

GOVERNMENT OF TELANGANA
ABSTRACT

Industries and Commerce Department - Grant of freehold rights - Azamabad Industrial Estate - Orders - Issued.

INDUSTRIES & COMMERCE (IP&INF) DEPARTMENT

G.O.Ms.No.19

Dated: 29.08.2023
Read the following:

1. The Azamabad Industrial Area (Termination and Regulation of Leases) Act 15 of 1992.
2. G.O.Ms.No. 155 Inds & Com (IF Cell) Dept. dated 06/04/1993
3. Azamabad Industrial Area (Termination and Regulation of Leases) Amendment Act No.1 of 2000
4. G.O.Ms.No.154 Inds.&Com(IF-Cell)Dept. dated 06/04/1993.
5. Government memo No. 15511/IF Cell/A1/2003 Dt. 22/11/2003
6. Government memo No. 15511/IF Cell/A1/2003 Dt. 03/02/2004
7. Government memo No. 501/IP&INF/A1/2018, Dt.29/08/2022.
8. Government memo No. 501/IP&INF/A1/2018; Dt.02/02/2023.
9. Government Memo No.4311/IP & INF/A2/2022, Dt. 13/03/2023

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ORDER:

1. The Nizam Government during the year 1927, with an objective of industrial promotion in the state, formed a committee consisting of (i) superintending Engineer, City Improvement Board (ii) Commissioner, Municipal Corporation of Hyderabad, (iii) Commissioner, City Police (iv) The Director, Commerce and Industries and (v) Superintending Engineer, Electricity to select an area for industries and factories. The committee acquired the land to an extent of 136 acres and 4 Guntas in Azamabad from out of the funds provided by the Industrial Trust Fund. Later, the total area was divided into 86 plots of different sizes and leased out to industrialists for establishing and running industries for a period of 99 years. The Superintending Engineer, City Improvement Board had handed over the plots in Industrial Area to the Industrial Trust Fund through his Lr No: 9/37 F/7018, dated 29-12-1952.
2. To curb misuse/unauthorized use of Government land and prevent other irregularities, violations as well as to put a stop to non-industrial use and have uniform terms and conditions of lease, the State Government enacted The Azamabad Industrial Area (Termination and Regulation of Leases) Act 15 of 1992.
3. Under Section 3(1) of the said Act 1st read above, all leases or other arrangements made or entered into through a registered deed or otherwise in respect of all demised plots in the Azamabad Industrial Area, stand terminated on the appointed date i.e., 11-07-1992 and consequently, all sub-leases or any other arrangements whatsoever made by the person/entity in occupation to hold possession of the demised plot stand annulled and every such demised plot vests in the Government free from all encumbrances and shall be used subsequently for industrial purpose only. Section 4(1) of the Act, provided that on the termination of the lease or other arrangement under subsection (1) of section 3, the person in occupation may at his option apply for a fresh lease in the manner prescribed.
4. The Government also issued rules vide reference 2nd read above and the Commissioner of Industries was appointed as Competent Authority under the Act vide reference 3rd read above.
5. Thereafter, Press Notification was issued on 22/09/1994, informing all the persons who were in occupation of portions of plots in Azamabad Industrial Area as on 11.07/1992 i.e., the date on which the Act referred to in the reference 1st read above came into force and who have been using the said plot for industrial purpose and carrying on the industrial activity and who have not made applications for grant of Fresh lease, were informed to file their applications in the form prescribed vide Annexure to the Commissioner of Industries on or before 31/10/1994 for grant of fresh lease in accordance with the provisions of the Act.

(P.T.O)

6. Aggrieved by the above, several industrial units of Azamabad have filed Writ Petitions in the Hon'ble High Court of Andhra Pradesh to declare the "Azamabad Industrial Area (Termination and Regulation of Leases) Act No.15 of 1992 as unconstitutional, Violative of article 14, 19(1) (g) 300-A of the Constitution of India. The Hon'ble Division Bench of the High Court vide judgment dated: 10/08/1994 held that it was within the competence of the Legislature to make law with retrospective effect or incorporate a deeming provision. Accordingly, all the Writ Petitions were dismissed.
7. A batch of SLPs were preferred against the judgment of High Court, in the Supreme Court challenging the order of the A.P.High Court. On the assurance given by the State Government that the Act No. 15 of 1992 will be suitably amended, the Supreme Court disposed of the SLPs as infructuous and directed "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" based on a submission made by the State that the proposal of amendment of the Act had already been placed before the Cabinet and that no action regarding cancellation of leases etc, against that industries concerned shall be taken under the Azamabad Industrial Area (Termination and Regulation of Leases) Act, 1992 Act.
8. In view of the above orders of the Hon'ble Supreme Court, the State Government amended the Act 1st read above as Azamabad Industrial Area (Termination and Regulation of Leases) Amendment Act No.1 of 2000 which came into force with effect from 17/02/2000 incorporating a provision for grant of freehold rights to the industries of Azamabad Industrial Area. Accordingly, Section (3) of the AIA Act No. 1 of 1992 has been amended to terminate all leases, sub-leases or other arrangements made or entered into through a registered deed or otherwise in case of misusing the land for other purposes, unauthorized sub-letting or transferring the plots or portions, entering into disguised partnerships or violation of any terms of the lease deed as per section 3 sub section (b) and All those lessees who do not fall under section 3 sub section(b) were to be entitled to a grant of fresh lease from the appointed date and in lieu of the renewal of lease may opt for free-hold rights in respect of demised plots.
9. The Government in the reference 5th read above, fixed the price for converting lease hold into free hold rights over the Government land to be as per the market value as on the date of enactment i.e., on 17.02.2000 and issued certain concessions for extending freehold rights in respect of the Industrial area of Azamabad.
10. A Press notification was issued for conversion of lease hold rights to free hold rights in Azamabad Industrial Area and applications were invited in prescribed format from the occupant Industrialist for grant of free hold rights as per rule 4(1) of Act 2000 who are carrying out an Industrial activity as on appointed date that is 17/02/2000 and not attracting provisions of Sec.3 (1) (b) of the amended act 1 of 2000 within 30 days from the date of notification i.e., 17.02.2004.
11. However, till now, no sale deeds were executed in favour of any of the occupant Industrialists as per the provisions of this act.
12. The Government vide Memo. No.2901/Prl. Secy/Inds./Peshi/2020, Dt.29-01-2020 ordered to conduct Joint Inspection of Azamabad Industrial Estate by the officials of the Industries Department along with the officials of Revenue Department to ascertain the status of utilization of the lands allotted to industrial units and to submit the joint inspection report to the Government. Accordingly, the General Manager, District Industries Centre, Hyderabad has submitted Joint Inspection report on 01/04/2022. As per Joint Inspection report, it was seen that majority of the units have violated the terms of lease and were found not fulfilling the objectives of the allotment. Further, most of the Industrial units were found to be run by sub-tenants/occupiers and requests were received from such persons for grant of freehold rights over this Government land.
13. In view of the above, the Cabinet subcommittee for resource mobilization, in its meeting held on 25.6.2022 has decided to extend freehold rights to all the units in the Estate. Review meetings were conducted on 05/07/2022 and 16/07/2022 by the Chief Secretary, on the course of action to be adopted for extending freehold rights to the occupants of land in three Industrial estates, which includes the Azamabad Industrial estate.

14. Subsequently, vide reference 7th read above, the Government has taken a decision to categorize the Units operating in the Azamabad Industrial Estate into two categories and fix their respective rates of the consideration value for granting freehold rights in respect of the Government land at Azamabad Industrial Area. Further, vide reference 8th read above, the Government had reclassified Category A.

15. The lease of the Government lands in Azamabad Industrial Area, Azamabad has been terminated in accordance with the Azamabad Industrial Area (Termination and Regulation of Leases) Act, 1992 amended by act one of the year 2000, and the possession of the land is vested with Government. The existing units were not evicted immediately because the Units working in the Azamabad Industrial Area were providing employment to good number of people.

16. On further examination of the issue and following the observations made by the Hon'ble High Court in order dated 23.06.2023 in W.A.No.634 of 2023, that a policy, guidelines and rules regarding regularization of property concerned may be framed after following proper procedure, with appropriate sanctions and approvals vide a Government Order, clearly delineating the appropriate reasons and objects behind the said policy decision of the Government and the class of persons entitled to be regularized shall be specifically mentioned without any scope for ambiguity. It was decided that the Memo No. 501/IP & INF/A1/2018, Dt. 29/08/22 be withdrawn and issue the following orders. Further it is decided that units in whose favour sale deeds were executed on payment of full consideration as per reference 7th read above, need not further take any steps as the plot occupied by them is completely vested.

17. In such circumstances, the matter was examined in detail and after careful consideration of the matter, Government has decided to issue free hold rights to the existing occupants / Industrialists in Azamabad Industrial Area. Accordingly, Government in supersession of the orders issued in the reference 4th to 9th read above, hereby issue the following orders in order to regularize the industrial plots by granting free hold rights to the existing occupants / Industrialists in Azamabad Industrial Area:

- I. The units in the Azamabad Industrial Estate shall be categorized into the following two categories:

CATEGORY A -

- (i) The units in possession of all the original allottees including their legal heirs whether working or not working.
- (ii) Where, as per the joint inspection report of 2022 submitted by the officials of revenue and Industries department, the plot is vacant and is in possession of the Original allottee and industrial activity has taken place previously in the allotted plot.
- (iii) The unit holders who came into possession of the unit through the original allottee after obtaining permission of the government shall also be treated as eligible under this category.

CATEGORY B -

- (i) All other units excluding Category A, in possession of the respective unit holders as per the joint inspection report of 2022 submitted by the officials of revenue and Industries Department.

- II. Government, conscious of the fact that the original allottees were the first to respond to Government's call of industrialisation of the State and for that cause invested their time, money and efforts to create employment for the people of the state leading to development of the state, fixed the rate for these Unit holders at 100% of registration value and for others at 200% of registration value, even though the same is far below the prevailing market value, in recognition of their efforts. Accordingly, the Government has fixed the rates of these two categories as follows:

Category A: 100% of the registration value as on date (i.e date of registration) in accordance with the guidelines of Registration Department.

Category B: 200% of the registration value as on date (i.e date of registration) in accordance with the guidelines of Registration Department.

- III. In view of the fact that the Azamabad Industrial area is now in the heart of the city surrounded by residential area and in order to encourage these industries to change their line of activity to environmentally friendly activities permitted in that area, the Government hereby permit to change of land use from Industrial to any other category, duly collecting the required fee as per GHMC rates.

IV. COMPETENT AUTHORITY AND GUIDELINES -

- a) The VC & MD, TSIIIC is nominated as nodal agency / Competent Authority for extending freehold rights in the Azamabad Industrial estate and shall act in accordance with the following guidelines.
 - b) The Vice Chairman & Managing Director, TSIIIC is competent authority and will act on behalf of the Government.
 - c) The State Cell created vide Proceedings No.41/Prl.Secy.Peshi/2022, Dated 14/10/2022 situated at the office of the VC & MD., TSIIIC, Basheerbagh, Hyderabad will receive the application, for Grant of Free Hold rights for the units in Azamabad Industrial Estate. The State cell shall process the applications based on the documents submitted by the plot allottee / Occupant and the records available with the Special Cell. Special cell may seek the documents from Director of Industries/ Government.
 - d) Categorization of units operating in Azamabad industrial estate, Azamabad into two categories will be done as per the categorization mentioned above para (17)(I). The rates made applicable will be as stated above para (17)(II)
 - e) The State Cell situated at O/o MD., TSIIIC, Basheerbagh, Hyderabad will raise the Demand Notice based on the category. The amount mentioned in the Demand notice shall be paid within the stipulated time limit and no further time will be given.
 - f) After payment of full sale consideration by the occupant / industrialist as per the demand notice, the General Manager, DIC, Hyderabad and Zonal Manager, TSIIIC, Hyderabad will execute the conveyance sale deed.
 - g) If the Demand amount is not paid within stipulated time limit mentioned in such notice, the competent authority shall exercise the right to evict the occupant from the premises by following due procedure and initiate appropriate legal recourse for the eviction from the aforesaid public premises and for damages and compensation by way of mesne profits @ Rs. 5.00 Lakhs per acre per month, holding the occupants responsible for all costs and consequences arising thereof.
 - h) Further, in respect of the category of persons who do not wish to avail the freehold rights, the Government shall take steps for their eviction in accordance with law as the leases stand terminated by virtue of the Azamabad Industrial Area (Termination and Regulation of Leases) Act, 1992, amended by Act 1 of 2000.
18. The Director of Industries, Hyderabad and the VC & MD/Nodal Officer, TSIIIC, Hyderabad shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

JAYESH RANJAN

PRINCIPAL SECRETARY TO GOVERNMENT & CIP (FAC)

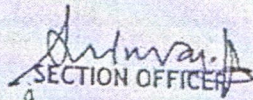
To
The Director of Industries, Hyderabad
The Vice Chairman & Managing Director, TSIIIC, Hyderabad

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Copy to

The State Cell, O/o TSIC, Hyderabad
The Advocate General, Government of Telangana, High Court Buildings, Hyd
The P.S. to Prl. Secretary to Hon'ble CM
The P.S. to Hon'ble Minister (I&C)
The P.S. to Principal Secretary to Government & CIP
Industries & Commerce Dept.,
Sc/Sf (File No.501 /IP&INF/A1/2017).

//FORWARDED::BY ORDER//


SECTION OFFICER