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W.P.No.10360 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 04.09.2024

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THE HONOURABLE MR.JUSTICE G.K.ILANTHIRAIYAN

W.P. No.10360 of 2024

and

W.M.P. Nos.11356 and 11358 of 2024

M/s.ABC Fruits

Represented by its Partnership Firm

No.701, Ankinayanapalli Village and Post

Bangalore-Chennai Highway

Bargur Taluk, Krishnagiri-635 104.

... Petitioner

Vs.

1.The General Manager,

SIPCOT Limited,

No.19A, Rukmani Lakshmipathy Road,

Egmore, Chennai-600 008.

2.The Project Officer,

SIPCOT Limited,

SIPCOT Industrial Park,

Hosur, Krishnagiri District,

Pincode-635 126.

... Respondents

PRAYER:- Writ Petition is filed under Article 226 of Constitution of India, praying to issue a Writ of Certiorarified Mandamus calling for the records pertaining to the order of the 1st Respondent dated 27.02.2024 in proceeding



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No.P-I/SIP-Hosur/ABC Fruits/2022 levying penalty for the Plot No.37-B measuring 6.5 acres marked as Schedule-B at SIPCOT Industrial Complex at Hosur Phase-I allotted to the petitioner and asked him to remit penalty of Rs.37,53,750/- and processing fee of Rs.11,800/- (including GST @ 18%) within 30 days from the date of this notice to examine for granting extension of time and requested to furnish Bank Guarantee within 30 days from the date of approval of first extension of time and quash the same and to direct the respondents to give extension of 24 months time to complete the project and commencement for the commercial production.

For Petitioner : Mrs.Rita Chandrasekaran
for Ms.R.Meenakshi

For Respondents : Mr.Abishek Murthy
Standing Counsel for SIPCOT

ORDER

The writ petition has been filed challenging the order passed by the 1st Respondent dated 27.02.2024 thereby imposing conditions to remit a sum of Rs.37,53,750/- towards penalty and processing fee of Rs.11,800/- in order to consider the applications submitted by the petitioner for extension of time for implementation of the project.



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2. The Respondents originally allotted the land in Plot No.37-B measuring 6.5 acres in favour of one M/s.Ankit Granites Ltd., by allotment order dated 21.12.1989 for setting up an Industrial Unit for the manufacture of Granite Tiles and slabs and also executed a lease deed dated 21.03.1990 registered vide Document No.1163/1990 for a period of 99 years.

3. While being so, in the year 2022 the transfer of leasehold rights of the subject plot in favour of the petitioner for the manufacture of fruit pulp and cold storage subject to the terms and conditions laid therein accordingly, a transfer of leasehold rights was granted to the petitioner by an order dated 22.12.2022. Thereafter, a modified lease deed was executed between the Respondents and the petitioner on 29.03.2023 and registered vide Document No.5973/2023 for a period of 99 years. As per the transfer of leasehold rights the petitioner has paid a sum of Rs.73,97,000/- to a differential land cost. Though the lease deed was executed on 29.03.2023, the erstwhile allottee has taken 6 months time to vacate the premises by removing all the granite stones and other materials. Thereafter, the petitioner found that the same premises could not be used and as such



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decided to demolish all the constructions and put up new construction for implementation of the project. Therefore, for removal of existing structure and to put up new construction, the petitioner ought to have got approval from the DTCP to establish warehouses for cold storage of fruits for export. Therefore, the petitioner submitted a representation on 10.01.2024 sought for extension of time for implementation of the project stating the reasons as follows:

“Sub: Request for demolition of old building in Plot N:37-B – Reg.

We hereby inform you that the old building in our Plot No:37-B which was used for Granite tiles manufacture, last 6 months we made a lot of alterations but we could not able to use the building for our purpose.

So, in this juncture we planned to demolish the building and to construct a new building as per our requirement. For this we need one year from this date to complete the construction.

We request you to permit for the same.”

4. On receipt of the same, the 1st Respondent by the impugned order dated 27.02.2024 imposed various conditions for considering the request



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made by the petitioner for extension of time. Accordingly, the petitioner was directed to pay a sum of Rs.37,53,750/- towards penalty and a sum of Rs.11,800/- towards processing fee including GST at the rate of 18% within a period of 30 days from the date of approval of first extension of time. It is also curious to know that conditions were imposed to examine the applications submitted by the petitioner for extension of time. That apart, the petitioner was directed to furnish bank guarantee and penalty was calculated at 15% of the value of the land per acre.

5. Perusal of the counter filed by the Respondents and the submissions made by Mr.Abishek Murthy, learned counsel for the Respondents revealed that as per the transfer of leasehold rights dated 22.12.2023 the new incumbent namely the petitioner herein shall implement the project within a period of 21 days from this order. Therefore, the petitioner ought to have implemented the project within a period of 12 months from 22.12.2022. Further, the petitioner did not filed any request for extension of time within a period of one year i.e., the date of expiry of one year period. The petitioner made request only on 10.01.2024 i.e., after



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expiry of one year from the date of transfer of leasehold rights in favour of the petitioner.

6. On perusal of transfer of leasehold rights order dated 22.12.2022 though there is a specific condition that new incumbent shall implement the project within a period of 12 months from the date of receipt of the letter, there is no failure clause. Admittedly, the modified lease deed was executed in favour of the petitioner only on 29.03.2023. The erstwhile leasehold right holder vacated the premises only after 6 months of modified lease. If the date of modified lease deed was taken for consideration, the petitioner submitted application for extension of time within a period of one year from the date of modified lease deed. Therefore, this Court finds infirmity in the order passed by the Respondent dated 27.02.2024 and it cannot be sustained.

7. In view of the above, the impugned order dated 27.02.2024 is quashed and the request made by the petitioner seeking extension of time for a further period of 12 months is allowed. If the petitioner fails to



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implement the project within a period of 12 months i.e., before 22.12.2024,
the Respondents are at liberty to take appropriate action as against the
petitioner for violation of the conditions.

8. Accordingly, the writ petition is allowed. No costs. Consequently,
the connected miscellaneous petitions are closed.

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Index: Yes/No
Speaking Order: Yes/No
Neutral Citation: Yes/No
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To:

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