
(2006) 04 KAR CK 0049
In the Karnataka High Court
Case No : Writ Petition No. 48270 of 2001

Serendipity Apparels (Private) Limited	APPELLANT
Vs	
The Karnataka Industrial Areas Development Board	RESPONDENT

Date of Decision : 04-04-2006

Acts Referred:

Citation : (2006) ILR (Kar) 2163

Hon'ble Judges : R. Gururajan, J

Bench : Single Bench

Advocate : B.K. Sridhar Rangarajan and Prabhakaran, for the Appellant; M.I. Arun, for the Respondent

Final Decision : Dismissed

Judgement

R. Gururajan, J.—Petitioner-M/s. The Serendipity Apparels (Private) Limited is before me in this petition seeking a Writ of certiorari quashing the order dated 3-12-2002 at Annexure-W.

2. Petitioner-Company is a manufacturer of apparels at Bangalore. Petitioner has approached the Karnataka Industrial Areas Development Board (for short, "the Board") for allotment of an industrial land. Land was allotted in terms of a letter of allotment dated 14-2-1994 at Annexure-A. Petitioner was issued with a possession certificate in terms of Annexure-B. Petitioner thereafter filed an application for exemption under the Urban Land Ceiling Act, 1976. Permission was granted. Petitioner thereafter submitted its project profile to the Board for allotment of land through single window agency clearance. Petitioner in its letter dated 17-11-1997 at Annexure-F that it required 500 KVA power and 900 KL of water. Earlier, while applying for land; it was felt that the company would require 300 KL of water. Later, it was felt that the petitioner-company would really require 900 KL of water.

3. In the meanwhile, petitioner-company also sought for extension of time for putting up the project. As the registration time expired, petitioner requested the

respondent-Board to modify the date and to issue such letter accordingly. Thereafter, respondent-Board has stated that it is not possible to supply 900 KL of water per day to the petitioner's unit and that it has to make its own arrangements in the matter. Petitioner arranged to dig a bore-well and the bore-well did not yield the required source of water in the matter. Petitioner once again made a letter dated 6-6-1998 and in the said letter it is stated that the project can be implemented only on the assurance of an uninterrupted supply of water and that it required an insertion in the clause in the lease-cum-sale agreement. There was correspondence between the petitioner in the matter of registration under the Karnataka Stamp Act, 1957. Petitioner refers to the correspondence in the body of the petition.

4. Respondent-Board, in the meanwhile, issued a show-cause notice on 3-2-2001 intimating as to why allotment is not to be cancelled for failure to adhere to the terms and conditions of allotment. Same was replied to by the petitioner. Thereafter, respondent-Board issued cancellation order in terms of Annexure-W. This cancellation order is challenged in this writ petition.

5. On receipt of notice, the Board entered appearance and a detailed statement of objections was filed. The Board denied various allegations made against it. The Board also says that at, no point of time it has given assurance with regard to supply of water as sought to be made out in the petition. The respondent-Board also would say that the land was allotted on 7-12-1993. Allotment letter was issued on 10-1-1994. Petitioner was to commence the activities within 24 months from 7-12-1993 i.e., on or before 7-12-1995. Petitioner did not complete the project. Respondent-Board in terms of the conditions agreed upon has chosen to issue Annexure-W. They justify their action.

6. Heard Sri Sridhar, learned Counsel for the petitioner and Sri M.L Arun, learned Counsel for the respondent.

7. Sri Sridhar, learned Counsel for the petitioner essentially argues that without the required quantity of water it is not possible for the petitioner to operate its manufacturing activities. He would also say that as on today, petitioner has shifted his business. Therefore, petitioner, however, would say that Annexure-W in the absence of required water supply is unsustainable in the eye of law.

8. Per contra, Sri Arun, learned Counsel for the respondent would argue that the Board has stated in its correspondence with the petitioner that it is not possible to supply the required quantity of water. He would justify by saying that the petitioner did not commence its operation and that therefore the Board is justified in its action in terms of Annexure-R1.

9. After hearing, I have carefully perused the material on record. It is seen from the letter of intent dated 7-12-1993 at Annexure-R1 that the Board has imposed several conditions while allotting the land to the petitioner. In Clause 11(a) of the said letter, it is stated that failure to fulfil any of the conditions at 1(a) to (g) of the time schedule, would result in cancellation of allotment in terms of the letter

of intent. It is seen that in terms of the standard conditions the petitioner was to commence its operation within 24 months from the date of confirmatory letter. It is admitted before me that the petitioner has failed to commence production in terms of the standard conditions. In the absence of commencement in terms of the conditions, it cannot be said that the Board has committed any illegality in cancellation of the allotment in the light of Clause 11 of the letter of intent. I do not find any illegality in Annexure-W on the facts of this case. Annexure-W requires to be confirmed by this Court.

10. However, I must notice the argument of non-availability of water supply in terms of the submissions made before me. It is no doubt true that in terms of Annexure-F, petitioner has stated that they may require 900 KL of water per day for manufacturing operations. They reiterated the same by its letter dated 6-2-1998. The Board has categorically stated that the Board is not in a position to supply 900 KL of water per day to the unit. They have only stated that the request of water supply would be considered only after the concerned scheme of supply water through Cauvery Source to the industrial areas on Hosur Road is implemented, and that till such time, petitioner has to make its own arrangement for the required amount of water. This letter is dated 23-5-1998. Even after this letter, petitioner has not chosen to commence production. In the light of Annexure-K I am not inclined to accept the plea of cancellation being bad in law on account of non-supply of water. Firstly, the Board never agreed to supply the required water. In terms of the statement made by the petitioner, there is no such condition. Hence, non-supply of water argument does not appeal to me.

11. At the time of arguments, I am told that the petitioner has shifted its business from the area of allotment and is operating elsewhere. This additional factor compels me to reject this writ petition.

12. Considering the facts of this case and in the light of Annexure-R1, no acceptable grounds are available to entertain this writ petition. Writ petition is rejected. No costs.