(24)

[16] M/s. Yousuf & Company (Mahod. Mahmood & Others) was leased Plot Nos.14/1 and 24/2, measuring 2.366 acres, on an yearly rental of Rs.50.70 per acre for 99 years from \$10-3-1943 for setting up Dyeing and Printing Industry. The lessee did not establish any industry on the leased land and entered into partnership deeds, for deriving monthly income, with the SSI Units -- [1] M/s. Navaneeth Oil Industry in 1957, [2] M/s.National Engineering Service in 1968 [3] M/s.Veneskaran Industries (1974), (4) M/s.Sujatha Industries in 1979 and [5] M/s.Modern Aluminium Industries in 1979. The lessee also entered into another partnership agreement on 6-7-1984 with Sri A.P.Agarwal and 4 others of M/s.A.P.Agro Industries. Under partnership agreement with Sri A.P.Agarwal, the entire lease hold property including the value of the lease hold rights on the land of M/s. Yousuf & Company was estimated at Rs.4 lakhs and the same was passed over to the new partnership firm, A.P.Agro Industries. Under this agreement, the proprietorial rights were converted into a trading assset of this new firm and M/s. Yousuf & Company had divested themselves of the control and possession of the premises with no chance of return and neversionary interest. This partnership envisages conducting different businesses by including nominally the activity of Dyeing and Printing. The Government, after following the due procedure, terminated the lease on 18-2-1985 on the ground of not utilising the leased plot for industrial purpose, parting

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regulate the leases on uniform terms and conditions thereby ensuring optimum utilisation and securing proper management of the valuable industrial land owned by the Government. The Act ensures grant of a fresh lease to the lessees whose leases stand terminated if they were found not otherwise guilty of violations of lease. The genuine user of the Government land for industrial purpose will not be deprived of the lease of the industrial plots. Under the Act the genuine industrial activity will be protected and allowed to continue and prosper. Hence, genuine and bonafide industrial activity has, therefore, no cause to be concerned or worried. Further, it is submitted that the State Government are fully empowered to bring out an appropriate legislation to regulate the leases in respect of Azamabad Industrial Area. It is also submitted that the powers of the Legislature in enacting the impugned legislation for the objects specified therein cannot be questioned by petitioners. The preamble of the Act clearly specifies the urgency and expediency in enacting such legislation. Therefore, the Legislature has the powers to enact appropriate legislation in respect of Azamabad Industrial Area which is situated in the heart of Hyderabad City where gross misuse of Government land has been going on. Hence, the contention of the petitioners that the legislation is arbitrary and violation of Article 14 of the Constitution of India is totally untenable.

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Enterprises, [4] Auto Coach Builders; [5] Ravi Industries, [6] P. Narasimha. The lessee failed to utilise the leased land for industrial purpose, sub-let the leased premises on high rents to various other industrial units for different purposes and resorted unauthorised constructions, thereby committed wilful breach of covenants and contravened the terms and conditions of lease. Hence, the Government terminated the lease hold rights of the lessee in GO Ms. 266, Dt: 9-6-1989. Thereupon, the lessee filed W.P.No.13653/89 and obtained stay orders from the High Court. The W.P. is pending before the High Court.

[3] <u>Sri S.Bhagat Ram Gupta of M/s.S.B.Ram & Company</u> was leased out Plot No. 21/1, measuring Acs. 1.136, on an yearly rental of OS Rs.25/- per acre for 99 years from 14-3-1944. The plot was kept idle without starting the Unit for manufacture of 'Ready Made Dresses' and entered into a partnership deed with M/s. Phoenix Pharmaceuticals Ltd on a monthly income of Rs.3,000/-. As the lessee has contravened the lease terms conditions, the Government terminated the lease hold rights of M/s.Sri Bhagat Ram Gupta in GO Ms No.225, Dt: 23-3-1990 and resumed possession of the entire land in Plot No.21/1 on 11-5-1990. Thereupon, the lessee filed WP No.7025/90 and obtained orders from the High Court to maintain status-quo pending further orders on the petition. The W.P. has not come up for hearing so far.

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