

**GOVERNMENT OF TELANGANA
DEPARTMENT OF INDUSTRIES**

NOTICE

No.PLOT NO/AIA/2023-3, Dated: 14-08-2023

Sub:- State Cell - Conversion of lease land to free hold rights-Demand notice issued to M/s. Viswajit Castings & Engineering Works., Plot No:26/2, Industrial Estate, AIA-Azamabad, Hyderabad District-Failed to apply for conversion of Government land to free hold rights -Issue of show cause notice-before initiating eviction proceedings - Regarding.

Ref: 1.Government memo No. 501/IP&INF/A1/2018, Dt. 29/08/2022.
2.Government memo No. 501/IP&INF/A1/2018, Dt. 02/02/2023.

With reference to your application 3rd cited, wherein you have requested to regularize the demised plot in Azamabad Industrial Area, Azamabad. It is to inform that, the Nizam Government during the year 1927 formed a committee consisting of (i) superintending Engineer, City Improvement Board (ii) Commissioner, Municipal Corpn. 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 committees 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 industrial purpose 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. To curb misuse of unauthorized use of Government land, other irregularities, violations and to prevent non-industrial use and to have uniform terms and conditions of lease, the Government has enacted Azamabad Industrial Area (Termination and Regulation of Leases) Act 15 of 1992.

Under Section 3(1) of the said Act, 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, envisages 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.

The Government also issued rules under the Azamabad Industrial Area (Termination & Regulation of Leases) Act, 1992, vide G.O. MS No. 155 India Com (IF Cell) Dept. dated 06/04/1992 and the Commissioner of Industries is appointed as Competent Authority under the Act vide G.O M No.154 Inds. & Com (IF-Cell) Department doctors 06/04/1993.

Press Notification was issued on 22/09/1994, informing all leases or other arrangements made or entered into through registered deed or otherwise in respect of all demised plots in the AIA, shall stand terminated on the appointed date thereupon all sub-leases or any other arrangements whatever made by the person in occupation to hold possession of the demised plot shall vest in the Government free from all encumbrances and shall be used subsequently for industrial purpose only. All persons who were in occupation of portions of plots in AIA as on 11.07/1992 i.e the date on which the AIA Act No. 15 of 1992 come 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.

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.

Aggrieved by the judgment of High Court, batch of SLPs were filed in the Supreme Court challenging the order of the AP 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 Act, 1992. It was also noted by the Court that a submission by the Counsel representing the State was made 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 Act.

In view of the above orders of the Hon'ble Supreme Court, the State Government amended the Principal Act 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 industrial 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 form the appointed date and in lieu of the renewal of lease may opt for free-hold rights in respect of demised plots.

Further, the Government vide Memo No: 15511/1F Cell/A1/2003 dated: 03-02-2004 decided as follows and requested the Commissioner of Industries to take action accordingly.

15. For such of those lessees, who are willing to shift immediately, the Commissioner of industries, was authorized to collect such 'Quit Rent and premium' which is not disputed in any Court of Law. i.e prevailing upto 1983 till according the freehold rights to such lessees
16. For such of those lessees, who are not willing to shift out of the Azamabad Industrial Area, the Commissioner of Industries, was authorized to impose heavy Premium and quit rent as indicated below, as a matter of deterrent for continuing Industrial Activity in Residential area.

A premium of Rs.500 per square yard and in all the cases, and A Quit Rent 16% of the value in the land prevailing at the beginning for the lease year to be paid in lump sum before grant of extension of lease. Lease was to be allowed only for existing units to be renewed on annual basis as long as the valid industrial activity is taken up.

Press notification was issued for grant of free hold rights in Azamabad Industrial Area under the provisions of Act 1 of 2000. 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.

The Principal Secretary to Government, Industries & Commerce Department has directed vide memo no.2901/Prl.Secy/Inds/Peshi-2020, Dtd.29.01.2020 the GM, DIC, Hyderabad to conduct a Joint Inspection along with the officials of Revenue Department under the guidance of concerned District Collector to ascertain status of utilization of the lands allotted to industrial units.

The General Manager, District Industries Centre, Hyderabad has submitted Joint Inspection report on 01/04/2022. As per Joint Inspection report there are 58 units including TSRTC Plots are in possession of various persons.

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.

After careful examination, Government vide memo no.501/IP&INF/A/2018, Dated 29/08/2022 has decided to issue for freehold rights Azamabad Industrial Estate for fixing the rates for these two categories of units as original allottees and units working:100% of registration value and others: 200% of Registration value which was subsequently modified and MD, TSIIC was nominated as competent authority/nodal agency.

Further, the Government vide Proceedings No.41/Prl.Secy.Peshi/2022, Dated 14/10/2022 has created a dedicated cell to handle all matters related to Azamabad, Balanagar and Hafeezpet Industrial Lease Lands to free Hold.

Subsequently, the Government in Industries and Commerce has made partial modification to the Memo dated 29.08.2022 by reclassifying the original allottee and their legal heirs (as per joint inspection reports) fulfilling any of the following criteria vide even number memo dated 02.02.2023.

xxix) The unit is working

xxx) The unit is not working

xxxi) Plot is vacant

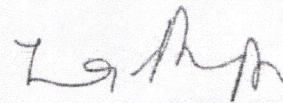
xxxii) Units are closed due to non-renewal of CFO by Pollution Control Board.

It is once again informed that lease period of Azamabad Industrial Area, Azamabad has terminated by of the Azamabad Industrial Area (Termination and Regulation of Leases) Act, 1992 and the possession of land vested with Government. Large number of requests have been made for giving free hold rights to the existing units of demised plots in the estate. In such a factual matrix, no application has been received from you for conversion to freehold rights in Azamabad Industrial Area, Azamabad.

You being the lessee/sub-lessee have been unauthorizedly and illegally continuing in possession of the demised premises and deliberately avoided to avail the benefit conferred by the above decision of the Government.

It is significant to mention that you cannot have any unjust enrichment by continuing the possession unauthorizedly and illegally by enjoying the public premises, you cannot resort to causing loss to the exchequer. Your possession over the demised public premises is unauthorized and *ex facie* illegal and you are virtually a trespasser of the demised public premises and you are virtually an encroacher. Since, State Government is the owner of the demised property, it has the right to evict you physically from the public premises, and in fact, no prior notice for your eviction is required to be given.

We, therefore, hereby call upon you to avail the benefit offered by Government for demised premises and make payment of 100%/ 200% of registration value in any case not later than 31.08.2023 in accordance with Government memo No. 501/IP&INF/A1/2018, Dt. 29/08/2022 and subsequently the revised Memo No. 501/IF &INF/A1/2018 dated 02.02.2023. Else, the State Government shall be compelled to initiate the appropriate legal recourse for your eviction from the aforesaid public premises and for damages and compensation by way of mesne profits @ 5.00 Lakhs per month holding you responsible for all costs and consequences arising thereof.



Principal Secretary to Government & CIP
Industries & Commerce Dept
Govt. of Telangana

To,

M/s. Viswajit Castings & Engineering Works., Plot No:26/2, Azamabad
Industrial Estate, Hyderabad District