

LEASE RIGHTS AT AZAMABAD

SC pulls up State Govt

From Our Legal Correspondent

New Delhi, May 3: A division bench of the Supreme Court, comprising Justice Kuldip Singh and Justice Venkatachala, has pulled up the Andhra Pradesh Government for its stance on leasehold rights of lessees of Azamabad Industrial Area in Hyderabad.

The bench earlier heard various counsels appearing for lessees of the prime land in the city. They had challenged the vires of the Azamabad Industrial Leases Termination Act. The High Court had upheld the validity of the Act.

When the matter came up before the Supreme Court in appeal, the bench heard the State Advocate-General, Mr S Ramachandra Rao, and directed the government to present a 'status-report'. The bench on the occasion specifically wanted the State government to examine the possibility of extending the lease in favour of genuine original,

industrial licences by converting into freehold rights.

The matter had its echo on the floor of the State Assembly with opposition leaders questioning the bona fides of the government and its counsel. The Chief Minister then announced that the interests of the government would be safeguarded. At this stage the Advocate-General wrote to the Chief Minister withdrawing from the case.

On Tuesday, Mr Kapil Sibal, senior counsel, was engaged on behalf of the government. In his absence, Mr N Subba Reddy presented the 'status-report' which classified the 'occupants' into four categories. Even as Mr Subba Reddy spelled out the stand of the government that to the bona fide industrialists, the land would be alienated at 75 per cent of the market value, Justice Kuldip Singh observed, "you are showing your true colour. You want to exploit."

Mr K Parasaran, senior counsel leading the batch on behalf of

the Appellants, pointed out that the 'status-report' contradicted the preamble of the enactment and said that the matter must be heard on merits. He argued that while the preamble of the Act justified the legislative Act in view of misuse by lessees, the 'status-report' presented facts to the contrary.

When Mr Subba Reddy, counsel appearing for the State government, argued that the government had the power to grant lease for 25 years under the Act, Justice Kuldip Singh quipped, "Who will believe the government?"

Adjourning the case to August 29, the bench aired its optimism by referring to the Advocate-General (who was conspicuously absent following his withdrawal from the case). Justice Kuldip Singh said that the Advocate-General would hopefully come forward with more positive proposals.

SC contempt notice to
Thackeray: Page 9