

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

Dated 12.12.2018

Appeal Case No – 04/2018
District – Muzaffarpur

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

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M/s Jai Ambe Industries, Muzaffarpur - Appellant
Vs.
MD, BIADA - Respondent

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Appearance:

For the Appellant	: LA Arjun Prasad
For the Respondent	: LA Devesh Shankaran

12.12.2018

This is an Appeal filed by the Appellant against the order of the MD dated 22nd April 2017 vide which his allotment of plot was cancelled and his money forfeited.

The Appeal was filed in the year 2018. It seems that the then Appellate Authority had condoned the delay and admitted the Appeal for hearing. However, the matter could not be heard earlier. Finally, the matter was posted for hearing yesterday. Yesterday, 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 start his work which is regarding biscuit manufacturing. He further mentioned that he is willing to deposit a bank guarantee of Rs. 5 Lakhs and shall restart the business within 3 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 Rs.39,330/-. The plot was allotted to the Appellant in the year 1991 and was cancelled in 2008. The Allottee then moved the Hon'ble High Court in CWJC No.-5686/2009 wherein the Hon'ble High Court vide order dated 07th May 2015 reiterated the order passed by the Division Bench in LPA No.-353/2008 on 18th March 2015. Meaning thereby, the Hon'ble High Court give the Appellant time of 6 months to start his unit. However the Appellant did not start the unit in 2015 and his land was again cancelled in 2017. The Appellant is sitting on a prime industrial area of Muzaffarpur occupying 0.85 Acres. The land is under physical possession of BIADA and it is in the process of allotting it to interested entrepreneurs.

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:-

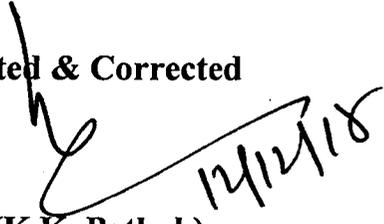
- i. Firstly, the Appellant should clear the pending dues of BIADA with interest.
- ii. Since this is his second cancellation (and also the second restoration) therefore this second opportunity must come at a cost. I accordingly direct the Appellant to deposit a penalty of Rs. 75000/- (Seventy Five Thousand only) immediately in BIADA.
- iii. Thereafter, the Appellant should submit Bank Guarantee of Rs. 5 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.

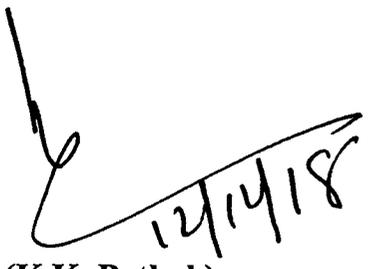
- iv. Once the above steps are completed and the Appellant submits the Bank Guarantee along with an Affidavit to BIADA, the MD shall restore the allotment to the Appellant.
- v. If the Appellant does not approach BIADA and fulfils condition No. i, ii & iii above within 15 days from the date of this order, BIADA shall be free to take the possession of this land and re-allot it to any other entrepreneur as per its extant policies.

Appeal allowed with conditions.

Dictated & Corrected


(K.K. Pathak)

Principal Secretary,
Department of Industries,
Bihar


(K.K. Pathak)

Principal Secretary,
Department of Industries,
Bihar