

IN THE SUPREME COURT OF INDIA
CIVIL APPELLANT JURISDICTION
CIVIL APPEAL NOS. 8832 of 1994, 8853.
8854, 9305-9310/94

Hyderabad Chemical & Pharmaceutical ... Appellant
Vs.
Govt. of A.P. & Ors. ... Respondents

ORDER

Learned counsel for the State of Andhra Pradesh has fairly stated that the impugned judgment of the High Court dated August 18, 1994 passed in Writ Petition No.12235/94 and connected matter shall not be implemented. It is further stated that no action against the industries operating in the industrial area concerned shall be taken under the Azamabad Industrial Area (Termination and Regulation of Leases) Act, 1992 (The Act). We are further told that the State Govt. is proposing an amendment to the act. It is stated that the proposal has already been placed before the cabinet. Learned counsel states that no action regarding cancellation of leases etc. against the industries concerned shall be taken under the act. In this view of the matter these appeals have become infructuous and are disposed of as such.

C.A.No. 9169/94

Learned counsel for the appellant states that the point involved in this appeal is not common with the connected matters. We delink this civil appeal. List on 23rd July, 1996.

New Delhi,
Dated: 16th April, 1996.

(Kuldip Singh)

(S.Saghir Ahmed)

1. 24/06/1955 Plot No.18/3 was allotted on permanent lease for 99 years to One Sri B.S.Shetty for constructing a factory for manufacture of Pharmaceuticals Page 1
2. 10/01/1957 Government granted permission to transfer the lease hold rights in the said plot in favour of M/s. Biological Products Pvt. Ltd. Page 2
3. 15/04/1957 By registered sale deed, the lease hold rights in respect of Plot No.18/3 was transferred to M/s. biological Products Pvt. Ltd. Page 2
4. 06/05/1960
24/05/1960 Government accorded permission to the liquidator to transfer the lease hold rights in Plot Nos. 18/1 and 19/3 to M/s. Biological Products Pvt. Ltd.. Page 2
5. 23/06/1960 Under registered sale deed, the said two plots along with the structures and equipments were purchased by M/s. Biological Products Pvt. Ltd. Page 2
6. 03/10/1979 M/s. Biological Products Pvt. Ltd., has become M/s. Biological E. Ltd., the petitioner Page 3
7. 19/12/1984 Government Memo. proposing revision in quit rent and premium Page 3
8. 15/10/1985 Clarification issued by the Government regarding date and mode of application of the said Memo. dated 19/12/1984. Page 3
9. The Azamabad Industries Association, challenged the said orders in WP.No.18106/88 Page 4
10. 01/03/1988 High Court dismissed the writ petitions on the ground of maintainability. Page 4
11. 24/06/1997 Appeals filed against the said judgment was disposed of the Hon'ble High Court Page 4
12. Government enacted the Azamabad Industrial Area (Termination & Regulation of Leases) Act, 1992, which came into force w.e.f. 11/7/1992. Page 5

The said Act was challenged by the Association as well as several lessees.

3 01/09/1993 Government issued orders in G.O. 299 fixing the premium and quit rent and period of lease etc. Page 6

However, the G.O. was not implemented and fresh leases were not executed as contemplated by the 1992 Act

14. 18/08/1994 This Hon'ble Court upheld the validity of the 1992 Act, against which Civil Appeals were filed in the Hon'ble Supreme Court. The petitioner filed W.P.No.73/95 in the Hon'ble Supreme Court. Page 7

5. During the pendency of the Civil Appeal, the Hon'ble supreme Court passed various interim orders and in pursuance of the interim order, the Government filed the Status Report, wherein the petitioner was shown at Sl.No13 of Category I. Page 7

6. 16/04/1996 In view of the undertaking given by the State Government, the Civil Appeals were disposed of without going into merits. Page 7

7 The Government issued the Azamabad Industrial Area (Termination & Regulation of Leases) (Amendment) Act, which was published in the AP Gazette on 17/2/2000 Page 8

8. 20/02/2002 Government issued G.O.87, amending certain Rules issued in GO 115. Page 8

9 03/06/2002 Impugned Demand Notice of the Commissioner of Industries & Competent Authority, which was served on the petitioner on 27/06/2002 Page 9

10 15/07/2002 Petitioner's representation to the Government against the impugned Demand Notice Page 10

SUPREME COURT OF INDIA

RECORD OF PROCEEDINGS

Civil Appeal No.8852/94

Hyderabad Chemical & Pharmaceutical

... Appellant

Versus

Govt. of A.P. and Ors.

... Respondents

(with C.A.Nos.8853/94, 9169/94, CC 589/95 and O.A.9305-10/94)
(with appln. for ex-parte) (for final disposal)

Date: 7-2-95 These matters were called on for hearing today.

CORAM:

HON'BLE MR. JUSTICE KULDIP SINGH
HON'BLE MR. JUSTICE N.VENKATACHALA

For the Appellants:

- in C.A.8852/94 : Mr.S.C.Birla, Adv.
in C.A.8853/94 : Mr. Ganguli, Sr.Adv.
Mr.K. and Mr.B.Pajeshwar Rao, Adv.
in C.A.8854/94 : M/s.S Udaya Kr.Sagar, Krishna
Mahajan and Adv.
in C.A.9169/94 : Mr.Gopal Subramaniam, Sr.Adv.
M/s. Rahul Ray and Sanjay K.Khaitan, Adv.
for M/s.Khaitan and co. and Mr.Vivek
Gambhir, Adv.
in C.A.9305-10/94 : Mr.A.K.Sanghi, Sr.Adv.
M/s.A.K.Sanghi, Sandeep Mittal,
Anil Prabhat, and J.K.Das, Adv.
in C.C.589/95 : Mr.RF Nariman, Sr.Adv.
Ms.Indu Malhotra and Ms. Amina Kandia, Adv.

For the respondent

- : Mr. S.Ramachandra Rao, Adv.Genl.
M/s.Ravi Chander, Lakshmi
and G.Prabhakar, Adv.

Mr.Sumanth Markendeya, Mr.Ajay Singh
and Mr.S.P.Sharma, Adv. for
Ms.C.Markendeya, Adv.

UPON hearing counsel the Court made the following

O R D E R

Mr. S.C. Birla started his arguments at 12.30 p.m. and
argued upto 2.05 p.m. Thereafter, Mr. A.K.Ganguli, Sr.Adv. argued
till 2.35 p.m.

3.35 p.m. After that Mr Krishna Mahajan argued for 15 minutes, Mr. F.S. Nariman, Sr. Advocate, argued from 3.55 pm to 4.15 pm. Thereafter, Mr. Gopala Subrahmaniam, argued for 10 minutes. The matter remained part-heard.

(Meena Sarin)
Court Master

(S.K. Dudani)
Court Master.

Item No. 101
Court No.2: Dated; 8/2/95
Coram and Appearance: Same as above.

ORDER

Mr. Gopal Subramaniam, Sr. Adv. resumed his arguments at 11.00 a.m. and concluded at 11.20 a.m. Thereafter Mr. G.L. Sanghi argued for 20 minutes. After that, the learned Advocate General started his arguments and argued till 12.25 pm when the Court passed the following Order:-

These appeals are directed against the Division Bench judgment of the High Court dated August 18, 1984 upholding the vires of the ~~Azamabad~~ Industrial Area (Termination and Regulation of Leases) Act, 1992 (The Act). We have heard learned counsel for the parties yesterday and today. As at present, we are in the process of hearing the learned Advocate General. It is not disputed that the appellants and other persons similarly situated were given perpetual leases in the year 1955 and thereafter on various dates right upto 1964 and even subsequently. Most of the leases are for a period of 99 years. As a consequence of coming into force of the Act, all the leases have been cancelled in terms of Section 3 of the Act. There is ample power with the State Government under Sec.4 and various other Sections of the act to give fresh leases on reasonable terms. Be that as it may, it is not necessary for us to go into the merits of the controversy any further at this stage.

We are of the view that it would be in the interest of justice that instead of taking the drastic action as provided under Section 3 of the Act, the State Government should examine the case of each of the lessees on its own merits. In case the State Government comes to the conclusion that the original lessee is not carrying on any industrial activity either by himself or through a sub-lessee or partnership, then it would be open to the State Government to deal with the lessee in accordance with the provisions of the Act. In respect of those lessees who are doing

bonafides industrial activity on the leasehold plots, the State Government shall consider their cases sympathetically and shall consider making these lease hold rights as freeholds. In any case, these are only tentative suggestions. It would be open to the State Government to deal with this situation in fair and just manner. The learned Advocate General seeks three weeks' time for this purpose. Keeping in view the Government functioning, we adjourn the hearing for 6 weeks. The Government shall submit a status report in this respect within a period of 6 weeks. To come up for hearing on 28/3/1995. Status quo regarding industries shall continue meanwhile.

(Meena Sarin)
Court Master

(S.K. Dudani)
Court Master

ITEM No.101 P.H.

COURT No.2

SECTIONS XIIIA & XA

SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS

CIVIL APPEAL NO. 8852/94

Hyderabad Chemical and Pharmaceutical

Appellant

Vs.

Govt. of A.P. and Ors.

Respondents

With C.A.Nos. 8853-54, 9169/94, CC 589/94, CA Nos.9305-10-94
and WP(C) No. 73/95.

Date: 28-3-95 These matters were called on for hearing today.

CORAM:

HON'BLE MR. JUSTICE KULDIP SINGH
HON'BLE MR. JUSTICE N.VENKATACHALA

For the appellants

in CA 8852/94

in CA 8853/94

in CA 8854/94

in CA 9169/94

CC 589/95

CA 9305-10/94

For Petr. in WP 73

For the respondents

Mr. SC Birla, Adv.

Mr. K.parasaran, Sr.Adv.

M/s. K.Swami and G.Umapathi, Adv.

M/s. S.Udaya Sagar and Krishna
Mahajan, Adv.

Mr.Sanjay K.Khaitan, Adv.

For M/s. Khaitan and Co.

Ms. Indu Malhotra, Adv.

M/s. RK Sanghi and J.K. Das, Adv.

Mr.B.Rajeshwar Rao, Ms.Bharathi
and Mr.Vimal Dave, Adv.

Mr.S.Ramachandra Rao, Adv.General

M/s.S.Rao and G.Prabhakar, Adv.

M/s.S.Markendeya and Ajay Singh,
Adv.

for Ms.C.Markendeya, Adv.

UPON hearing counsel the Court made the following

ORDER

At the request of learned Advocate General the
matters are adjourned to 2nd May, 1995.

(S.K.DUDANI)
COURT MASTER

SUPREME COURT OF INDIA
RECORD OF PROCEEDING

CIVIL APPEAL NO. 8852 OF 1994

Hyderabad Chemical and Pharmaceutical

... Appellant

Vs.

Govt. of A.P. and Ors.

... Respondents

(with appln. for ex-parte stay)

(FOR FINAL DISPOSAL)

With CA Nos. 8853-54, 9169/94, CC 589/99 in CA Nos.9305-10/94 &
W.P.(C) No.73/95

Date : 2-5-95 These matters were called on for hearing today.

CORAM

HON'BLE MR.JUSTICE KULDIP SINGH

HON'BLE MR.JUSTICE N.VENKATACHALA

For appl. in CA 8852/94

For Govt. of A.P.

For appl. in CA 8853/94

For appln. in CA 8854/94

For appl. in CA 9169/94

For appl. in CC 589

For appl. in CA 9305-10/94

For Petr. in WP 73/95

For the res

Mr. SC Birla, Adv.

Mr. N.Subra Reddy, Sr.Adv.

Mr. G.Prabhakar, Adv.

Mr.K.Parasaran, Sr.Adv.

Mr. K.Swami, Adv.

Mr.Guru Raja Rao, Sr.Adv.

M/s.S.Ganesh, CP Sarathy, and
S Udaya Kr. Sagar, Adv.

Mr.Guru Raja Rao, Sr.Adv.

M/s. S Ganesh, CP Sarathy, Krishna
Kumar and Rahul Roy, Adv.

for M/s. Khaitan and Co.

Mr.RF Nariman, Sr.Adv.

M/s.IR Joshi, Indu Malhotra,
Aysha Khatri and Anil Makhija, Adv.M/s. AK Sanghi, Amit Prabhat
and JK Das, Adv.M/s.Mohan Rao, B.Rajeshwar Rao,
Vimal Dave and Ms.Bharathi Shar-
ma, Adv.M/s.S.Markendeya and Ajay
Singh, Adv.

UPON hearing counsel, the Court made the following

ORDER

Pursuant to this Court's order dated February 7, 1995, The State of Andhra Pradesh has placed on record its status report. After hearing learned counsel for the parties regarding the status report and also regarding proposal which was mooted by the State Government as a result of this Court's above mentioned order and the solution communicated in this status report. There seems to be no consensus between the parties regarding status report. We, therefore, adjourn these cases.

(S.K.DUDANI)
COURT MASTER

Item No.102

Court No.2

Section-XII-A

SUPREME COURT OF INDIA

RECORD OF PROCEEDINGS

C.A.No.8852/94

HYDERABAD CHEMICAL & PHARMACEUTICAL
WORKS LTD.

Appellant

Versus

THE GOVT. OF ANDHRA PRADESH & ORS.

... Respondents

(WITH C.A.No.8853/94, 8854/94, CA.Nos.9169/94, CC589/95
in C.A.Nos.9305-10/94)

DATE : 29-8-1995

These matters were called on for
hearing today.

CORAM:

Hon'ble Mr.Justice KULDIP SINGH
Hon'ble Mr.Justice S.SAGHIR AHMAD

For the Petitioner(s):

Mr.S.C.Birla, Adv.

In C.A. 8852/94

In C.A. 8853/94

Mr.K.Parasaran, Adv.

Mr.K.Swami, Adv.

In C.A.8854/94

Mr.Guru Raja Rao, Sr.Adv.

Mr.C.P.Sarathy, SUK Sagar, Adv.

In C.A.9169/94

Mr.Guru Raja Rao, Sr.Adv.

Mr.VK Khaitan, Adv.

Mr.Rahul Roy, Adv.

In CC 589.

(For M/s.Khaitan & Co.)

Mr.RF Nariman, Sr.Adv.

M/s.Dr.Joshi, Indu Malhotra,

Aysha Khaki & Anil Makhija, Adv.

In C.A.9305/10/94

Mr.A.K.Sanghi, Mr.R.K.Sanghi,

Mr.Amit Prabhat & Mr.J.K.Das, Adv.

In W.P.(C) 73/95

Mr.B.Rajeshwar Rao, Ms.Bharathi &
Mr.Vimal Dave, Adv.

For Respondent(s) :

(Govt. of A.P.)

Mr.P.P.Rao, Sr.Adv.

Mr.N.Subba Reddy, Sr.Adv.

Mr.G.Prabhakar, Adv.

Contd...2.

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For the Respondents:

Mr.S.Markandeya & Mr.Ajay Singh
Advs.(for Ms.C.Markandeya,Adv)

UPON hearing counsel the Court made the following:

O R D E R

In the light of Order dated February 8, 1995 and subsequent order dated May 2, 1995, we adjourn the hearing of these cases for 3 weeks to enable Mr.P.P.Rao, learned Senior Advocate appearing for the State of Andhra Pradesh, to intervene and find out some settlement or solution.

The cases are adjourned to September 19, 1995.

(S.K. dudani)
Court Master

(T.K.Viswanadhan)
Court Master

ITEM No.101

Court No.2

Section XII-A

SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS

CIVIL APPEAL NO.8852 of 1994

HYDERABAD CHEMICAL AND
PHARMACEUTICAL

.... Appellant

Versus

GOVT. OF ANDHRA PRADESH &
ORS.

... Respondents

(with C.A.No.8853/94, 8854/94, C.A.Nos.169/94, CC589/95,
C.A.Nos. 9305-10/1994 & W.P.(C) 73/95)

Date: 19-9-1995

These matters were called on
for hearing today.

CORAM:

HON'BLE MR.JUSTICE KULDIP SINGH
HON'BLE MR.JUSTICE S.SAGHIR AHMED

For the Petitioner(s)
(in C.A.8852/94)

Mr.S.C.Birla, Adv

In C.A.8853/94

Mr.K.Parasaran, adv.

Mr.K.Swami, adv.

In C.A.8854/94

Mr.Guru Raja Rao, Sr. Adv.

Mr.C.P.Sarathy, S.K.Sagar, advs.

In C.A.9169/94

Mr.Guru Raja Rao, Sr. Adv.

Ms.Gouri Rasgotra, adv.

Ms.Rohina Nath, adv

(For M/s Khaitan & Co)

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Mr.P.P.Rao, learned counsel for the State of Andhra Pradesh has placed on record letter dated September 12, 1995 from the Principal Secretary to Government Industries and Commerce Department, Andhra Pradesh Secretariat, Hyderabad. It is stated in the letter that Azamabad Industrial Area (Termination of Regulation of lease) Act, 1992 is being suitably amended on the lines as indicated in the said letter. The learned counsel for the parties pray that the matter be adjourned till the amended provisions come into force.

List the matter on second working Tuesday in February, 1996.

(S.K. Dudani)
Court Master

(TK Viswanadhan)
Court Master

Item 101

Court No.2

Section XI(A),
Part-Heard

SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS

CIVIL APPEAL NO. 8852 of 1994

Hyderabad Chemical & Pharmaceutical
Vs.

Appellant

Govt. of AP & Drs.
with CA 8853/94, 8854/94, 9169/94, SLP.....(cc)589/95
CA 9305-9310/94, WP(C) 73/95

Date 13-02-1996 This matter was called on for hearing today.

CORAM

HON'BLE MR. JUSTICE KULDIP SINGH
HON'BLE MR. JUSTICE S. SAGHIR AHMAD

For the appellants

: Mr. S.C. Birla, Adv.
: Mr. K. Swami, Adv.
: Mr. Uday Kr. Sagar, adv.
: Mr. Rohina Nath, adv. for
M/s. Khaitan & Co.
: Mr. R.F. Nariman, Sr. adv.
Ms. Indu Malhotra, adv.
: Mr. B. Rajeshwar Rao, adv.
Mr. Vimal Dave, adv.
: Mr. A.K. Sanghi, adv.
Mr. Gauri Shankar Sanghi, adv.
Mr. Diwakar Chaturvedi, adv.
: Mr. J.K. Das, adv.

For the Respondents

: Ms. K. Amreshwari, Sr. Adv.
Mr. T. Anil Kumar, adv.
: Mr. S. Markandeya, adv.
: Ms. Chitra Markandeya, adv.

UPON hearing counsel the Court made the following

ORDER

As a last opportunity we adjourn the hearing of these cases to March 26, 1996. We make it clear that the matter shall be finally heard and disposed of on that date.

(Kanchan Jain)
AR-cum-P.S.

(S.K. Dudani)
Court Master

Item No.101

Court No.2

Section XIIA

SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS

CIVIL APPEAL NO. 8852/94

Hyderabad Chemical & Pharmaceutical

Appellant

Vs.

Govt. of A.P. & ors. Respondents
(with appla. for stay) (for final disposal)
(with C.A. Nos. 8853, 8854, 9169, 9385-9310/94.00 589/95, W.P. 73/9
with I.A.No. 2 in C.A. No.8853/94)

Date : 16.4.96 This/These matter(s) was/were called on for hearing today.

CORAM :

Hon'ble Mr. Justice Kuldeep Singh
Hon'ble Mr. Justice S.Sanghir Ahmed

For the Appellant(s)

in C.A.No.8852/94 : Mr. S.C. Birla, Adv.

in C.A. No. 8853/94 : Mr. K. SWAMI, Adv.

in C.A. No. 8854/94 : Mr. S. Udaya Kumar Sagar, Adv.

in C.A. No. 9169/94 : Mr. Suman Khaitan, Adv. for M/s. Khaitan & Co., Advs.

in CC 589/95 : Ms. Indu Malhotra, Adv.

in C.A. Nos.9305-9310/94 : Mr. J.K. Das, Adv.

in W.P. (C) No. 73/95 : Mr. Vimal Dave, Adv.

For the Respondents :

in C.A. No. 9169/94: Ms. C. Markandaya , Adv.

in C.A. Nos.9305-9310/94: Mr. G. Prabhakar, Adv.

UPON hearing Counsel the Court made the following
ORDER

C.A. Nos. 8852, 8853, 8854, 9305-9310/94 :

These civil appeals are disposed of. No. orders on
I.A.No. 2.

C.A.No.9169/94:

Delinked. List on 23.7.96.

CC 589/95 & W.P.(C) No. 73/95:

CC 589/95 & W.P.(C)No. 73/95 is also disposed of in
terms of the above order.

(S.K.Dudani)
Court Master

Signed order is placed on the file.