

Guarantee *Rajesh Patel (P)* *Prady* *76178* *(P)*

AZAMABAD INDUSTRIES ASSOCIATION

1-8-582, Industrial Area, Azamabad, Hyderabad - 500 020
Phones: 7631077, 7631290

588
76178
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President :

T. R. Gosl

Vice-President :

Subhash Agarwal

Secretary :

Soma Suresh

Treasurer :

Rajesh Patel

Ph: 7662680, 7631077

Ph: 7663364, 7663397

Ph: 7666015, 7633113

Ph: 7666015, 7666380

(P) 76178
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Date 02.07.02

Dear Members,

76178

You are all aware that the Commissioner of Industries has issued notices to all the Units located in Azamabad Industrial Area. The notice discloses that all the leases have been terminated and further that the Government is demanding the Arrears in the form of Quit Rent and Premium from all the units. The Commissioner has given 30 days time for all of us to comply with the notices.

It is decided to hold a meeting on 4th July 2002 at 3.0 PM at Andhra Chemical Company (Ph No. 7666563) to decide the course of action to be adopted by all the members uniformly.

All the members are requested to make it convenient to attend the meeting positively as we have to decide several other issues connected with the Leases and the further course of action.

Thanking you,

Yours faithfully,

For Azamabad Industries Association

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Secretary

Note : Please bring the copy of the Notice received by you

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AZAMABAD INDUSTRIES ASSOCIATION

3.9.2001

1-B-582, Industrial Area,
Azamabad, Hyderabad - 500 090

The Competent Authority
(Azamabad Industrial Area)
The Commissioner of Industries
Chirag Ali Lane
HYDERABAD.

10/5/01
10/5/01
2

DATE _____

Sub: Azamabad Industrial Area; Conversion of lease rights to free hold rights; req.
Ref: Our letter dated 16.4.2001.

Dear Sir,

As per the provisions of the Azamabad Industrial Area Termination and Regulation of Leases Act 1989, 1992 We would like to enlighten a few facts and put forth our views, suggestions and request the Govt., which, is aware of the situation, and would help to resolve the whole issue unbiased and in a justified manner at the earliest ; and immediately for converting lease hold rights to free hold as referred in our previous letters and our letter dated 16.4.2001, mentioned above.

Following are the points, which need to be considered in mind for immediate action for smooth functioning of our industries in Azamabad.

1. We are the lessees of this land for 99 years from about 1938 onwards.
2. We have paid to the then Govt. more than the value of free hold land in those days ; as premium amount.
3. We are regularly paying the taxes and quit rent to the Govt.
4. We are in dire state of trouble due to various reasons beyond our control , to list a few :
 - a. Most of the products that we are dealing in are no more lucrative in price due to various reasons of fast trade and competitiveness and better quality by other manufacturers operating beyond Azamabad. As they have latest plant and machinery and have no liquidity problems and we are unable to pledge the land with bank being on leased property we have to seek permissions from Industries Dept. for pledging land documents for availing loans from banks.
 - b. We have been forced to live in a environment of non co-operation from the different Govt. dept. on industrial activities; due to which the survival is now at stake and has become very difficult to run the units, most of which are small-scale industries. The conversions of lease hold rights to free hold rights for the past twelve years has been withheld even after passing bills and acts by the Govt. in the assembly. Until and unless we are given permissions for expansion, diversification and modernization and give us further future permissions as and when required and situations demand for the development of business in the tenure of lease .If not, we shall have to face various difficulties which the Govt. will be responsible for the change of activities in the lease lands, because we have to do so for our survival and livelihood. To avoid all such situations, the best solution would be to convert leasehold rights to free hold rights.

AZAMABAD INDUSTRIES ASSOCIATION

1-8-582, Industrial Area,
Azamabad, Hyderabad 500020

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DATE _____ 19

24-8-95

DL 11/11/1995

The Commissioner of Industries,
Siragani Lane,
Hyderabad.

Respected Sir,

In the year 1935-36, the then H.E.H., the Nizam's Government through its Department of Commerce and Industry with the sole aim of Industrial Development in Hyderabad State, and to promote employment, took up the scheme of offering for sale, the then barren and uninhabited land between the cities of Hyderabad and Secunderabad now called "Azamabad Industrial Area, Musheerabad, Hyderabad to the extent of about 130 to 140 acres divided in to small plots ranging from 0.75 acres - 5 acres, to the intending industrialists. The development of this area was energetically taken up by the Nizam's Government promising several facilities for those interested in starting industries in this area. Ref: Circular of HEM Nizam Government No. C.G/105/21/36 issued on behalf of the Secretary to Government Department of Industries, Hyderabad. H.E.H. Nizam's Government with the H.E.R. the Nizam's State Railways in this regard is appended herein for your kind perusal.

In pursuance of the offer for sale, of the said plots at various prices, between O.S. Rs. 1500 and O.S. Rs. 3,000 per acre, as will be seen from the plan of plots reproduced on the reverse of the circular referred above. Certain Industrialists have acquired and took possession of the plots, after paying a considerable amount and constructed factories & developed infrastructure, and started running industries. It is submitted that the then value of the land in the vicinity to the said Industrial Area was itself more than Rs.1000/- per acre, on our right hand side. The industrialist have paid more as a consideration for the industrial facilities.

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AZAMABAD INDUSTRIES ASSOCIATION

1-8-582, Industrial Area
Azamabad, Hyderabad, 500011

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DATE _____ 19

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We request the following;

1. The original leasees of Azamabad Industrial area have already paid the premium amount which was much higher than the prevailing land value of that area when we took possession. (Contrary to the policies of industrialisation).
2. Demanding again for a premium for the industrial area totally developed due to the hardships and struggle of occupants entrepreneurs and the present attitude of terminating the leases by the Govt. gives a negative growth to industrial environment and economy of the State, Moreover if the state Government goes back on the very agreement which it executed with the lease holders for 99 years and order for a fresh lease for 25 years would send negative signals to the industrialists, entrepreneurs, NRIs, Foreign Companies etc. whom the Govt. is trying to attract to invest in the state and moreover such Acts show unjust administration.
3. We suggest that the Govt. convert all the leases into free hold lands without any encumbrance and conditions or restrictions in line with the present policy of reinvestment and liberalisation opted by the Govt. as done in Secunderabad by GO 816 of 1994.
4. However, the lands were not actually transferred in the name of leasees even though all the industries had paid their monies to the then Govt and obtained the possession of land with due faith & clear understanding, that this land was for sale. However it was very unfortunate on our part that we agreed to enter into these lease wherein it was mentioned that these were to be given on 99 years lease because of the reason that 99 years lease has always been considered as permanent Patta of land. After establishing industries by investing huge amounts in buildings and machinery i.e after 15 to 20 yrs. The govt. insisted for lease deeds there was no other alternative but to enter into leases. The lands were taken on lease because industrialists did not have any alternative to it as they already had invested huge amounts on these land in buildings and plant and machinery and had already started doing business here.

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AZAMABAD INDUSTRIES ASSOCIATION

1-8-582, Industrial Area,
Azamabad, Hyderabad-500020

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The Government of Andhra Pradesh is today offering land to encroachers at 75% of the market value. We are the legal lease land property holders of this Industrial land and are running industries from 1938 onwards. And a proposal in The Supreme Court by the Govt. to make it free hold at present market value of land is totally unethical, biased, unfair and unjust.

Hence we suggest that the Government as per its present policy of disinvestment should convert leases of Azamabad into free hold Industrial land at nominal rate as done in Secunderabad under GO 816 of 1994.

With Respectfull Regards,

FOR AZAMABAD INDUSTRIES ASSOCIATION.

SECRETARY

1. Advt: Copy of Azamabad industrial area land offered for industrial development for sale.

Go. Ms. No. 816 Dt. 9.8.94 directing the conversion of lease land into freehold land of Sec'bad Area.

Copy to: 1. Principal Secreatary, Govt. of A P.

2. ^{The} ~~Govt~~ Secretary, Industries and commerce
3. Chief minister of AP
4. Federation of A P Chamber of commerce and industries
5. Federation of Indian chamber of commerce and industries

Date: 2.8.95.

To
Members of Azamabad Industries Association,
Azamabad,
HYDERABAD.

Sir,

All the members are requested to attend the meeting on 4.8.95 at ^{5 PM} 11:00 AM at Andhra Chemical Co. to discuss the matter regarding our case in Supreme Court. The Government of Andhra Pradesh has filed status report indicating individual status of all the lease holders and violation.

A copy of the status report is enclosed for your reference and are requested to give the details in respect of this for filing in the Supreme Court if necessary and asked for before 26.8.95 as the suit case is on 29.8.95.

Please treat this as urgent and make sure that you attend the meeting positively and also to discuss for the matters.

Account statement shall be shown for your approval and satisfaction on the same day.

Thanking you,

Note: You are requested to submit status report before 29.8.95 of your unit with relevant papers in quadruplicate.

Please furnish the following particulars in quadruplicate before 20/8/95.

1. Name of the Company.
2. Line of Activity.
3. Workers Employed.
4. Investment in Plant-Building/Machinery.
5. Details of Taxes paid during last 2 years - (Electricity, Sales Taxes, Central Excise etc.,).

AZAMABAD INDUSTRIES ASSOCIATION

HON: SECRETARY'S OFFICE:

C/o. ALLIED INDUSTRIES

1-8-582, Industrial Area,
Azamabad, Hyderabad-500 020.

Phone : 6 2 6 8 0

Date.....198 .

Dt 7.9.94

To
All the Members of the Association,

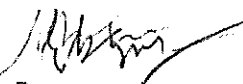
sir,

An urgent meeting of the association will be held on 8.9.94, Thursday, at 5.00 P.M at Hotel Emerald to consider the various aspects of the judgement received in our case.

This is very important and urgent. Please also tell other friends to attend the meeting.

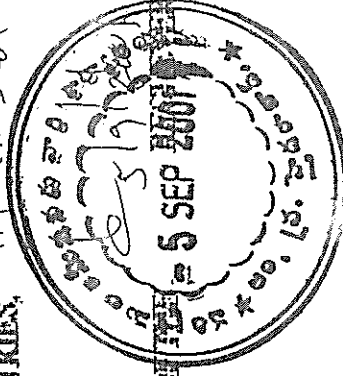
Thanking you,

yours faithfully,
for Azamabad Industries Association,


Secretary.

RECEIPT

LETTER NO: Nil DATED: 3.9.2001
FROM WHOM: Azamabad Industries Association
Hyderabad
ADDRESSED TO: COMMISSIONER OF INDUSTRIES,
A.P., HYDERABAD.



SIGNATURE OF

ZAMABAD INDUSTRIES ASSOCIATION

HON: SECRETARY'S OFFICE:
C/o, ALLIED INDUSTRIES

1-8-582; Industrial Area,
Azamabad, Hyderabad-500 020.

Phone: 8 2 6 8 0

Date.....16-8-92.....198 .

MOST URGENT

Phone New No:- 661087
662680

All Members of the Association,

Dear sir,

Sub:- Urgent consideration of the Azamabad
Industries Area -Acquisition Area Act-
Regd.

xxxx-

An urgent meeting of the Association is
proposed to be held on SUNDAY, 30 th AUGUST 92 at 11.30 A.M
at HOTEL EMERALD, ABID ROAD, and it will be followed by
LUNCH at the Hotel.

Please note that the President's assent has already
been received on 5th June and state Govt has also notified the
same. We have now to immediately consider the action-to-be-
taken in this respect.

Please treat this as very urgent.

Thank you

AZAMABAD INDUSTRIES ASSOCIATION

HON: SECRETARY'S OFFICE:

C/o. ALLIED INDUSTRIES

1-8-582, Industrial Area,
Azamabad, Hyderabad-500 020.

Phone : 6 2 6 8 0

Date.....198 .

To,
THE HONOURABLE CHIEF MINISTER,
GOVERNMENT OF ANDHRA PRADESH,
HYDERABAD.

Respected Sir,

Sub : Azamabad Industrial Area (Termination of
Leases) - Reg.

We the Industrialists of Azamabad Industrial Area, Musheerabad, Hyderabad City, A.P. State, respectfully submit this memorandum to, Honourable Chief Minister, Government of A.P., for your kind consideration.

1. In the year 1935-36, the then H.E.H., the Nizam's Government through its Department of Commerce and Industry with the sole aim of Industrial Development in Ex-Hyderabad State and to promote employment, took up the scheme of offering for sale, the them marshy and uninhabited land between the cities of Hyderabad and Secunderabad now called "Azamabad Industrial Area", Musheerabad, HYDERABAD, to the extent of about 130 acres divided into several plots of 5 acres and 1.2 acres, to the intending industrialists. The development of this area was being energetically pursued by H.E.H., the Nizam's Government promoting several infrastructural facilities for those interested in starting industries in the State. A copy of the circular letter no. C.G./105/21/36, issued on behalf of the Secretary to Government, Department of Industries & Commerce, H.E.H. Nizam's Government with the H.E.H. the Nizam's State Railways in this regard is appended herein for your kind perusal.
2. In pursuance of the offer for sale, of the said plots admeasuring 1.2 acres to 5 acres, at varying prices, between O.S. Rs.1,500.00 and O.S. Rs.3,000.00 per acre, the cost of the main road frontage plots being O.S. Rs.3,000.00 per acre as will be seen from the plan of plots reproduced on the reverse of the circular letter aforesaid. Certain industrialists came forward and took possession of the plots of land and constructed factories, sheds & other buildings on the plots allotted to them as early as in 1939-40, i.e., about fifty years back, and began running industries investing capital amount towards plant and machinery and expending amounts towards cost of manufacture of goods and employment of labour.
3. It is submitted that then the market value of the land in the vicinity to the said plots in Azamabad Industrial Area was not more than O.S. Rs.2,000.00 per acre even on outright sale. However, the ex-government after Police Action offered the said plots to the industrialists already in possession since 1930-40, on 99 years lease. A plain reading of the lease gives no doubt in one's mind that the so called leases were LEASE DEEDS only subject to certain Legislative controls.

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AZAMABAD INDUSTRIES ASSOCIATION

HON: SECRETARY'S OFFICE;

C/o. ALLIED INDUSTRIES

1-8-582, Industrial Area,
Azamabad, Hyderabad-500 020.

Phone: 6 2 6 8 0

Date.....198 .

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All the occupying Industrialists were in bonafied belief that 99 years of lease is as good as sale of the land, as it was never contemplated that the plots of lands given in possession of industrialists for industrial development would at any time be taken back by the Government at their pleasure. The Ex-government of Hyderabad only levied a nominal quit rent of about O.S. Rs.50.00 per acre and also created a special Trust Fund known as "Industrial Trust Fund" set apart by the Ex-government of Hyderabad for industrial development of the state. Most of the present industrialists who are the occupants of the said plots in the Azamabad Industrial Area since forties and fifties struggled very hard for their very existence all these forty years and expended huge sums of money on maintenance of their industries and also contributed much to the State Government by way of Sales Tax etc., and by industrial development of the state to a large extent.

4. Obviously the said Azamabad Industrial Area at Musheerabad, Hyderabad city assumed considerable importance with colonies and big residential and commercial buildings springing up around the said area, perhaps that may be the reason for the former TDP Government of Andhra Pradesh State to cast its evil eye to take over the leased lands on some trivial and irrelevant pretexts from the possession of the Lessee Industrialists, although the lease period of ninety nine years is still to go a long period of fifty years and although, as a matter of fact, the lease agreement between the then Government of Hyderabad and the Industrialist is nothing short of a perpetual sale of the land to the industrialists who have paid a premium which is equal to the then sale price or the then market value of the plots in addition to the quit rent. In this connection it is submitted that the former TDP Government of Andhra Pradesh by stroke of pen in 1987 decided to raise the quit rent from O.S. Rs.50.00 per acre to about Rs.10,000.00 per acre which is quite unjust and unrealistic.

5. Apart from the above facts, even on the perusal of the terms and conditions of the lease deeds entered into between the Government of Andhra Pradesh and the Industrialists, would show that there is no absolute prohibition of diversification or modernisation of industrial activity, subletting the premises for supporting industrialists, construction and addition of buildings and factory premises within the leased area for future activities, except for the fact that permission of the Government or Director of Industries has to be taken in all such cases. There are ofcourse certain restrictions like advertising or affixing signboards at the premises, which are irrelevant and therefore to be ignored. In short, the entire lease deeds are defacto sale deeds with the modification that perpetual possession and occupation and enjoyment are ensured to the Lessee Industrialists in lieu of absolute ownership and the lease was perhaps only to regulate the industrial use of the land.

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AZAMABAD INDUSTRIES ASSOCIATION

HON: SECRETARY'S OFFICE:

C/o, ALLIED INDUSTRIES

1-8-582, Industrial Area,
Azamabad, Hyderabad-500 020.

Phone : 6 2 6 8 0

Date.....198 .

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6. That being the position, as it stands today, the former TDP Government of Andhra Pradesh, introduced and got passed in the A.P. State Legislative Assembly the impugned AZAMABAD INDUSTRIAL AREA (TERMINATION & REGULATION OF LEASES) BILL, 1989 (L.A. Bill No.23 of 1989). The main object of the legislation seems to be to provide termination and regulation of leases in respect of plots in AZAMABAD INDUSTRIAL AREA, HYDERABAD. The preamble to the bill only gives a historical background. It is significant to note that, in the bill, nowhere either in the long Title, preamble, statement of Objects, and Reasons or the main provisions therein, provides for any guidelines or measures for, the Industrial Development of the AZAMABAD INDUSTRIAL AREA as envisaged historically and currently. The present lessee industrialists although favourably situated, offered to increase reasonably the annual quit rent, even though as per most of the lessee agreements this is not tenable.

Further, the Lessee Industrialists also indicated to the Government that wherever there is a deliberate breach of any important covenant, action could be initiated by the Government as in the case of any other leases of the Government land.

Despite the efforts of the Lessee Industrialists to amicably settle the matter with the ultimate object of the industrial development of the state, the former TDP Government with a sinister motive to favour their own persons, passed the impugned bill in the State Legislative Assembly and hurriedly sent the same to The President Of India, for his assent, so that it can be enforced immediately terminating all the existing leases and granting fresh leases to their favourites.

7. Besides the aforesaid historical and ethical factors involved in the AZAMABAD INDUSTRIAL AREA (Termination & Regulation of Leases) BILL, 1989, (L.A. Bill No.23 of 1989), the law as containing in the provisions for the impugned bill suffers from constitutional validity in as much as it is in violation of article 14 of the Constitution of India and hence void for the following reasons :-

- a) The impugned provisions for termination of all existing leases relating to the AZAMABAD INDUSTRIAL AREA at Hyderabad singling out the Lessee Industrialists is not a reasonable classification and that the classification bears no nexus to the objective of the Industrial Development, sought to be achieved by the State Government.
- b) All that the bills seeks to achieve is to replace one set of tenants (the existing Lessee-Industrialists) by other tenants with an eye to favour the kinsmen of the former TDP Government, without doing anything for the industrial development of the Azamabad Industrial Area at Hyderabad in particular and of the State in general, as also without augmenting the income of the Industrial Trust Fund and therefore the exercise is a purposeless one, if not malicious and capricious.

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AZAMABAD INDUSTRIES ASSOCIATION

HON: SECRETARY'S OFFICE:

C/o. ALLIED INDUSTRIES

1-8-582, Industrial Area,
Azamabad, Hyderabad-500 020.

Phone: 6 2 6 8 0

Date.....198 .

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- c) The law proposed to be enforced under the impugned bill is not based on or involving a classification as among lessees of Government lands throughout the State founded on an intelligible differential having rational relation to the object of industrial development sought to be achieved by the law.
- d) The law confers arbitrary power on the Government of Andhra Pradesh to enter into fresh leases in lieu of existing leases and increase the rents of plots of land in Azamabad Industrial Area arbitrarily at its discretion, thereby the Government of Andhra Pradesh can discriminate by executive action between lessees occupying the same position by favouring some and disfavouring other lessees and article 14 of the Constitution of India forbids such arbitrary action - (AIR 1977 SC 1946) (Agarwal Case).
- e) The personal right conferred on each of the lessee industrialist of AZAMABAD INDUSTRIAL AREA at Hyderabad for holding perpetual lease of the plot of land in his possession and occupation for the past fifty years and for the future period of another fifty years is affected by the impugned bill. Hence, there is an infringement of the personal rights conferred by article 14 of the Constitution of India, and therefore, the object of the law, however laudable would not obviate the prohibition contained in article 14 of the Constitution of India.
- A.I.R. 1954 (SC) 561 (Bombay Edn Society)
A.I.R. 1946 Pc x.66 (Daulat Singh Case)
A.I.R. 1951 SC 226 (Champak Dorairajah Case)
- f) There is neither necessity nor expediency to enact a special law only in respect of lessee-industrialists of Azamabad Industrial Area at Musheerabad when as in the case of other lessees of the Government lands in the state, they could be dealt with under the general law applicable to all lessees of the Government lands similarly situated. Hence, the law is discriminatory and vindictive.

We therefore, humbly pray that you, being the Head of the State, be pleased to consider the impugned bill having regard to the interests of the industrialists-lessees who have put in all their capital, toil for the last fifty years and who are now being driven out of their lands, leaving everything behind. It may further be noted that most of the industries in this area are tiny and small scale - and get the bill withdrawn so that justice is done to the industrialists of the Azamabad Industrial Area of Hyderabad and existing industries in the State of Andhra Pradesh.

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AZAMABAD INDUSTRIES ASSOCIATION

HON: SECRETARY'S OFFICE:

C/o. ALLIED INDUSTRIES

1-8-582, Industrial Area,
Azamabad, Hyderabad-500 020.

Phone: 6 2 6 8 0

Date.....198 .

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We pray that the honourable Chief Minister who is well conversant with the matters relating to the Azamabad Industrial Area, Hyderabad may please appoint a committee with our Association's representatives and the Government with mutual negotiations and discussions with all the concerned lessees to arrive at a consensus so that the industrialisation of the state may further develop and for which act of kindness we will be ever grateful.

With regards,

We remain,
Yours Faithfully,

(R.K.GUPTA)
(PRESIDENT)

(OTHER MEMBERS)

AZAMABAD INDUSTRIES ASSOCIATION

HON: SECRETARY'S OFFICE:

C/o. ALLIED INDUSTRIES

1-8-582, Industrial Area,
Azamabad, Hyderabad-500 020.

Phone: 6 2 6 8 0
19th August 6

Date.....198 .

To

All the Members of Azamabad Industries
Association,

Dear friend,

I reproduce a letter No. 1040/IAA/7B dt. 12-8-1986
from the General Manager, District Industries Centre,
Mushirabad and received on the 16th of night August 86,
mentioned here under :

"Government in their Memo. under reference
second cited directed to inform that your
request for the reduction in quit rent has
been rejected. You may please bring it to
the notice of your member Industries?

Sd/- by Mr. V.V.Krishna Rao, Additional Director (K).

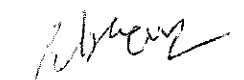
You will find that our request for reduction in quit rent
has been rejected by the Government. Therefore we have to
immediately think of further course of action in this
respect at the earliest.

I suggest therefore that we meet on SUNDAY THE 31 ST
AUGUST 1986 AT 11 A.M. AT MY PLACE to take stock of
the situation and take immediate steps in the matter.

Your presence is earnestly requested. Please inform
other friends about the meeting.

Thanking you,

Yours sincerely



(G.L.SANGHI)
HON. SECRETARY

SS"