primary residential/ institutional usage to commercial usage. The Division Bench upheld the power of the Government under Section 32(4) of the Act to reclassify a part of the land in the master plan for residential to commercial usage zone. The specific contention raised in that case was zonal reclassification alone is possible and conversion of individual plots is against law. This contention was rejected in para 15 of the said judgment and the same is extracted as follows:

> *"18. From the above narrated facts, it is proved that invoking powers under Section 32(4) of Tamil Nadu Town and Country Planning Act, the Government by notification reclassified the site in the rear in T.S. Nos. 6152, 6153/182 to an extent of 2102 sq.m partly institutional use and partly primary residential use as Commercial use zone, after making publication and invited objections. There is no violation of procedure and illegality in reclassification notification."*

(iii) In the case of ***Besant Nagar Residents Vs. Madras Metropolitan Development Authority*** reported in **(1990) 1 MLJ 445** had rejected the contention that under Section 32(4), the Government cannot pass an order for variation without following the procedure set out in Sections 26, 27, 28 and 30 of the Act. The learned Senior Counsel further stated that the above contention was rejected, in paragraph no.8 of the said judgment. The learned Single Judge followed the judgment of the Division Bench in the case of ***V.G.P. Golden Beach Resort Ltd. Vs. State of Tamil Nadu*** reported in **1991 Writ LR 673** and held that the

Government under Section 32(4) has got independent and absolute power to vary or revoke the development plan. According to the learned Senior Counsel, such variation or revocation is not confined to variation of entirety of regional or master or new development plan. It can also pertain to a portion of the land covered by any of the aforesaid plans. Paragraph no.8 of the judgment is extracted hereunder:

> *"8..... The learned Counsel further points out that the notification, which is impugned in the writ petition, is valid as it has been issued under Section 32(4) of the Act, 1971, which has been held to be an independent power by a Division Bench of this Court, in V.G.P.. Golden Beach Resort P. Ltd. V. State of Tamil Nadu, W.P.No. 12113 of 1987 etc. dated 12.02.1988....."*

4.9. The learned Senior Counsel further drew the attention of this Court to Section 32(4) of the Act that vests with the Government denoting absolute and full power to vary or revoke the regional or master or new development plan which may include the power to vary or revoke a part of the regional or master or new development plan by reclassifying a portion of the land from one usage to another. Under the scheme of the Act, the Government is the supreme and independent authority and under Section 32(4), the regional or master or new development plan has to be approved by the Government and only on such approval, the said plans come into operation. The scheme of the Act discloses that the Government's power to vary or revoke the regional or master or new development plan is uncontrolled by other provisions contained in sub sections 1 to 3 of Section 32 of the Act.

4.10. Therefore, according to the learned Senior Counsel, the decision of the Writ Court did not take into account the judgments of the Division Bench, cited supra in the cases of ***V.G.P. Golden Beach Resort Ltd. Vs. State of Tamil Nadu*** and ***Kannan Balachandran Vs. Chennai Metropolitan Development Authority*** and therefore the same calls for interference of this Court and the learned Senior Counsel cited that the decision of the Writ Court has to be set aside by applying the Principle of Per Incurium. The Hon'ble Supreme Court in the case of ***A.R.Antulay Vs. R.S.Nayak*** reported in **(1998) 2 SCC 602** held as follows:

> *"42....Per incuriam are those decisions given in ignorance or forgetfulness of some inconsistent statutory provision or of some authority binding on the court concerned, so that in such cases some part of the decision or some step in the reasoning on which it is based, is found, on that account to be demonstrably wrong....."*

4.11. Wrapping up, the learned Senior counsel submitted that 1st respondent herein has no locus standi to challenge the impugned order of variation granted by the Government as an Association cannot be an aggrieved party, besides, the fact that the subject land is outside the SIDCO industrial estate. Further, the Government order in G.O.Ms.No.157, Housing and Urban department dated 28.08.2017 issued amendments to Development Regulations of the Master plan for certain local planning areas U/s 34 (2) of the Town and Country Planning Act for variation of regulation No.9 (2)(d)(v) and thereby ordered that the roads inside the industrial estates could be used by the general public. Therefore, the learned Senior Counsel prayed for allowing the writ appeal, thereby setting aside the order passed by this Court in W.P.No.1724 of 2021 dated 09.11.2022.

5. Conversely, Mr.N.L.Raja, learned Senior Counsel for Mr.K.Balu, learned counsel appearing for Mettur Dam Small Scale Industrialists Association submitted the following:-

5.1. Even though the Association made several objections to the appellants/ officials and requested not to grant any permission for the conversion of industrial lands in to residential plots, the same was not taken into consideration. Despite the same, approval was granted by the Government as if no objection was received from any one. It is pertinent to note that the 3rd respondent/SIDCO has made objections and sent several communications to the appellant. Therefore, according to the learned Senior Counsel, the contentions made by the appellants is totally unsustainable.

5.2. According to the learned Senior Counsel, no hearing or notice was issued to the 1st Respondent/Association and 3rd Respondent SIDCO by the appellants before granting order of conversation from Industrial Area to Residential Area, because the 1st respondent /Association as well as the 3rd respondent/SIDCO have made several objections against Conservation of industrial units to Residential Units, citing such conversion affects the nearby industrial units. Inspite of the same, the lands have been converted into residential plots which is clearly violation of the principles of natural justice.

5.3. When the subject land is notified as Industrial Zone and also layout was approved as Mettur SIDCO Industrial Estate in the year 1965, the same has not been considered by the appellants. Further the members of the Association are running chemical industries and also the entire area has been notified as industrial zone. The Hon'ble Supreme Court in (2014) 2 SCC 491 held that no conversion from industrial to Residential area, and this Court in 2011 (1) CTC 257 & (1990)1 MLJ 445 has held that conversation ought not to be done without following due procedure as contemplated under Provisions of Tamil Nadu Town and Planning Act, 1971. Despite that the consideration of conversion of industrial lands into residential area is totally illegal and against Government Orders in respect of setting up industrial estate in the year of 1965.

5.4. According to the learned senior counsel, the official appellants have failed to follow the mandatory requirements under sections 26, 27, 30 and 32 of the Tamil Nadu Town and Planning Act, 1971. Further, Section 32 of the Act provides for variation, revocation and modification of regional plans, master plans and new town development plans, sub-section (3) of Section 32 speaks of the provisions of Sections 26, 28 and 30 with such modifications as may be necessary shall apply to such modified regional plan or the master plan. But, it can be seen that Sub-section (4) of Section 32 is an independent power and therefore, the 1st appellant, without considering the same, has passed the impugned G.O and granted the recommendations made by the 2nd and 3rd appellants.

5.5. It is the further contention of the learned Senior Counsel that the appellants have failed to consider that the entire area of 224.08 acre is classified as industrial zone and also notified as industrial estate. Therefore, the conversion should not be allowed at any cost, if anything happen for the same, the entire industrial units are put in trouble and the 3rd respondent/SIDCO has already passed an order vide proceedings dated 28.01.2013 not to convert the industrial lands in to residential plots. The said order was already affirmed by the learned Single Judge dated 09.11.2022 of this Court and against which, no appeal has been filed by the 4th respondent/Appellant in W.A No. 193 of 2023. Hence, the learned Senior Counsel prayed for dismissing the appeals filed by the appellants and confirm the order of this Court.

5.6. To substantiate his contentions, the learned Senior Counsel relied upon the following judgments:-

(i) In ***Oswal Agro Mills ltd vs Hindustan Petroleum corporation ltd.*** reported in **(2014) 2 SCC 491**, it has been held that land use conversion from industrial to residential is not permissible, owing to the objections received in that regard.

(ii) In ***K.RAJAMANI &ORS Vs ALAMUNAGAR RESIDENTS WELFARE***

ASSOCIATION AND ORS, reported in **2011(1) CTC 257,** it has been that conversation ought not to be done without following due procedure as contemplated under provisions of Tamil Nadu Town and Planning Act, 1971.

6. This Court had extensively heard the elaborate submissions made by the learned Additional Advocate General appearing for the official appellants; learned Senior Counsels appearing on either side and all other learned counsel appearing for both sides and perused the materials placed before this Court.

7. Perusal of the records would reveal that the Government, being the competent authority, grants no objection or approval for the conversion of land use from industrial to residential purposes, and such conversion attains legal sanctity and cannot be questioned by third parties without a direct and substantial interest. The first respondent herein, Mettur Dam Small Scale Industrialists Association is one such third party in the present case. SIDCO, being the allotting agency, does not retain any ownership or residual interest in the land post-allotment, since, the alienation itself is a conditional one, as per the earlier G.O.s and therefore, the same lacks the locus standi to challenge the subsequent lawful conversion approved by the Government.

8. Moreover, in the absence of any express statutory bar or covenant restricting change of land use, the conversion from industrial to residential purpose with due approval from the competent government authority is legally permissible. Besides, the appellant Association, not being a statutory authority or aggrieved person under law, has no legal standing to question the decisions taken by the Government concerning the land use of plots allotted to individuals or entities.

9. It is a settled principle of law that only a person having a direct, legal, and enforceable right can maintain a legal challenge; a representative or interested association without such a right cannot assume locus standi. The power to permit land use conversion lies solely with the Government, and once such permission is granted, objections raised by the Association without statutory backing are of no consequence. In the present case on hand, it can be seen that initially, vide G.O.Ms.No.360, Public Works Department (Irrigation), the subject lands were transferred to the said M/s.W.A.Beardsell & Co. Ltd., Madras wherein the alienation was conditional with a right to resume. Hence, it is the policy decision of the Government in converting the lands that were originally assigned under

industrial area to be used henceforth as residential plots, after obtaining valid approval from the appropriate authorities, after conducting site inspection and recording no objections for such conversion of lands. The appellant being an Association, neither being the allottee nor holding any statutory interest post-allotment, lacks locus standi to impugn conversion approved by the Government. Only a person possessing direct, enforceable rights over the land—such as the original allottee —has a legal standing to contest Government approved changes in the land that is put to use; an association without statutory backing cannot maintain such challenge.

10. It is also pertinent to note that the Hon'ble Supreme Court consistently holds that public interest or representational associations without specific rights are not legitimate petitioners in land-use conversion matters. In the absence of any statutory provision prohibiting change of land use, the Government-sanctioned conversion from industrial to residential is valid and associations, one such as the first respondent herein, cannot obstruct it. A government-sanctioned conversion implies that the relevant authorities have reviewed the proposal and deemed it compliant with existing regulations.

11. Even in ***Oswal Agro Mills ltd vs Hindustan Petroleum corporation ltd.*** reported in **(2014) 2 SCC 491**, relied by the learned Senior Counsel for the first respondent, it has been held that land use conversion from industrial to residential is not permissible, owing to the objections received in that regard. The objections in the above cited case was received from various government bodies, including the Police Department, Ministry of Petroleum, Ministry of Environment, and Intelligence Bureau, who raised objections to the proposed land use change, citing security concerns. But in the present case on hand, the facts are entirely different, since the objections have been raised by third party Association against the approval of conversion of lands by the Government itself.

12. Finding no valid reasons to sustain the order passed by the writ Court, this Court is of the considered opinion that the Government order made in G.O.(2D) No.126, Housing and Urban Development [UD-IV(1)] Department, dated 05.08.2019 for re-classification of the land in-use from industrial plot into residential plot, sustains, thereby giving way to setaside the order of the writ Court.

13. In light of the settled legal position that land use conversion falls

within the exclusive domain of the Government, and upon the Government having granted due approval and no-objection for the conversion of the subject lands from industrial to residential use, the appeal preferred by a third party association is wholly unsustainable. SIDCO, having divested itself of any proprietary or statutory interest post-allotment, lacks the locus standi to question such conversion. Moreover, in the absence of any statutory bar or restrictive covenant prohibiting such change of use, the objections raised by SIDCO are devoid of legal merit. Accordingly, the claim made by the respondents stand dismissed as being devoid of substance and liable to be rejected both on the ground of maintainability and on merits. Therefore, the Writ appeals stand Allowed. No costs. Consequently, connected miscellaneous petitions are closed.

[J.N.B., J.] & [M.J.R., J.]
07.08.2025

NCC : Yes / No
Index : Yes / No
sts

To:

1. The Principal Secretary to Government,
   Housing and Urban Department,
   Secretariat, Chennai 600 009

2. The Commissioner/ Director,
   Town and Country Planning,
   Government of Tamil Nadu,
   No.807, Anna Salai, Chennai 600 002

3. The Deputy Director,
   Town and Country Planning,
   Salem Region,
   No.6, Sannathi street, Subramaniya Nagar,
   Sooramangalam, Salem 636 005

4. The Commissioner,
   Mettur Municipality,
   Mettur Dam, Salem District.

5. The Chairman & Managing Director,
   Tamil Nadu Small Industries
   Development Corporation Ltd., (SIDCO),
   Thiru. Vi.Ka.Industrial Estate,
   Guindy, Chennai 600 032

J.NISHA BANU, J.
AND

M.JOTHIRAMAN, J.

sts

Common Judgment made in

W.A.Nos.1951 of 2024 and 193 of 2023

Dated:

07.08.2025