



W.P.No.3272 of 2025

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated:29.04.2025

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THE HON'BLE MR.JUSTICE J.SATHYA NARAYANA PRASAD

Writ Petition No.3272 of 2025

and

M.P.No.3627 of 2025

S.Mahesh,
S/o Suburayan,
S.No.544/2, D.No.4/32B,
Sellappampalayam, Irukkur Post,
Paramathi Velur Taluk,
Namakkal District 637 204.

.. Petitioner

/versus/

1.The Tamil Nadu Industrial Investment Corporation Ltd.,
Head Office No.692, Anna Salai, Nandadam,
Chennai 600 035.

2.The Tamil Nadu Industrial Investment Corporation Ltd.,
No.4/22, Shri Lakshmi Complex,
Omalur Road, Swarnapuri, Salem 636 004.

3.The Tamil Nadu Industrial Investment Corporation Ltd.,
D.No.20/127-5B, First Floor,
80 Feet Road, Salem Road, Namakkal 637 001. .. Respondents

Writ Petition has been filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorarified Mandamus calling for the



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records relating to the demand notice dated 13.12.2024 in THIC/SLM/BO/2024-25 issued by the 2nd respondent and quash the same and consequently direct the 2nd respondent to consider the petitioner's representation dated 14.11.2023.

For Petitioner :Mr.L.Abrar Md Abduliah

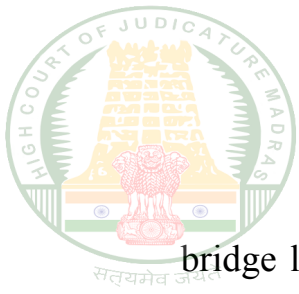
For Respondents :Mr.K.H.M.Afzal, THIC

ORDER

The writ petition is filed to call for the records relating to the demand notice dated 13.12.2024 in THIC/SLM/BO/2024-25 issued by the 2nd respondent and quash the same and consequently direct the 2nd respondent to consider the petitioner's representation dated 14.11.2023.

2.The brief facts of the case are set out as follows:-

The petitioner along with four other entered into a partnership deed dated 02.02.2011 and started a business of manufacturing fly ash bricks in the name and style of M/s PonSurya Fly Ash Bricks at Irukkur, Namakkal District. The petitioner is the Managing Partner of the partnership firm. He availed loan of Rs.19,00,000/- as term loan and Rs.4,90,000/- as subsidy



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bridge loan on 19.09.2011 from the respondents for running his business at Namakkal. The business subsequently incurred losses, and as a result, the petitioner was unable to repay the outstanding amount to the respondents. However, the respondents proposed an One Time Settlement (OTS). The petitioner submitted a representation to the respondents on 03.12.2015. This representation was rejected by the respondents corporation. Suddenly, on 28.12.2016, the third respondent issued a communication providing a valuation of the petitioner's properties, which had been offered as security, and informed him that the properties would be auctioned. In a letter dated 29.12.2016, the third respondent also returned the down payment amount, stating that the OTS proposal had not been accepted.

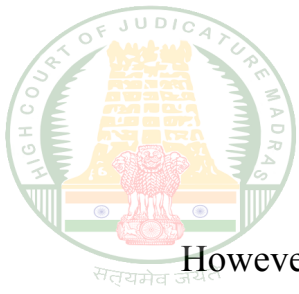
3.It is further stated that the third respondent issued an auction notice, informing that the properties had been brought under auction on 27.02.2017. Immediately thereafter, the petitioner filed a writ petition in W.P. No. 4396 of 2017 seeking to quash the auction notice and to consider his representation dated 31.12.2015 for a One Time Settlement (OTS). On 20.08.2018, this Court allowed the writ petition, directing the petitioner to pay a sum of Rs.8,00,000/- within a period of eight weeks from the date of



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receipt of the order copy. The Court also directed the respondents to calculate the balance amount payable, after considering the waiver of penal interest, within two weeks from the date of such payment. Accordingly, the petitioner paid a sum of Rs.8,00,000/- on 27.11.2018. Thereafter, the petitioner approached the respondents several times seeking information regarding the balance amount.

4. Subsequently, the respondents issued a communication stating that the Board had approved One Time Settlement (OTS) amount of Rs.11,40,382/- and other dues of Rs.69,272/- to be paid in six monthly installments with interest at the rate of 12.20% per annum. In response to this letter, the petitioner submitted a representation dated 13.03.2020 to the respondents, enclosing a statement of accounts. However, the respondents did not reply to his representation. Consequently, the petitioner filed another writ petition in W.P.No.1523 of 2021, seeking consideration of his representation dated 13.03.2020. While disposing of the writ petition, this Court directed the respondents to clarify the details regarding incidental charges, interest tax, and any ineligible subsidy amount, if applicable, to enable the petitioner to make the payment and settle the balance amount.



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However, due to the COVID-19 pandemic, the petitioner was unable to pay the balance amount.

5. On 05.09.2023, the petitioner was called for a meeting regarding the One Time Settlement (OTS) at the Branch Office in Salem. The petitioner subsequently sent a letter to the Branch Manager offering to pay a sum of Rs.7,50,000/- as final settlement, but the offer was rejected by the respondents. Thereafter, the petitioner submitted another representation on 14.11.2023, requesting waiver of penal interest and other incidental charges to enable him to pay the balance amount in monthly installments. However, the second respondent issued the impugned notice dated 13.12.2024, stating that there were outstanding dues of Rs.39,62,662.25 and demanded payment of the full amount on or before 31.12.2024. The notice further intimated that, in default, the secured properties would be brought for e-auction sale. Aggrieved by the said notice, the petitioner has filed the present Writ Petition.

6. Heard both sides and perused the materials available on record.



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7. Considering the facts and circumstances of the case and in order to give one more opportunity to the petitioner, this Court is inclined to issue the following directions:-

(a)The petitioner is directed to submit a representation or a proposal for One Time Settlement (OTS) to the second respondent within a period of one week from the date of this order.

(b)On receipt of such proposal/One Time Settlement (OTS), the 2nd respondent shall forward the same to the first respondent within a period of two weeks.

(c)Thereafter, the first respondent Board shall consider the proposal on its own merit and take a decision within a period of six weeks from the date of receipt of the proposal from the second respondent.

d)The respondents shall not take any coercive action against the petitioner till the disposal of the above representation (or) proposal for One Time Settlement/OTS by the first and second respondents.



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8. This Writ Petition is disposed of with the above directions. No costs. Consequently, connected Miscellaneous Petition is closed.

29.04.2025

Index:yes/no

Speaking order/non speaking order

Neutral citation:yes/no

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