

**A BILL TO AMEND THE AZAMABAD INDUSTRIAL AREA
(TERMINATION AND REGULATION OF LEASES) ACT, 1992.**

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-ninth Year of the Republic of India as follows:-

*Short title and
commencement*

1. (1) This Act may be called the Azamabad Industrial Area (Termination and Regulation of Leases) (Amendment) Act, 1998.

(2) It shall come into force on such date as the Government may, by notification in the Andhra Pradesh Gazette, appoint.

*Amendment of
preamble*

2. In the preamble to the, Azamabad, Industrial Area Termination and Regulation of Leases) Act, 1992 (hereafter referred to as the principal Act), for the last paragraph, the following shall be substituted, namely:-

Act 15 of 1992.

"And whereas it is necessary to give effect to the Directive Principles of State Policy as contained in clauses (b) and (c) of article 39 of the Constitution of India;

And whereas it is considered expedient, in public interest, to terminate by law such of the existing leases or other arrangements made or entered into in respect of demised plots or portions thereof in Industrial Area, Azamabad, Hyderabad, which attract any of the grounds stated in clause (b) of sub-section (1) of section 3, to curb, misuse or violations and to prevent the non industrial use, including unauthorised constructions and to regulate the leases afresh, as may be decided by the Government, with such uniform terms and conditions including reduced lease period and revise rates of premium and quit rent and adoption of standard format of lease deed, thereby ensuring maximum use of existing infrastructure facilities and proper management of valuable urban property of the Government."

*Substitution of new
sections for sections 3
and 4.*

Act 9 of 1872

Act 4 of 1882

3. For sections 3 and 4 of the principal Act, the following shall be substituted, namely:-

Termination of 3. (1) (a) Notwithstanding anything contained in the Leases. Indian Contract Act, 1872, the Transfer of Property

Act, 1882, or any other law for the time being in force, and the terms and conditions of any lease entered into or other arrangement made with any person in respect of any demised plot either by the erstwhile Nizam's Government or by the erstwhile Government of Hyderabad or by the Government of Andhra Pradesh prior to the appointed date, all those leases, sub-leases or other arrangements made or entered into through a registered deed or otherwise in respect of all demised plots in Azamabad Industrial Area which after due enquiry attract one or more of the ground for cancellation of lease as specified in clause (b) shall stand terminated on the appointed date and there upon all such leases, sub-leases or any other arrangement whatsoever made by the person in occupation of the demised plot shall stand annulled and every such demised plot shall vest

in the Government free from all encumbrances.

(b) Notwithstanding anything contained in any other law for the time being in force, the leases of plots or portions shall be cancelled on either all or any of the following grounds namely:-

- (i) Misusing of land for a purpose other than the purpose for which land was allotted including non-user; or;
- (ii) Sub-letting or transferring the plots or portions of plots by entering into disguised partnerships and other unauthorised transfer of interest in the plot, or
- (iii) violation of any terms, conditions or covenant specified in the Lease Deed.

Explanation: For the purpose of this Act, where a lessee enters into a partnership, agreement or other arrangement for carrying on any activity whatsoever on the demised plot, then notwithstanding anything in the Indian Partnership Act, 1932, it shall also be deemed to be a violation of the conditions of the lease.

Central Act, 9 of 1932.

(2) Lessees of plots whose leases shall not be cancelled under clause (b) of sub-section (1) shall be entitled to a grant of fresh lease with effect from the appointed date and renewal thereof from time to time on such terms and conditions as may be prescribed by the Government.

(3) The Lessees specified in sub-section (2) may, in lieu of renewal of lease, opt for free-hold rights in respect of the demised plots of land by paying a price equivalent to 75% of the market value as specified for the area in Market value Guidelines under section 47 (a) of the Indian Stamps Act, 1899.

Central Act 2 of 1899.

(4) Upon the termination of the leases or other arrangement in respect of the plot under sub-section (1) the rights and liabilities as between the parties to the lease or other arrangement in respect of plot shall cease and determine, but any amount due to the Government from the aforesaid person under the lease or other arrangement so terminated shall be recovered as an arrear of land revenue.

Application for fresh lease

4. (1) On termination of lease or other arrangements made under clause (a) of sub-section (1) of section 3, a person in occupation and running an industry on the appointed date may apply for a fresh lease in the manner prescribed.

(2) On receipt of an application under sub-section (1), the Competent Authority may, where he is satisfied that the applicant has actually been using the demised plot for industrial purpose, and he deserves grant of lease, shall grant a lease on such terms and conditions as may be prescribed."

Amendment of section 5.

5. In section 5 of the principal Act, in sub-section (1), --

(a) (i) in sub-section (1), for the expression "Under sub-section (1) of section 3 and where no fresh lease has been granted under section 4, the

person in occupation of such demised plot", the expression "under clauses (a) and (b) of sub-section (1) of section 3, and where no fresh lease has been granted to the occupant if any under sub-section (2) of section 4, the lessee or the occupant as the case may be of such demised plot" shall be substituted;

(ii) in the first proviso, for the words "the person in occupation of the demised plot", the words "the lessee or ther occupant as the case may be of such demised plot" shall be substituted;

(iii) in the second proviso, for the words "the person in occupation of such plot", the words "the lessee or the occupant as the case may be of such demised plot" shall be substituted;

(b) in sub-section (2), for the words "where the person in occupation of the demised plot", the words "where the lessee or ther occupant as the came may be of the demised plot" shall be substituted;

*Omission of
section 11.*

6. Section 11 of the principal Act shall be omitted.

*Omission of
section 19.*

7. Section 19 of the principal Act shall be omitted.

*Amendment of
section 21.*

8. In section 21 of the principal Act, in sub section (2), for clause (e). the following shall be substituted, namely:-

"(e) Revision of rent, premium, quit rent from time to time and the collection thereof or any other amount due from any person in respect of the demised plot."

STATEMENT OF OBJECTS AND REASONS

The Azamabad Industrial Area (Termination and Regulation of Leases) Act, 1992 (A.P. Act 15 of 1992) was enacted with the main object in the Public Interest to terminate by law, all existing leases or other arrangements made or entered into in respect of all demised plots or portions thereon in industrial area, Azamabad, Hyderabad, to curb misuse or unauthorized use of Government Land and to grant leases afresh on uniform terms and conditions. A series of Writ Petitions were filed before the Hon'ble High Court of Andhra Pradesh, challenging the validity of the said Act and the Hon'ble High Court of A.P. in W.P. No.12180/94 and batch upheld the validity of the said Act in their Judgement Dt. 18th August, 1994. Aggrieved by the said judgement of the Hon'ble High Court of Andhra Pradesh, some of the industrial occupants of the said Industrial area have filed Special Leave Petitions before the Supreme Court and the same is pending. While the matters stood thus, Government considered that it is necessary to make a special provision in the Said Act, for revision of rent, giving fresh lease-hold rights and termination of the existing leases by following due procedure of show cause notice etc., in the Act. Accordingly, it has been decided to amend the said Act, suitably.

This Bill seeks to give effect to the above decision.

N.CHANDRABABU NAIDU

Chief Minister

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 1(2) of the Bill authorize the Government to issue notifications in respect of the matters specified therein and generally to carryout the purpose of the Act. All Notifications so issued which are intended to cover matters mostly of procedural nature are to be laid on the table of the Legislative Assembly of the State and will be subjected to any modification made by the Legislative Assembly.

The provisions of the Bill regarding delegated Legislation are thus of a normal type and are mainly intended to cover matters of procedure.

N.CHANDRABABU NAIDU

Chief Minister

MEMORANDUM UNDER RULE 95 OF THE RULES OF PROCEDURE AND
CONDUCT OF BUSINESS IN THE ANDHRA PRADESH LEGISLATIVE ASSEMBLY.

The Azamabad Industrial Area (Terminations and regulation of Leases) Act, 1998 after it is passed by the Legislative Assembly of the State may be reserved by the Governor for the consideration and assent of the President under Article 31 read with article 254(2) of the Constitution of India.

N.CHANDRABABU NAIDU

Chief Minister

C. VENKATESAN

Spl. Secretary to Assembly