

THE HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

W.P.NO.16413 OF 2019

ORDER

The 2nd respondent – Telangana State Industrial Infrastructure Corporation Ltd., which was formerly known as Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC), allotted the subject land to the petitioner – Company on outright sale basis at a provisional cost of Rs.500/- per sq. mtr., for the purpose of setting up of unit for manufacturing of Hydraulic Pumps, Valves and Ship Stabilizers on the terms and conditions specified in the allotment letter dated 31.03.2006. The said allotment was made on the commitment made by the petitioner to investment more than Rs.1,00,00,000/- (Rupees one crore) and to provide employment to 47 persons. The petitioner failed to pay the land cost, and therefore the allotment was cancelled on 29.09.2006, and however again considering the request of the petitioner, final allotment for the revised extent was made on 31.03.2007, and the petitioner entered into an agreement for sale on the said date, and the physical possession was delivered to the petitioner on 04.11.2007. As per the said agreement, the project shall be implemented within two years from the date of possession i.e., on or before 3.11.2009. Even after granting extensions for a period of more than seven years, petitioner could not implement the project. As per condition No.9(c) of the sale agreement dated 31.03.2007, if the project is not implemented within the period stipulated, the respondent – Corporation is entitled to cancel the allotment, and refund the petitioner as per clause No.9 (o) of the agreement dated 31.03.2007. The petitioner made some structures in the building and it sought for refund as per the clause in the agreement. Petitioner – company could not implement the project and there was series of correspondence between the parties, and eventually, the petitioner sought for refund. The respondent - Corporation vide Lr.No.2529/Ph-III/PSM/dension/14 dated 05.03.2019 called upon the petitioner to execute deed of cancellation and further informed the

petitioner that only after execution of said deed, refund will be made. Subsequently, the petitioner vide representation dated 22.05.2019, once again sought the Corporation to extend the time for completion of project, with an undertaking that if the project is not completed within such extended period, they would sign cancellation of agreement of sale, subject receiving an assurance for refund of an amount of Rs.3,04,90,283/- with bank rate interest, which the petitioner incurred on the subject land. In pursuance of the representation of the petitioner, the respondent vide Lr.No.2529/Ph-III/PSM/Dension/14 dated 11.06.2019 intimated the petitioner that request for refund of full amount, is not considered. The relevant portion of the said communication, is noted as under for ready reference:

“With reference to your letter 2nd cited, please find herewith enclosed copy of TSIIC reply dated 05/03/2019 furnished earlier regarding your request for the refund of full amount of land cost with bank interest is not considered. Hence, it is once again requested to execute cancellation deed immediately for refund of land cost as per the terms and conditions of sale agreement.”

Aggrieved by the action of the respondents in not considering the request of the petitioner for extension of time, the present writ petition is filed.

Sri S.Ravi, learned Senior Counsel, appearing for the petitioner submits that in the above referred communication, only the request of the petitioner for refund, was not considered, but there is no reference with regard to rejection of the request of the petitioner seeking for extension of time for completion of project. Therefore, he seeks for a direction to the respondents to consider the said request and pass orders.

Sri L.Prabhakar Reddy, learned Standing Counsel for respondents 2 to 5 submits that land was allotted on concessional rate for the purpose of encouraging investments and for providing employment to youth. He submits that land was delivered in the year 2007, and even after granting extensions for seven years, project was not completed and the circumstances suggest that

petitioner has no intention to start the project, and it had never adhered to the time limit prescribed in the extension orders and is unnecessarily dragging the issue, which is detrimental to the prospective entrepreneurs. Therefore, he submits that request of the petitioner may not be directed to be considered.

Heard the learned Government Pleader for Industries appearing for the 1st respondent.

As pointed out by the learned Senior Counsel appearing for the petitioner, in the communicated issued by the 5th respondent dated 11.06.2019, it was informed to the petitioner that its request for the refund of full amount of land cost with bank interest, is not considered. But there is no reference with regard to consideration of the request of the petitioner seeking for extension of time for completion of project.

Along with the writ petition, petitioner filed photographs, which show that some skeletal constructions are made in the subject land, and the petitioners is coming up with reasons for seeking extension of time for completion of project, and it is for the competent authority to consider the same in accordance with law and pass orders.

In view of the above facts and circumstances of the case, without expressing any opinion on merits, writ petition is disposed of directing the 5th respondent / competent authority, to pass orders on the request of the petitioner vide its representation dated 22.05.2019, for extension of time for completion of project, in accordance with law.

Interlocutory applications pending, if any, shall stand closed. No order as to costs.

A.RAJASHEKER REDDY,J

DATE:21—08—2019
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