



WEB COPY

WP No. 6990 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30-03-2026

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THE HON'BLE MR JUSTICE KRISHNAN RAMASAMY

**WP No. 6990 of 2022
and
WMP.No.7020 of 2022**

M/s.Polyvinyl Products Private Limited,
Rep. by its Managing Director,
Plot No.A-7/ SIPCOT Industrial Park,
Gummidipoondi-601 201.

..Petitioner(s)

Vs

State Industries Promotion Corporation of Tamil
Nadu Limited,
Rep. by its Managing Director,
19-A, Rukumani Lakshmipathy Road,
Egmore, Chennai-600 008.

..Respondent(s)

Prayer: Writ Petition filed under Article 226 of the Constitution of India seeking issuance of writ of certiorarified mandamus, calling for the records of respondents in proceedings bearing reference No.P-II/SICG/504/ PPPL/91 dated 04.02.2022 and quash the same.

For Petitioner(s): Mr.V.Prakash, Senior Cousnel for
Mr.S. Gokul

For Respondent(s): Mr.R.Gunaalan



ORDER

This Writ Petition has been filed challenging the impugned order passed by the respondent dated 04.02.2022 calling upon the petitioner to pay the penalty or handover possession of the property citing reason that the petitioner did not carry on business in the subject property.

2. The learned counsel appearing for the petitioner would submit that in the present case, the subject property to an extent of two acres was allotted to petitioner's father and he passed away in the year 1997. Thereafter, the petitioner made an application for the purpose of sub-leasing the properties and the respondent also provided approval for sub-leasing the property by virtue of the order dated 09.12.2014 with certain conditions. He would submit that now he is ready to comply with the utilized portion.

3. The learned counsel appearing for the respondent strongly opposed for the same and would submit that since the leased out property was not utilized for the purpose of business, they issued notice for paying penalty or surrender it. It is only a show cause notice, however, sub-lease was granted on 09.12.2014 is only for sub-leasing 4078 sq.ft. of constructed area with conditions that the allottee shall utilize the balance area. The petitioner has not utilized the balance area therefore, they issued show cause notice.



4. Heard the learned counsel appearing for the petitioner as well as the respondent.

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5. In the present case, it is not in dispute on the said aspect that the respondent leased out the property measuring an extent of 2 acres to the petitioner for 99 years and further it is not in dispute that the original allottee carried on the business by constructing factory for 4078 sq.ft., out of two acres. As rightly contended by the petitioner, to carry on the industries, it is not necessary to carry the business within the factory, it can be carried out outside factory as well therefore, apart from constructed area, outside area also required to carry on business activities. The constructed area of 4078 sq.ft. is only for the purpose of Office use and the remaining area also utilized for business. However, he would submit that though the sub-lease was for 4078 sq.ft., he stated that within one year time, he is ready to utilize remaining portion area also.

6. Admittedly, there is no dispute on the said aspect that the property was sub-leased and the business is running for three years and subsequently extended. The SIPCOT has only to see without any stoppage the business is carrying on in the property leased out, if it is so, their objective is achieved. Admittedly, though the petitioner is not in a position to carry on the business, the property was leased out and they are carrying on business. Therefore, I am



unable to understand why when the property was utilized for the purpose of business activities by the lessee, the present show cause notice was issued. This Court is of the view that the respondent ought not to have issued show cause notice when the business is carrying on accordingly, the said notice is liable to be set aside.

7. In fine, this Writ Petition is allowed, quashing the show cause notice issued by the respondent dated 04.02.2022. In the event if any extension is sought for by the petitioner, the respondent is directed to consider the same. If the petitioner is intend to carry on business, he is directed to give an undertaking to carry on business. No costs. Consequently, connected miscellaneous petition is closed.

30-03-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

KKN



To

The Managing Director,
State Industries Promotion Corporation of Tamil Nadu Limited,
19-A, Rukumani Lakshmipathy Road,
Egmore, Chennai-600 008.



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KRISHNAN RAMASAMY, J.

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