



W.A(MD).Nos.1028 & 1032 of 2019

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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RESERVED ON : 06.10.2025

PRONOUNCED ON : 15.10.2025

CORAM:

THE HONOURABLE MR.JUSTICE C.V.KARTHIKEYAN
and
THE HONOURABLE MR.JUSTICE R.VIJAYAKUMAR

W.A(MD).Nos.1028 of 2019 & 1032 of 2019
and
CMP(MD).Nos.9401 & 9422 of 2019

1.The Chairman Cum Managing Director
Tamil Nadu Small Industries Development Corporation
Head Office, Electronic Complex
Thiru.Vi.Ka.Industrial Estate
Guindy, Chennai 600 032

....1st Appellant/1st Respondent
in both appeals

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

....2nd Appellant/3rd Respondent
in both appeals

Vs

1.M/s.Susee Auto Plaza (P) Ltd.,
Represented by its Chief Executive Officer
Plot No.H4, SIDCO Industrial Estate
Kappalur, Madurai

....1st Respondent/Petitioner
in both appeals



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2.The Additional Chief Secretary to Government
Micro, Small and Medium Enterprises Department
Secretariat
Chennai 600 009

....2nd Respondent/2nd Respondent
in both appeals.

Prayer in WA(MD).No.1028 of 2019 : Writ Appeal filed under Clause 15 of Letters Patent, to set aside the order dated 19.02.2019 passed in WP(MD).No. 24683 of 2016.

Prayer in WA(MD).No.1032 of 2019 : Writ Appeal filed under Clause 15 of Letters Patent, to set aside the order dated 19.02.2019 passed in WP(MD).No. 20606 of 2017.

(In both writ appeals)

For Appellants : Mr.Veera.Kathiravan
Additional Advocate General
Assisted by
Mr.T.Sakthi Kumaran

For Respondents : Mr.Y.Prakash for R1

:Mr.S.R.A.Ramachandran
Additional Government Pleader for R2

COMMON JUDGMENT

(Made by **R.VIJAYAKUMAR,J.**)

These two writ appeals have been preferred by the first and third respondent in WP(MD).Nos.24683 of 2016 and 20606 of 2017 challenging the common order of the writ Court dated 19.02.2019.



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(A).Facts leading to the filing of the present writ appeals are as follows:

2.The first respondent in both the writ appeals was allotted an Industrial Plot in SIDCO, Kappalur through proceedings dated 23.07.2007. As per the said allotment order, the tentative cost was fixed at Rs.39,62,000/- and the said cost was valid up to 31.03.2007. It was further informed that it was only a tentative cost and on intimating the difference in the land cost, it should be paid in one lump sum.

3.As per Clause-2 of the above said allotment order, if the cost of the developed plot is not paid in full before the time limit fixed by SIDCO or before the end of the financial year in which the allotment is ordered, the plot cost shall be paid at the rate fixed, in respect of the land in the said Industrial Estate, for the financial year during which the plot cost is paid in full. Therefore, it is clear that the cost of the plot will depend upon the financial year (January to December as per SIDCO Regulation) in which the final payment is made.

4.An amended allotment order was issued to the first respondent on 07.10.2008 fixing the cost at Rs.77,38,800/- and the respondent was directed to pay the said amount within a period of 6 months from the date of the order. A payment was made to SIDCO on 27.11.2009 for a sum of Rs.22,29,000/- which was outstanding on the said date. Agreeing to pay the above said



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amount, an undertaking agreement was executed by the respondent.

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6.After several communications, the final impugned demand notice came to be issued on 10.07.2017, directing the respondents to pay the balance amount of Rs.45,94,400/- within a period of two months. This payment was issued on the ground that the outstanding amount is still there and the cost of the developed plot was fixed for the financial year 2017. This order was put to challenge in WP(MD).No.20606 of 2017.

7.The respondents herein had also filed WP(MD).No.24683 of 2016 seeking a Mandamus to direct the respondents to execute a registered sale deed by considering their representation dated 07.09.2016.

8.This Court by way of a common order dated 19.02.2019 had allowed both the writ petitions. Challenging the said common order, the present writ appeals have been filed.



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(B).Submission of the Counsels:

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9. According to the learned Additional Advocate General, as per allotment order dated 23.07.2007, the land cost is not a fixed one and it will depend upon the financial year in which the final payment is made. According to him, the land cost remained unpaid till the year 2017 and therefore, the impugned demand notice was issued for payment of a sum of Rs.45,94,400/- which is the value of the land for the financial year 2017. According to him, the writ Court was not right in arriving at a finding that for the land allotted in the year 2007-2008, a sum of Rs.45,94,400/- cannot be demanded by fixing the land cost which is prevailing in the year 2017. When the allotment order specifically points out that the land cost depends upon the financial year in which the final payment is made, the writ Court was not right in arriving at such a finding. Hence, he prayed for allowing the writ appeals.

10. Per contra, the first respondent had pointed out that all the payments have been completed in the year 2010 itself. Therefore, there is no rhyme or reason, in demanding the land cost based upon the value prevailing in the year 2017. Hence, he prayed for sustaining the order passed by the writ Court.

11. We have carefully considered the submissions made on either side and perused the material records.



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(C).Discussion:

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12. At the time of hearing of the writ appeal, the appellants have produced a working sheet with regard to the manner in which the land cost has been calculated under the impugned demand notice. The said working sheet has been signed by the Branch Manager, SIDCO, Madurai. A perusal of the working sheet reveals that the entire outstanding amount was paid in December 2010 itself. In fact, an excess amount of Rs.46,773/- was in the hands of the appellant Corporation. Thereafter, there was no outstanding from the respondents. However, under the impugned demand notice, the land cost has been refixed as per the value prevailing in the year 2017. This impugned demand notice is not in consonance with the allotment order dated 23.07.2007. If the land cost remained unpaid within a particular financial year, only the interest can be levied. Only if the unpaid land cost crosses a financial year, the land value prevailing in the next financial year has to be fixed by SIDCO.

13. In the present case, the cost was revised on 26.01.2010. On 08.11.2010, a sum of Rs.24,49,600/- was paid. A sum of Rs.9606/- was outstanding and along with interest, a sum of Rs.9727/- has to be paid. However, on 13.12.2010, a sum of Rs.56,500/- was paid for the due amount of Rs.9727/-. Therefore, an additional amount of Rs.46,773/- was pending in the hands of the appellant Corporation. In such circumstances, the appellant



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Corporation was not legally entitled to refix or enhance the land cost after 2010. The writ Court has rightly set aside the impugned notice and has directed the appellant Corporation to execute the sale deed.

(D).Conclusion:

14.In view of the above said deliberations, there are no merits in the Writ Appeals. Both the Writ Appeals stand dismissed. No costs. Consequently, connected miscellaneous petitions are closed.

(C.V.K.J.,)

(R.V.J.,)

15.10.2025.

Index :Yes/No
Internet :Yes/No
NCC : Yes/No
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To

1.The Additional Chief Secretary to Government
Micro, Small and Medium Enterprises Department
Secretariat
Chennai 600 009



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Pre-delivery Common Judgment made in
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