



WA No.2952 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.03.2024

CORAM

THE HON'BLE MR.SANJAY V.GANGAPURWALA, CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

WA No.2952 of 2021
and CMP Nos.20052 and 20053 of 2021

M/s.JCBL Marrel Tippers Pvt. Ltd.,
Rep. by its Authorised Signatory,
Mr.Mani Sundaram-AGM-HR,
Plot No.B-7/1, SIPCOT Industrial Growth
Centre, Oragadam, Sriperumbudur-602105. .. Appellant

-VS-

1. The Managing Director,
State Industries Promotion Corporation
of Tamilnadu Ltd., No.19-A, Rukmani
Lakshmipathy Road, Egmore,
Chennai 600 028.
2. The Estate Officer,
State Industries Promotion Corporation
of Tamilnadu Ltd., Oragadam, Sriperumbudur. .. Respondents

Prayer: Writ appeal filed under Clause 15 of the Letters Patent
against the order of the learned Single Judge dated 24.09.2021
passed in W.P.No.4131 of 2021.

For the Appellant : Mr.V.P.Sengottuvel, Senior Counsel
for Mr.Krishna Ravindran



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For the Respondents : Mr.Abishek Murthy
Stdg. Counsel

* * * * *

JUDGMENT

(Delivered by the Hon'ble Chief Justice)

We have heard Mr.V.P.Sengottuvel, learned counsel for the appellant and Mr.Abishek Murthy, learned standing counsel for the respondents.

2. The present appellant had filed the writ petition challenging the communication dated 21.01.2021. Under the said communication, the SIPCOT alleged that the petitioner has not completed the project within the prescribed period. The said default amounts to non-observance and breach of conditions of Lease Deed and non-compliance of the terms of Allotment Order/Lease Deed. Under the said communication, the petitioner was directed to show cause as to why the allotment of the plot should not be cancelled and/or to resume the land.



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3. The writ petition filed by the petitioner was dismissed under the impugned order by the learned Single Judge.

4. The learned senior advocate for the appellant submits that there is no power to impose/levy penalty. The non-completion of the project was because of force majeure. It is submitted that the allotment letter was issued on 20.03.2020, just three days before the outbreak of Covid-19 pandemic. It was on 23.03.2020 the country-wide lockdown was imposed and all activities came to a stand-still. There was no way the project could have been completed by December, 2020.

5. According to the learned counsel for the respondents, the allotment to the appellant company was in the year 2006. The transfer of allotment was accepted upon the condition that the project would be implemented by December, 2020. The same was not implemented. The learned counsel further submits that the impugned communication is only a show cause notice. In fact, the petitioner/appellant ought to have filed a reply to the show cause notice and the



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authorities would have considered the reply. According to the learned counsel, if the petitioner/appellant files a reply to the show cause notice, the authorities would re-consider the same.

6. The learned senior advocate for the appellant submits that the project has been implemented completely.

7. It appears, in view of the submissions made, that the project has been implemented and for the delay caused in implementing the project, one of the reasons given by the appellant, is Covid-19 pandemic. The learned Single Judge had directed payment of penalty. However, the penalty was not at all imposed by the respondent SIPCOT. It was only a show cause notice that was issued.

8. As it is contended that the project has already been implemented and the impugned notice is only a show cause notice and no penalty was determined by the respondent SIPCOT nor the allotment was cancelled, we pass the following order:



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- a) The impugned order of the learned Single Judge qua the petitioner/appellant is quashed and set aside;
- b) The petitioner/appellant shall file a reply to the show cause notice dated 21.01.2021 within a period of fifteen days from today;
- c) The respondent shall consider the reply filed by the petitioner to the show cause notice and shall take a decision pursuant to the said show cause notice on its own merits in accordance with law and policy.

The writ appeal accordingly stands partly allowed. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

(S.V.G., CJ.)

(D.B.C., J.)

05.03.2024

Index : Yes/No
Neutral Citation : Yes/No

sra



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THE HON'BLE CHIEF JUSTICE
AND
D.BHARATHA CHAKRAVARTHY, J.

(sra)

To

1. The Managing Director,
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of Tamilnadu Ltd., No.19-A, Rukmani
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2. The Estate Officer,
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