

**IN THE HIGH COURT AT CALCUTTA
CONSTITUTIONAL WRIT JURISDICTION
APPELLATE SIDE**

Before:

The Hon'ble Justice Hiranmay Bhattacharyya

WPA 16816 of 2024

M/s. Century Extrusions Limited & Anr.

Vs.

**West Bengal Industrial Infrastructure Development
Corporation & Ors.**

CAN 1 of 2025

For the Petitioners	: Mr. Jaydeep Kar, Sr. Advocate Mr. Avishek Guha Mr. Subhajit Das	 advocates
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For the WBIDTC	: Mr. Amit Kumar Nag Mr. Partha Banerjee Ms. Rishita Sarkar	...advocates
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For the IFCI	: Mr. Supriyo Gole Ms. Sudha Singh	...advocates
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Reserved on	: 12.05.2026
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Judgment on	: 17.07.2026
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Hiranmay Bhattacharyya, J.:-

1. The petitioner has prayed for setting aside the notice dated June 6, 2024 issued by the Chief Executive Officer, West Bengal Industrial Infrastructure Development Corporation (for short “WBIDC”) and for issuance of a mandamus directing the respondents to execute the deed of assignment in favour of the petitioner.

2. Facts giving rise to this writ petition in a nut shell are as follows-
3. The Deed of lease was executed on 29.11.1982 transferring the possession of 4.4921 acres of land within Mouza Sadatpur J.L. No. 89 within Kharagpur Industrial Park in favour of M/s. Bhubansri Plastic Industries Limited by WBIIDC for setting up of PVC, polypropylene, other plastic foils, films manufacturing industry.
4. M/s. Bhubansri Plastic Industries Limited took loans from M/s. IFCI Limited by mortgaging the leasehold rights on the aforesaid land in favour of M/s. IFCI Limited. Upon failure of M/s. Bhubansri Plastic Industries Limited to repay the outstanding loans, M/s. IFCI Ltd. being the secured creditor took over possession of the secured assets of M/s. Bhubansri Plastic Industries including the lease hold rights on the aforesaid plot of land. In exercise of power under Section 13(4) of the SARFAESI Act, 2002 upon proclamation of the sale of the secured assets of M/s. Bhubansri Plastic Industries by IFCI, the petitioner company participated in auction sale and became the successful purchaser of the leasehold rights in respect of the aforesaid plot of land. M/s. IFCI issued a sale certificate in favour of the petitioner. Upon receipt of intimation of such sale, WBIIDC issued a letter dated 16.08.2010 to IFCI and the petitioner, asking the petitioner to pay total amount of Rs. 15,95,335/- on account of transfer fee and outstanding maintenance/service charge for the purpose of granting approval of the proposed transfer of lease in favour of the petitioner company for the residual period of the original lease term. Upon receipt of the aforesaid amount, WBIIDC forwarded a draft deed of assignment under a covering letter dated 21.01.2011. Alleging that the petitioner did not take any steps for execution of the lease deed, a show cause notice dated 21.12.2021 was issued to the petitioner. Petitioner replied to the said show cause notice and also attended the hearing. Petitioner submitted the project implementation schedule and a written undertaking. Thereafter the WBIIDC forwarded a fresh draft of the deed of assignment of lease to the petitioner company on 31.05.2023. A second show cause notice dated 17.10.2023 was

issued to the petitioner company. Petitioner company duly replied to the said show cause notice. However, the Chief Executive Officer, WBIIDC issued a notice of cancellation of allotment of lands/ sanction for assignment/termination of lease by a letter dated 06.06.2024.

5. Being aggrieved by the notice of cancellation dated 06.06.2024 the petitioner has approached this Court.
6. Mr. Kar, learned Senior Counsel for the petitioner contended that the petitioner company was all along ready and willing to execute the deed of lease. He contended that there was no negligence on the part of the petitioner company with regard to execution of the deed of assignment of lease. He contended that as per the draft deed of assignment of lease forwarded by an authority of WBIIDC under a covering letter dated 31.05.2023, it is evident that the same has to be executed by the IFCI Limited and WBIIDC in favour of the petitioner company. He contended that immediately after receipt of the draft deed of assignment of lease the petitioner company requested the authorities of IFCI Limited in writing to remain present for the registration of the deed of assignment but such request was turned down by the authorities of IFCI Limited. He contended that such fact was also communicated to the authorities of WBIIDC. He further contended that in spite of making several requests to demarcate the land in question no steps were taken by the concerned authorities for demarcation of the said land. He further contended that the petitioner company could not have been made responsible for any encroachment upon the land in question. He contended that the show cause notices were duly replied to by the petitioner company by several letters. The clarifications sought for with regard to certain issues were also replied to. Petitioner also attended the hearing. He further contended that the petitioner company is in no way responsible for the alleged delay in execution of the deed of assignment of lease.
7. Mr. Nag learned advocate for the WBIIDC seriously disputed the submission of Mr. Kar. He contended that a draft deed of assignment of lease was

forwarded to the petitioner company under a forwarding letter dated 21.01.2011 and the writ petitioner did not take any steps for utilization of the land in question. He contended that the writ petitioner is guilty of inordinate delay and laches in approaching this Court. He further contended that after issuance of the Sale Certificate there is no necessity for execution and registration of a deed of assignment. He contended that Sale Certificate is a document of title and in support of such contention he placed reliance upon a decision delivered by an Hon'ble Division Bench of the Madras High Court in the case of ***K. Chidambara Manickam vs. Shakeena and ors.*** reported at ***AIR 2008 Mad 108***. He contended that the petitioner ought to have taken steps to utilize the land in question after WBIIDC accorded approval and the long delay in the matter of utilization of the land in question has not been explained by the writ petitioner. He further contended that the petitioner was in possession of the land in question and failed and neglected to keep the land free from encroachment. He further contended that the authority of the WBIIDC found the reply to the show cause notices to be not satisfactory and for such reason the letter of termination dated June 6, 2024 was issued. He contended that the principles of natural justice have been followed by the respondent authority and, therefore, the notice of cancellation should not be interfered with by this Court.

8. Heard the learned advocate for the IFCI Limited.
9. In reply, Mr. Kar, learned Senior Advocate contended that when the authorities of WBIIDC forwarded the draft deed of assignment, the said authority cannot now contend that after issuance of the Sale Certificate there is no necessity for execution of the deed of assignment. He further contended that the requisite permission, licenses etc. cannot be obtained from the concerned authorities for the purpose of carrying on the business without the deed of assignment. Financial assistance shall not be extended in favour of the petitioner company without the registered deed of assignment.

10. Heard the learned advocates for the parties and perused the materials placed.
11. It is not in dispute that the petitioner company became the successful transferee of the leasehold rights of all that piece and parcel of 4.4921 acres of land within the Kharagpur Industrial Park and the IFCI Limited issued a Sale Certificate in favour of the petitioner in respect of the aforesaid property. Upon receipt of the written intimation of the said sale, the authority of the WBIIDC, by a letter dated 16.08.2010, directed the petitioner company to pay the transfer fee amounting to Rs. 10,33,183/- and outstanding maintenance/service charge up to 31.03.2010. It is not in dispute that the aforesaid amount has been duly paid by the petitioner company. Thereafter, a draft deed of assignment was forwarded to the petitioner company under a covering letter dated 21.01.2011.
12. A show cause notice dated 21.12.2021 was issued to the petitioner for non-utilisation of the aforesaid land. The said show cause notice was duly replied to by the petitioner company and an opportunity of hearing was also afforded to the petitioner. At the hearing held on 18.02.2022 the petitioner was requested to submit DPR as well as the building plan and a written undertaking.
13. Petitioner duly submitted the project implementation schedule and the written undertaking in terms of the aforesaid direction.
14. After being satisfied that the petitioner has complied with the decision taken in the meeting held on 18.02.2022, WBIIDC forwarded a fresh draft of the deed of assignment of lease to the petitioner and IFCI under a forwarding letter dated 31.05.2023. By the said letter, the petitioner was also requested to clear all outstanding dues towards user charges and pay a sum of Rs. 2,17,063/- on account of ground rent for the period from 1982 to 2006 together with GST at the rate of 18%; annual rent for the (Backlog) period 2007-2023; annual rent for advance 20 years period i.e., from 2024 to 2043 together with GST.

15. Immediately upon receipt of the said letter, the petitioner company paid the said amount on 12.06.2023. The said payment was also acknowledged by the WBIIDC. Thereafter, the second show cause notice dated 17.10.2023 has been issued to the petitioner.
16. The allegation contained in the show cause notice is that the petitioner failed to take necessary steps for execution and registration of the deed of assignment within the time limit specified in the letter dated 31.05.2023; that the petitioner has not paid the sum of Rs. 2,17,063/- towards ground rent/annual rent as directed by the letter dated 31.05.2023; that the petitioner has not only kept the land un-utilized for any industrial purpose but also have caused /effected/allowed accommodation for unknown persons and for causing illegal encroachment/encumbrances/constructions on the land of the Corporation.
17. The said show cause notice was duly replied to by the petitioner company by a letter dated 07.02.2011 and the WBIIDC by a letter dated 10.02.2023 acknowledged that the payment in terms of the letter dated 31.05.2023 for an amount of Rs. 2,17,063/- has been made by the petitioner company. However, the Chief Executive Officer, WBIIDC issued a letter of termination dated 06.06.2024 inter alia on the ground that the petitioner failed to execute the title deed in respect of the land in question and has failed and neglected to implement the industrial project in spite of submitting written undertaking in that regard and also that the petitioner failed to utilize the land for any industrial purpose but kept the land completely vacant, barring the encroachment.
18. At this stage it would be relevant to point out that the deed of assignment of lease, the final draft of which was forwarded to the petitioner company under a covering letter dated 31.05.2023, has to be executed between IFCI and WBIIDC and the petitioner company.
19. Record reveals that the petitioner company by several letters requested the authorities of IFCI to remain present for registration of the deed of

assignment. From the communication made by IFCI Limited through e-mail dated 04.06.2024 it appears that the stand of IFCI at the relevant point of time was that the same was beyond the purview of IFCI Limited. Record further reveals that the stand of the IFCI with regard to execution of the deed of assignment was communicated to the Chief Executive Officer, WBIIDC in writing. Thus, it cannot be said that the petitioner company was solely responsible for the delay in execution and registration of the deed of assignment.

20. In so far as the allegation that the petitioner has kept the land unutilized for a substantial period of time in violation of the terms and conditions of the original lease deed, this Court is of the considered view that after issuance of the letter dated 31.05.2023 directing the petitioner to execute the deed of assignment of lease and to make the payment, WBIIDC could not have taken into consideration the past conduct, if any, while issuing the show cause notice dated 17.10.2023. Default, if any, was condoned with the issuance of the letter dated 31.05.2023.
21. That apart, the petitioner having altered its position by making payment of the annual rent for the period from 2007 to 2023 as well as advance rent till 2043 could not have been penalized for not utilizing the land in question at this stage. From a bare perusal of the draft deed of assignment of lease more particularly Clause 29 thereof, it appears to this Court that the timeline for construction of the factory or other permitted facilities on the demised land as well as commencement of commercial production would start to run from the date of execution of the deed of assignment of lease.
22. Since the deed of assignment of lease is yet to be executed and registered, the time line for acts to be done by the petitioner did not start to run. Therefore, the stipulation contained in the deed of assignment of lease could not have been invoked for the purpose of cancellation of the letter of allotment.

23. After a decision has been taken by WBIIDC that a deed of assignment should be executed and registered by and between the parties, such authority could not have issued the termination letter alleging violation of the terms and conditions of the original lease deed of the year 1982. To the mind of this Court, the respondent authority exceeded its jurisdiction by issuing the notice of cancellation of the allotment vide letter dated 06.06.2024.
24. However, in course of hearing of this writ petition the authorities of IFCI Limited have communicated their decision through their learned advocate that IFCI is agreeable to execute the deed of assignment. The submission of the learned advocate representing the IFCI to such effect has been recorded in the order dated 07.04.2026.
25. In ***K. Chidambara Manickam (supra)*** it was held that the sale of the secured asset in public auction as per Section 13(4) of the SARFAESI Act, which ended in issuance of a Sale Certificate as per Rule 9(7) of the Rules is a complete and absolute sale for the purpose of the SARFAESI Act and the same need not be registered under the provisions of the Registration Act. The said decision cannot come to the aid of WBIIDC in the case on hand as in the instant case, the WBIIDC forwarded the draft deed of assignment of lease to the petitioner for execution and registration of the same, upon being intimated that the Sale Certificate has been issued in favour of the petitioner.
26. For all the reasons as aforesaid this Court holds that the reasons for the delay in execution and registration of the deed of assignment pursuant to the letter dated 31.05.2023 are not solely attributable to the petitioner company. In light of the aforesaid observations this Court is inclined to interfere with the notice of cancellation dated 06.06.2024 issued by the Chief Executive Officer, WBIIDC.
27. Accordingly, the notice of cancellation dated 06.06.2024 issued by the Chief Executive Officer, WBIIDC is set aside. The respondent authorities are

directed to execute the deed of assignment, the draft copy of which was forwarded to the petitioners under covering letter dated 31.05.2023 as expeditiously as possible but positively within a period of four weeks from the receipt of a server copy of this order.

28. WPA 16816 of 2024 stands allowed with the aforesaid directions. Pending application stands disposed of accordingly. There shall be, however, no order as to costs.
29. Urgent photostat certified copies, if applied for, be supplied to the parties upon compliance of all formalities.

(HIRANMAY BHATTACHARYYA, J.)