

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

Dated 05.11.2018

Appeal Case No – 44/2014
District – Samastipur

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

=====

M/s Ganga Prakash Flour Mill Pvt. Ltd. , Samastipur - Appellant
Vs.
MD, BIADA - Respondent

=====

Appearance:

For the Appellant
For the Respondent

: LA Sri Ram Krishna
: LA Devesh Shankaran

05.11.2018

This is an Appeal filed by the Appellant against the order of the MD dated 22nd September 2014 vide which 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 on 05th November 2018. On that date, 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 the business. If his plot is restored then he will start production in 6 months time. He is also willing to submit a bank guarantee of Rs.5 Lakhs.

The Learned Advocate of the BIADA was also heard. He mentioned that the Appellant has been allotted the land in the year 2004 but he made no activity in the last 10 years. As per the Learned Advocate, there are pending dues of Rs40 Lakhs and he should clear these dues immediately. The Appellant is sitting on an important industrial area. Therefore, if the plot is to be restored, then a bank guarantee of significant amount must be obtained from the Appellant for a period of atleast 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 his business.

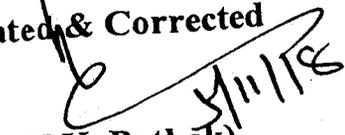
Having said that, I hereby order that the allotment of plot be restored to the Appellant with following conditions:-

- i. Firstly, the Appellant should clear the pending dues amounting to Rs. 40 Lakhs of BIADA with interest. Since the amount is heavy, he is given 3 months time to deposit the same, provided he deposits 25% amount within 15 days of the date of this order.
- ii. 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 4 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.

Appeal allowed with conditions.

Dictated & Corrected

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


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