



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02.11.2021

CORAM:

THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

W.P.No.22402 of 2021 and WMP.No.23648/2021

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M/s.Steel Shoppe India Pvt Ltd.,
AC-5, 4th Floor, 2nd Avenue,
Anna Nagar West, Chennai 600 040
rep.by Mr.Panneerselvam
Director [Projects]

...Petitioner

-Vs-

- 1.The Managing Director
State Industries Promotion
Corporation of Tamil Nadu
Limited, [SIPCOT]
No.19-A, Rukmani Lakshmipathy Road
Post Box No.7223, Egmore
Chennai 600 008.
- 2.The General Manager [P-II] i/c
State Industries Promotion Corporation
of Tamil Nadu [SIPCOT]
No.19-A, Rukmani Lakshmipathy Road
Post Box No.7223, Egmore
Chennai 600 008.
- 3.The General Manager [P-I]
State Industries Promotion Corporation
of Tamil Nadu [SIPCOT]
No.19-A, Rukmani Lakshmipathy Road
Post Box No.7223, Egmore
Chennai 600 008.

... Respondents

Prayer:- Writ Petition filed under Article 226 of the Constitution of India praying for issuance of a Writ of certiorari calling for the entire records in pursuant to the order vide No.P-I/SIP-IRU/Steel Shoppe/2015-21 dated 25.06.2021 and the consequential order of rejection vide No.P-I/IRU/Steel Shoppe/213/2016 dated 07.09.2021 both passed by the 1st respondent and quash both of them.

For Petitioner	:	Mr.T.P.Prabakaran
For Respondents	:	Mr.S.Girish
		Standing counsel



O R D E R

This writ petition has been filed challenging the impugned proceedings of SIPCOT dated 25.06.2021 and the consequential rejection order dated 07.09.2021.

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2. The case of the petitioner is that they are carrying on the business of manufacturing and marketing of steel products. In the year 2015, the petitioner company applied before the first respondent for allotment of a plot for setting up the industrial unit. The allotment order was issued in favour of the petitioner company through letter dated 10.02.2016 and accordingly the petitioner was allotted Plot No.G-8(A) with an extent of 5 acres situated at SIPCOT Industrial Park at Irungattukottai. The lease was granted in favour of the petitioner for 99 years. The petitioner company had also made the entire payment in this regard. The lease deed also came to be executed in favour of the petitioner and the same was registered on 08.03.2016.

3. One of the conditions that was imposed against the petitioner is that the petitioner should commence commercial production / trial production within 30 months from the date of the allotment order, failing which it will result in the cancellation of the allotment and forfeiture of the amounts paid by the petitioner. It was further provided that the petitioner will have to commence the construction of the building within six months from the date of the allotment order and it must be completed within a period of 24 months from the date of allotment.

4. For various reasons, the petitioner was not able to comply with the above conditions and hence the petitioner applied for extension of time for a further period of one year to complete the construction of the factory building and implement the project. The extension of time was granted and it was also made clear that no further request for extension of time will be entertained from the petitioner.

5. The petitioner was not able to complete the construction within the time stipulated by the first respondent and hence made one more representation through email dated 10.06.2021. In the said communication, the petitioner had given an undertaking to the effect that they will commence trial production by December 2021. On receipt of the same, the first respondent issued an order dated 25.06.2021, whereby the petitioner was directed to remit a penalty of a sum of Rs.38,30,600/- along with 18% GST totalling a sum of Rs.45,20,108 within 30 days from the date of the order. The petitioner made a request for waiving the penalty and the same was rejected by the first



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<https://hcservices.ecourts.gov.in/hcservices/>



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+1 cc to Mr.T.P.Prabakaran, Advocate Sr.NO. 57060

W.P.No.22402 of 2021

MG(CO)

A.SK(26.11.2021)

02.11.2021