



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18-02-2026

CORAM

THE HONOURABLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.No.6790 of 2026

AND

WMP.No.7366 of 2026, WMP No.7367 of 2026

M/s.T.H.Infrastructure Private Limited,
Rep. by its Authorised Signatory,
No.119, Naidu Street,
Kadampuliyur, Panruti Taluk,
Cuddalore District-607 103.

... Petitioner

Vs.

1. The Managing Director
The State Industries Promotion Corporation of Tamil Nadu,
(A Government of Tamil Nadu Undertaking),
No.19-A, Rukmani Lakshmipathy Road,
Post Box No.7223, Egmore,
Chennai-600 008.

2.The Canara Bank,
Dr.Rela Institute and medical Centre,
Chrompet,
Chennai-600 044.

... Respondents

Prayer: Writ Petition has been filed under Article 226 of Constitution of India, to issue a Writ of Certiorari, calling for the records comprised in the impugned communication made in P-VIII/ SIP-CUD/T.H. Infrastructure/2020-2026 dated 16.02.2026 on the file of the 1st respondent quash the same.

For Petitioner: Mr.P.Muthukumarasaamy

For Respondents: Mr.M.Suresh Kumar, AAG
Assisted by
Ramesh Venkatachalapathy
Standing Counsel (SIPCOT), for R1



ORDER

The writ petition is filed for a certiorari, calling for the records in respect of the impugned communication dated 16.02.2026 on the file of the first respondent and to quash the same.

2. Upon hearing the Learned Senior Counsel appearing on behalf of the petitioner and perusing the material records of the case, the petitioner's grievance is that when the earlier allottee failed to comply with conditions, the petitioner was given the modified lease deed in respect of the Plot Nos.C-14 to C-16 and C-16A, totally admeasuring to an extent of 64.49 acres. As per the terms of the lease deed, the petitioner ought to have completed the establishment of the industry and commenced production within a period of 30 months. Even though the same has expired, the petitioner could not do the same. However, there is a clause for extension that is contained in the lease deed itself, whereby the authorities are empowered to extend the time with such penalty. Originally, the authorities have also extended the time and it is admitted that even within the extended time, the petitioner could not complete the project and commence the commercial production.



3. The Learned Senior Counsel would submit that the process of putting up the unit has been commenced and it is in the process of construction.

Therefore, it is the contention of the Learned Senior Counsel that when the impugned show cause notice issued, the petitioner can show such cause and pray for even extension of time on such penalty. Without giving opportunity to the same, simultaneously it is understood that the respondents have sent letters to the Bank invoking the bank guarantee. Therefore, the petitioner is before this Court.

4. Per contra, the Learned Additional Advocate General submit that when show cause notice was originally issued on 19.08.2025, the petitioner did not even submit any reply. Under the said circumstances, the respondent authorities are proceeding further and even before invocation of the bank guarantee, one more show cause notice dated 04.02.2026 was issued.

5. I have considered the rival submissions made on either side and perused the material records of the case.

6. As rightly contended by the Learned Additional Advocate General, when the show cause notice was issued as early as on 19.08.2025 and when there is no response by the petitioner and the petitioner also having failed to



satisfy the respondent authority that he has completed the construction and commenced the commercial production, no exception whatsoever can be taken to the conduct of the respondent authority in proceeding to invoke the bank guarantee. However, since the submission is made by the Learned Senior Counsel that the process of putting up the unit has already been commenced in an extent of about 20 acres and the same is under progress and that they will submit their explanation duly seeking further extension of time, I am of the view that limited relief can be granted to the petitioner. Accordingly, this writ petition is disposed of on the following terms:

(i) The petitioner shall submit their detailed explanation to the show cause notice dated 19.08.2025 within a period of one week from the date of receipt of web copy of the order, without waiting for the certified copy of the order.

(ii) In the said explanation, it will also be open for the petitioner to indicate the time in which they will complete and they will commence production and seek for such extension of time. Let the explanation be considered in accordance with law by the first respondent and orders be passed as expeditiously as possible. Until such time, let the bank guarantee not be invoked.



WEB COPY

(iii) If the petitioner fails to submit any explanation as stated above, it will be open for the authorities to proceed further with the invocation of bank guarantee.

There shall be no order as to costs. Consequently, connected Miscellaneous Petitions are closed.

18-02-2026

Neutral Citation:No.
bsm
To

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D.BHARATHA CHAKRAVARTHY, J.
bsm

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