

Government of Bihar
Office of the Principal Secretary, Department of Industries

Dated 06.12.2018

Appeal Case No – 32/2014
District – Sitamarhi

PRESENT :- K.K. Pathak, I.A.S.,
Principal Secretary

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M/s S.S. Rice & Flour Mills, Sitamarhi - Appellant
vs.
MD, BIADA - Respondent

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Appearance:

For the Appellant
For the Respondent

: LA Kumar Devashish
: LA Devesh Shankaran

06.12.2018

This is an Appeal filed by the Appellant against the order of the MD dated 10th March 2014 vide which his allotment of plot was cancelled and his money forfeited.

The Appeal was filed in the year 2014 itself. However, the matter could not be heard earlier. Finally, the matter was posted for hearing today. Today, the Learned Advocate of Appellant was heard in great detail. The Learned Advocate of BIADA was also heard.

As per the learned Advocate for the Appellant, he is keen to restart his unit. He was originally allotted the unit for Stone works which he ran for 10 years later on he

shifted to Rice Mill and now he wants to enter into Plywood manufacturing field. He further mentioned that he is willing to deposit the transfer fee and willing to deposit a bank guarantee of Rs. 1 Lakh and shall restart the business within 6 months if his plot is restored.

The Learned Advocate of the BIADA was also heard. As per the Learned Advocate, there are pending dues of significant amount. The plot was allotted to the Appellant in the year 1989 and it was cancelled in 2014 because of non activity. The Appellant is sitting on a prime industrial area. Therefore, if the plot is to be restored, then a bank guarantee of Rs.10 Lakhs must be obtained from the Appellant for a period of at least two years.

Having heard both the parties and having perused the documents available on record, I find that the Appellant is keen to start his venture and hence, another opportunity must be given to him. But this opportunity must be backed up by some financial security on the part of the Appellant so that he lives up to his commitment to start his business and continue the operation.

That be the case, I am inclined to consider his case favourably but at the same time, precaution needs to be taken to ensure that entrepreneurs like the Appellant do not sit on the valuable land resource and do nothing on it. It must be remembered that land is a scarce resource and BIADA have many more prospective entrepreneurs waiting in que for allotment.

Therefore, it is expected of the existing allottees that they should start their business in right earnest and if they are unable to continue the business, they should, in the interest of industrialisation, step aside and make way for new entrepreneurs who would bring with them fresh capital and better technology.

The above therefore, requires that the Appellant must be bound by a financial bond so that he should seriously work to restart and continue his business. Having said that, I hereby order that the allotment of plot be restored to the Appellant with following conditions:-

- i. Firstly, the Appellant should clear the pending dues of BIADA with interest.
- ii. Thereafter, the Appellant should submit Bank Guarantee of Rs. 2 lakhs for a period of two years along with an Affidavit to BIADA that the Appellant will start the business within 3 months from the date of this order and shall remain in continuous operations; and should he stop his operations or violate any other condition of the allotment letter/BIADA Act/BIADA Rules, the above Bank Guarantee shall be encashed by BIADA.
- iii. Once the above steps are completed and the Appellant submits the Bank Guarantee along with an Affidavit to BIADA, the MD shall restore the allotment to the Appellant.
- iv. If the Appellant does not approach BIADA and fulfils condition No. i & ii above within

15 days from the date of this order, BIADA shall be free to take the possession of this land and re-allot it to any other entrepreneur as per its extant policies.

- v. If he chooses to opt for a product change to plywood manufacturing, he may submit his application to BIADA along with the required fee etc. The BIADA should then decide on the application within 15 days. If BIADA does not decide the application within 15 days, it shall be deemed that the product change have been approved.

Appeal allowed with conditions.

Dictated & Corrected


(K.K. Pathak)
Principal Secretary,
Department of Industries,
Bihar


(K.K. Pathak)
Principal Secretary,
Department of Industries,
Bihar