

**IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION**

**CIVIL APPEAL NOS. _____/2026
[@ SLP (C) NOS.10758-10759/2026]**

M/S A.S. CARRIERS PVT. LTD.

Appellant(s)

VERSUS

**STATE INDUSTRIES PROMOTION
CORPORATION OF TAMIL NADU LTD**

Respondent(s)

O R D E R

1. Leave granted.
2. The present appeals have been filed challenging the impugned judgment passed by the High Court of Judicature at Madras in Writ Appeal Nos. 2043/2023 and 920/2023, whereby, the learned Division Bench upheld the levy of sub-leasing charges by the respondent-SIPCOT, by allowing the writ appeal filed by the respondent. Initially, the writ petition was filed by the appellant seeking to quash the communication dated 28.04.2014, wherein, the respondent issued a demand against the appellant to remit a sum of Rs.5,09,52,037/- along with the Service Tax at the rate of 12.36%, within a period of 90 days.
3. The learned Single Judge allowed the writ petition, by holding that there was no clause as per the lease deed which authorized the respondent to

demand sub-lease charges unilaterally, when warehousing facilities were let out to third parties. The learned Single Judge further relied upon a clarificatory letter issued by the respondent dated 14.10.2004, which made it permissible for the appellant to lease warehousing and logistic facilities developed by it. It was further observed that the appropriate remedy in violation of terms of lease deed, would have been to cancel the allotment order itself, and not that of raising a unilateral demand.

4. Aggrieved, the respondent preferred a writ appeal before the Division Bench. The same was allowed by holding that the conditions stipulated in Clause 39 of the lease deed must be read in the context of the Public Trust Doctrine. It was further held that Clause 39 empowered the respondent to impose any further conditions and stipulations or alterations in the regulations, necessary at any time for the establishment or for benefit of the Industrial Park. Additionally, it was held that the appellant's action amounted to unjust enrichment, as it was paying an annual rent of only Rs.1/- for the entire property, whose portions were sub-leased to third parties for much higher commercial gains. It

was accordingly held that the appellant is liable to pay sub-leasing changes in terms of Clause 39 of the agreement.

5. Aggrieved, the appellant is before this Court.

6. We have heard the learned counsel appearing for the parties.

7. We are inclined to interfere with the impugned order only on a limited ground as the appellant-company was admittedly not heard before passing the order/letter of demand dated 28.04.2014, based upon the factual premise. Certainly the said order has got its own consequences.

8. In such view of the matter, we are inclined to set aside the impugned order passed by the High Court as well as the order raising demand of Rs.5.09 Crores, on the factual premise that the properties in question have been put on sub-lease.

9. Accordingly, the impugned order(s) and the order/letter of demand dated 28.04.2014 raised by the respondent stand set aside. The respondent is granted liberty to issue a fresh show cause notice, prior to raising any such demand(s), based upon which any purported action is sought to be taken against the appellant.

10. All the issues are left open.

11. The appeals stand allowed, accordingly.

12. Pending application(s), if any, shall stand disposed of.

.....J.
[M.M. SUNDRESH]

.....J.
[PRASANNA B. VARALE]

NEW DELHI;
SEPTEMBER 18, 2026.

ITEM NO.54

COURT NO.3

SECTION XII

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 10758-10759/2026

[Arising out of impugned final judgment and order dated 06-02-2026 in WA No. 2043/2023 06-02-2026 in WA No. 920/2023 passed by the High Court of Judicature at Madras]

M/S A.S. CARRIERS PVT. LTD.

Petitioner(s)

VERSUS

STATE INDUSTRIES PROMOTION
CORPORATION OF TAMIL NADU LTD

Respondent(s)

Date : 18-09-2026 These petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE M.M. SUNDRESH

HON'BLE MR. JUSTICE PRASANNA B. VARALE

For Petitioner(s) Mr. Senthil Jagadeesan, Sr. Adv.
Mr. A. Lakshminarayanan, AOR

For Respondent(s) Ms. Purnima Krishna, AOR

Mr. Prashanto Chanrda Sen, Sr. Adv.
Ms. Vrinda Bhandari, AOR
Ms. Pragya Barasaiyan, Adv.

UPON hearing the counsel the Court made the following

O R D E R

Leave granted.

The appeals stand allowed in terms of the signed order.

Pending application(s), if any, shall stand disposed of.

(ASHA SUNDRIYAL)
DEPUTY REGISTRAR

(POONAM VAID)
ASSISTANT REGISTRAR

[Signed order is placed on the file]