

GAHC010100982022



THE GAUHATI HIGH COURT
(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

Case No. : WP(C)/3701/2022

M/S JINDAL SAW LIMITED
A PUBLIC LIMITED COMPANY INCORPORATED UNDER THE COMPANIES
ACT 1956 CARRYING ON BUSINESS OF MANUFACTURING OF VARIOUS
PRODUCTS INCLUDING DUCTILE IRON PIPES HAVING ITS REGISTERED
OFFICE AT A-1, UPSIDC INDUSTRIAL AREA, NANDGAON ROAD, KOSI
KALAN, DISTRICT- MATHURA, UP.
PIN-281403 AND ONE OF ITS OFFICE AT
P.O-DALGAON-784116, DIST- DARRANG, ASSAM,
REP. BY ITS AGM, LEGAL- RAJIV RANJAN PATHAK
S/O AKHILESH PATHAK

VERSUS

ASSAM INDUSTRIAL DEVELOPMENT CORPORATION LTD
R.G BARUAH ROAD, P.O- GUWAHATI, 781024

Advocate for the Petitioner : MR J C GAUR

Advocate for the Respondent : SC, AIDC

BEFORE
HONOURABLE MR. JUSTICE MANISH CHOUDHURY

ORDER

Date : 06.06.2022

Heard Mr. J.C. Gaur, learned counsel for the petitioner.

2. The petitioner company in order to establish an industrial unit to manufacture Ductile Iron Pipes etc., approached the respondent Assam Industrial Development Corporation [AIDC] Limited [‘the Corporation’, for short] for allotment of land in the Integrated Infrastructure Development [IID] Centre at Dalgaon, Darrang by submitting an application in the year 2010. By a Letter of Allotment [LoA] dated 21/22.06.2010 [Annexure – 4], the respondent Corporation allotted the petitioner company a plot of land measuring 40134 square metres at the IID Centre, Dalgaon on 60 [sixty] years lease basis as per the terms and conditions stipulated in the AIDC Disposal of Land Rules, 2000, subject to the additional terms and conditions mentioned therein. The LoA mentioned that the plot of land was a semi-developed land. The possession of the land so allotted, was handed over to the petitioner company on 26.06.2010.

2.1. Pursuant thereto, a land lease agreement was executed between the petitioner company and the respondent Corporation on 24.09.2010 and after taking possession of the allotted land, the petitioner started taking various steps to establish the industrial unit. In the process, it had done earth filing, obtained electricity connection, required permissions etc. from the competent authorities. It is averred that various difficulties were faced by the petitioner company to establish the unit. According to the petitioner company, the respondent Corporation did not undertake any steps to redress the issues raised by the petitioner.

2.2. The petitioner company had ultimately established its industrial unit including factory shed, plant and machinery etc. and started the production by obtaining necessary permissions, licenses and registration of the unit from various departments by the year 2013. After starting production of the Ductile Iron Pipes, the petitioner company realized that it would not be expedient to continue production because of its higher cost of the production and the situation was accordingly informed to the respondent Corporation with the prayer to return the security deposit etc.

2.3. The petitioner company by a letter dated 12.08.2014, requested the respondent Corporation for grant of time to restart its industrial unit by shifting to other product line and

with the assurance to continue the payment of requisite charges as usual. Time was granted to the petitioner by the respondent Corporation by a letter dated 20.09.2014 to restart production by shifting to other product line. The respondent Corporation continued to submit the bills for special maintenance charges, annual service charges, ground rent, etc. during the subsequent years. The respondent Corporation enhanced the rate of special maintenance charges from Rs. 1.75/- per square metre to Rs. 2.80/- per square metre and the annual service charges @ 3% of the land development cost @ 15% and also enhanced the annual service charges substantially.

2.4. Aggrieved by such enhancements, the petitioner company submitted a number of representations with the request to allow it to deposit the same at the original rates as it has not been able to start production by shifting to the other product line but had incurred a substantial amount in the meantime. Correspondences continued to exchange between the parties in the subsequent period but on 19.10.2021, the respondent Corporation served a notice upon the petitioner company claiming an amount of Rs. 1,51,16,927/- as charges and enhanced rate up to August 2021. Subsequent to the notice dated 19.10.2021, the respondent Corporation by a letter dated 20.01.2022 [Annexure – 14] has intimated that the LoA dated 22.06.2020 has been cancelled and the land lease agreement dated 24.09.2010 has been terminated. By the said letter, it has been intimated that the respondent Corporation has decided to take over the possession of the industrial unit [without management] on 21.02.2022. The respondent Corporation has further informed that there is an outstanding amount of Rs. 1,35,04,256/- as on 31.12.2021. Finally, the respondent Corporation has taken over possession of the allotted land on 21.02.2022 [Annexure – 48].

3. Mr. Gaur, learned counsel for the petitioner has submitted that the petitioner is still desirous of starting the industrial unit and also ready to pay the charges at the rates agreed earlier. He has further submitted that the respondent Corporation had enhanced the rate unreasonably without fulfilling its corresponding duties and obligation, thus, making the entire actions arbitrary.

4. Issue notice of motion, returnable in 4 [four] weeks.

5. The learned counsel for the petitioner shall take steps for service of notice upon the respondent by registered post with A/D as well as by usual process within a period of 3 [three] days from today.

JUDGE

Comparing Assistant