



WP.No.14210/2015

IN THE HIGH COURT OF JUDICATURE AT MADRAS

WEB COPY

DATED 20.08.2025

CORAM

THE HONOURABLE MRS. JUSTICE N.MALA

WP.No.14210/2015 & MP.No.1/2015

Wire and Wire Products
represented by its Manager
T.R.Kalyanaraman
22 [Old No.21-J2] Sidco Industrial
Estate, Ambattur, Chennai 600098.

.. Petitioner

Versus

The Tamil Nadu Small Industries
Development Corporation
rep.by its Managing Director
Thiru Vi Ka Industrial Estate
Near SIDCO Electronics Complex
Guindy, Chennai 600 032.

.. Respondent

Prayer:- Writ petition filed under Article 226 of the Constitution of India praying for a writ of certiorarified mandamus calling for the records on the file of the respondent in proceedings in RC.No.5146/IE-2/2008 dated 26.03.2015 and quash the same and further directs the respondent not to interfere with the petitioner's use of the land.

For Petitioner	:	Mr.R.Nandakumar
For Respondent	:	Ms.Sithara Sarangan Standing counsel



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ORDER

- (1) With the consent of the learned counsels on either side, the writ petition is taken up for final disposal.
- (2) The writ petition is filed challenging the impugned cancellation order of allotment dated 26.03.2015, to quash the same and consequentially, to direct the respondent, not to interfere with the petitioner's use of the allotted land.
- (3) The petitioner applied for allotment of plot in the Industrial Estate at Kakkalur. The petitioner's application was accepted and a Provisional Allotment Order was issued on 31.12.2009. The petitioner was called upon to pay a sum of Rs.23,42,000/- towards the sale of the developed plot, which the petitioner paid. On 16.05.2012, the petitioner was handed over the plot No.G-20D, measuring an extent of 0.2175 acres. The petitioner states that due to the delay on the part of the statutory authorities in processing his application for building permits, the petitioner was unable to generate finance to commence the construction of the factory. The petitioner further states that the plot was undeveloped with no electricity, water and sewage connections. The petitioner states that, to the petitioner's shock and surprise on 21.11.2014, the respondent



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issued a show cause notice to the petitioner calling for his explanation and the reasons for not starting the production in his Unit. The petitioner approached the respondents and explained the reasons. However, the respondent decided to cancel his allotment vide impugned proceedings dated 26.03.2015. Aggrieved by the impugned order, cancelling the allotment order, the petitioner filed the above writ petition for the aforesaid relief.

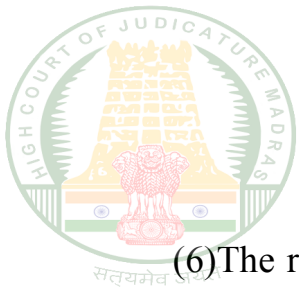
(4)The respondent filed a detailed counter affidavit and additional counter affidavit. The gist of the counter affidavits of the respondent is as follows:-

(5)The respondent states that the petitioner was allotted plot DP.No.G-20D, measuring an extent of 0.2175 acres in the Industrial Estate at Kakkalur on 31.12.2009 and that the petitioner paid the entire plot cost on 31.10.2011. The respondent states that on 23.12.2011, a Memorandum of Understanding [in short "MOU"] was entered into between the petitioner and the respondent and subsequently, the plot was allotted to the petitioner on 14.06.2012. The respondent further states that from the time of allotment till handing over the possession, the allotted plot was kept vacant and un-utilised by the petitioner. The respondents states that in fact, the petitioner kept the plot idle till 2014. The respondent further states that as the petitioner had kept the plot vacant



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without utilising it, the petitioner was issued with two show cause notices, one on 19.09.2013 and the other on 12.11.2014, calling upon the petitioner to explain the reason for not starting production in the Unit. The respondent states that as the petitioner did not send his reply to the show cause notice dated 12.11.2014, the respondent cancelled the allotment under the impugned order dated 26.03.2015, directing forfeiture of EMD amount of Rs.10,000/- and administrative charges of Rs.3,05,500/-. The petitioner was further directed to surrender the plot within thirty days from of receipt of the cancellation order. The respondent states that as the petitioner violated Clauses 6 and 7 of the Allotment Order dated 31.12.2009, the Allotment Order was cancelled vide impugned order dated 26.03.2015, invoking Clause 19 of the Allotment Order. The respondent further states that as per Clause 21 of the Allotment Order, the petitioner was liable for forfeiture of EMD/Commitment charges paid by him and further, the respondent was entitled to resume the plot by invoking the provisions under the Tamil Nadu Public Premises [Eviction of Unauthorized Occupants] Act, 1975. The respondent therefore submits that the impugned Cancellation Order was legally valid and the contentions of the petitioner were liable to be rejected.



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(6)The respondent states that the prime mandate of SIDCO was only to develop industrial estates by allotting developed plots so as to encourage Micro, Small and Medium Enterprises. The respondent further states that the allottee was bound to commence the industry within two years from the date of allotment and if the industry was not commenced within the stipulated date, the very purpose of the allotment stood defeated. The respondent denied the petitioner's contention that the plot was undeveloped. The respondent states that the roads, storm water drain, drainage lines and street lights were provided as early as in the year 2011 and there were 200 Units functioning in the said Estate enjoying the said amenities. The respondent further states that the petitioner was given reasonable opportunities by way of show cause notices on 19.09.2013 and 21.11.2014 respectively. Even thereafter, the petitioner did not show any progress. Since the petitioner did not utilise the plot, the allotment was cancelled.

(7)On 23.06.2025, when the matter was taken up for hearing, the learned Standing counsel for the respondent was directed to file a Status Report on the publication of the One Time Extension Order and the number of Unit holders who were given the benefit of the One Time Extension. Pursuant to the orders



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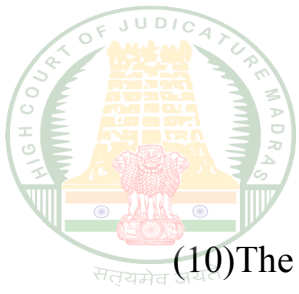
of this Court, the respondent filed a Status Report on 14.07.2025. In the Status Report, the respondent states that the One Time Extension order was issued by way of Circular in Circular No.9409/IE-5/2014 dated 21.05.2015, and it was made applicable to the allottees who utilised the plot by starting construction from basement to completion level. The respondent states that the writ petitioner had only levelled the industrial plot so as to commence the construction at the industrial building and sought permission from TANSIDCO for the said construction vide his letter dated 20.09.2021, i.e., after a period of six years from the date of Circular and hence, the said Circular is not applicable to the petitioner. The respondent states that one set of plot holders were found eligible for grant of extension of time in terms of the said Circular and they were also granted One Time Extension. The respondent further states that as the petitioner did not utilise the plot, he was asked to surrender the plot, vide letter dated 14.08.2019 ; but the petitioner had failed to respond to the said letter. The respondent therefore states that the respondent would refund the plot cost only after possession was surrendered. The respondent therefore, states that the writ petition lacks merit and the same deserves to be dismissed.



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(8)The respondent filed another Status Report on 20.08.2025, giving the Statement of Accounts of the amount liable to be refunded to the petitioner. As per the Status Report, the petitioner was entitled to a sum of Rs.23,55,979/- subject to the deduction of the annual maintenance amount for the year 2024-2025.

(9)The learned counsel for the petitioner submitted that the petitioner pursuant to the filing of the writ petition, had commenced the industry and in support of the same, filed an additional typed set of papers enclosing a few receipts and photographs. The learned counsel submitted that the delay in starting the construction was due to the inability of the respondent to provide basic facilities such as power and water supply. The learned counsel further submitted that the respondent had not provided a developed plot as promised and that, at the time of possession of the plot, the plot was below the ground level and unfit for development. The learned counsel submitted that in any event, the petitioner had spent substantial amounts for commencing the Unit which is evident from the photographs annexed in the additional typed set of papers and therefore, the learned counsel submitted that impugned Cancellation Order is illegal and is liable to be set aside.

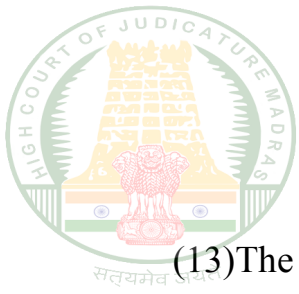


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(10) The learned Standing counsel appearing for the respondent, on the other hand, submitted that the petitioner's contention that he was unable to commence the construction due to the inability of the respondent to develop the plot, was untenable for the reason that the respondent had allotted a developed plot with amenities like roads, storm water drain, drainage lines and street lights etc., provided as early as in the year 2011. The learned Standing counsel further submitted that the petitioner had violated Clauses 6 and 7 of the Allotment Order and therefore, the respondent is well within his rights to cancel the allotment by invoking Clause 19 of the Allotment Order. The learned Standing counsel submitted that the respondent was willing to settle the amount of Rs.23,55,979/- to the petitioner provided the petitioner hands over the possession immediately. The learned Standing counsel therefore submitted that there is no merit in the writ petition and the same is liable to be dismissed.

(11) Heard both sides and perused the materials placed on record.

(12) The facts are undisputed and the only issue to be decided is whether the cancellation of the petitioner's allotment under the impugned Cancellation Order dated 26.03.2015, is legally tenable or not?



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(13) The petitioner was allotted a plot in DP No.G-20D, measuring an extent of 0.2175 acres at the Industrial Estate, Kakkalur, vide Allotment Order dated 31.12.2009. Pursuant to the Allotment Order, the petitioner paid the plot cost on 31.10.2011 and in view of the same, a Memorandum of Understanding was executed between the petitioner and the respondent on 23.12.2011 and the plot was handed over to the petitioner on 14.06.2012.

(14) The Clauses in the Allotment Order, relevant for the present case are Clauses 6, 7, 19 and 21. They are as follows:-

Clause 6:-

(a) 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, after obtaining the NOC from SIDCO and the approval of local bodies, and or other authorities concerned and completed within eighteen months from the date of allotment.

(b) The allottee shall first obtain NOC from SIDCO for the building plans before submitting the same to the authority concerned who is empowered to approve the plans.



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(c) *The allottee should furnish the building plan for the proposed construction in the developed plot allotted within three months from the date of taking possession of the Developed Plot.*

(d) *If the construction is not commenced or completed within the stipulated time, SIDCO reserves the right to cancel the allotment and to resume the plot subject to the provisions hereinafter contained. The allottee shall confirm to the conditions stipulated by SIDCO while constructing, altering or adding to a building on he developed plot.*

.....

Clause 7:- *The industry shall be commissioned within twenty four months from the date of allotment of the plot after obtaining the requisite approval / licence / permission of the authorities under the law for the time being in force in relation to such industry.*

Clause 19:- *In case the allottee commits a breach of all or any of the following, SIDCO shall be at liberty to immediately cancel the allotment:-*

(a) *if the plot cost is not paid within the time stipulated in this order ; or*



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- (b) if the industrial building is not constructed within the time stipulated in this order ; or*
- (c) if the industry is not commissioned within the time stipulated in this order ; or*
- (d) if the allotment is obtained by the allottee by misrepresentation or fraud ;*
- (e) if the allottee commits breach of any other conditions of allotment.*

Clause 21:- *In case, the allotment is cancelled under condition 19 of this order, the following consequences will ensue:-*

- (1) EMD/Commitment charges paid by the allottee will be forfeited.*
- (2) The possession of the plot will be resumed under the provisions of the Tamil Nadu Public Premises [Eviction of Unauthorized Occupants] Act, 1975.*
- (3) Consequent on the resumption of the plot under the said Act, the allottee shall not be entitled to any compensation for any improvement made by the allottee on the said plot.*
- (4) Any damage payable to SIDCO including maintenance charges and water charges shall be adjusted out of the amount paid by the allottee and the balance, if any, will be refunded to the allottee to or recovered from the allottee, as the case may be.*

(15) From a reading of Clause 6, it is clear that the petitioner ought to have



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commenced the construction of the industrial building within six months from taking possession of the plot. Admittedly, the possession was handed over to the petitioner on 14.06.2012. It is undisputed that the petitioner did not commence the construction of the industrial building within the stipulated time, which is tacitly admitted by the petitioner in his affidavit. Further, as per Clause 7, the petitioner should have commissioned the industry within 24 months from the date of allotment of the plot after obtaining requisite approval/licence/permission from the authorities under the law. There is absolutely no iota of evidence to show that the petitioner had commissioned the industry within the stipulated period. The petitioner has filed certain EB receipts remitted by him even before the possession was handed over to him on 14.06.2012. The other documents produced by the petitioner, all relate to the year 2024-2025. Therefore, it is very clear that the petitioner did not commission the industry within 24 months from the date of allotment and hence, the petitioner violated Clauses 6 and 7 of the Allotment Order.

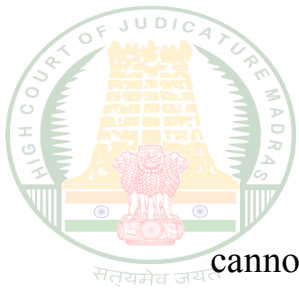
(16)As per Clause 19 of the Allotment Order, the respondent was entitled to cancel the allotment for breach of any of the exigencies provided therein. Some of the exigencies provided are non-commission of the industry within



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the stipulated time and non-construction of the industrial building within the stipulated time. When the petitioner breached the terms of the Allotment Order, the respondent was very much entitled to cancel the same. Moreover, the petitioner has attributed the delay to the respondent stating that the respondent had handed over an undeveloped plot. The respondent has specifically, in the counter affidavit, stated that all amenities like roads, storm water drain, drainage lines and street lights, were provided as early as in 2011 and 200 Units running in the Estate, were enjoying the amenities provided by the respondent. The petitioner has not denied the statement made in the counter affidavit and therefore, the petitioner's contention that the delay is attributable to the respondent, cannot be countenanced.

(17)As per Clause 21 of the Allotment Order, the respondent was entitled to forfeit the EMD and commitment charges and take possession of the plot. The respondent filed a Status Report giving the Statement of amounts paid by the petitioner and the deductions made. The petitioner is entitled to Rs.23,55,979/- however, without additional deduction towards maintenance for the year 2024-2025. The deductions made by the respondent is in conformity with Clause 21 of the Allotment Order and therefore, the same



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cannot be faulted.

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(18)In the light of the above discussions, I find no merit in the writ petition.

(19)Under the facts and circumstances of the case, this Court directs the petitioner to hand over the vacant possession of the plot to the respondent within a period of twelve weeks from the date of receipt of a copy of this order. The respondent shall, on restoration of possession to it within the stipulated period of twelve weeks [without deducting any amount towards maintenance for 2024-2025], immediately refund the amount of Rs.23,55,979/- to the petitioner.

(20)The writ petition is **dismissed with the above direction.** No costs.

Consequently, connected miscellaneous petition is closed.

20.08.2025

AP

Index : Yes / No

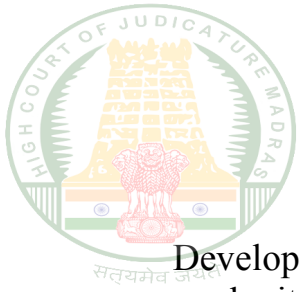
Internet : Yes

Neutral Citation: Yes

Speaking Order: Yes

To

The Tamil Nadu Small Industries



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Development Corporation
rep.by its Managing Director
Thiru Vi Ka Industrial Estate
Near SIDCO Electronics Complex
Guindy, Chennai 600 032.



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N.MALA, J.

AP

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