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DIAMOND PLASTIC INDUSTRIES ETC.

v.

GOVERNMENT OF ANDHRA PRADESH AND ORS.

MAY 9, 1997

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[K. RAMASWAMY AND D.P. WADHWA, JJ.]

*Sick industry—Taken over by State Government—Decision of BIFR regarding payment—Binding on the parties—Payment pending to party—State Government directed to implement the direction issued by BIFR.*

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CIVIL APPELLATE JURISDICTION : Civil Appeal No. 3629 of 1997.

From the Judgment and Order dated 23.4.94 of the Andhra Pradesh High Court in W.A. No. 16293 of 1992.

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Narasimha P.S. Rina N. and V.G. Paragasam for the Appellants.

A.T.M. Sampath, Y.P. Rao and T. Anil Kr. for the Respondents

The following Order of the Court was delivered :

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Leave granted.

These matters are disposed of by a common order.

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While adopting the revised and updated guidelines for the implementation of Ancillary Development Programme by the Public Sector Enterprises, by proceedings dated October 3, 1979, the Hyderabad Allwyn Limited which has been a State Government undertaking, invited applications from the entrepreneurs to set up various ancillary industries for supply of required goods. The appellants have set up ancillary unit for supply of watch boxes, watch strips and dial holding rings. There was a dispute as regards the payment of the amount and the resultant liability.

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In regard thereto, a writ petition came to be filed in the High Court. Learned Single Judge by his judgment dated January 19, 1988 directed the Government to appoint Plant Level Committee and follow the enforceable guidelines issued thereunder; ancillary industries are the units coming

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within the Scheme; and, therefore, the recommendations of the Plant Level

Committee should be enforced. Accordingly, a mandamus was issued to the Hyderabad Allwyns Limited (HAL). Feeling aggrieved by that order, the appellants filed a writ appeal. The Division Bench by its order dated March 15, 1991 while upholding that the findings given by the learned single Judge, directed that instead of HAL mandamus be issued to the State Government to comply with the direction issued by the Single Judge. It would appear that prices of DHR were reduced from Rs. 5.81 to Rs. 2.48 the appellants felt aggrieved and contend that the reduction is bad in law. It is not in dispute that since subsequently HAL became sick industry, the matter was referred to the Board for Industrial and Financial Reconstruction which has gone into that question. M/s. Voltas Ltd. has started functioning after take over of all the units except watch manufacturing Division which was taken over by the State Government with regard to the respective assets and liabilities. The decision of the BIFR binds the parties. We are informed that Rs. 27 lacs have already been paid to the appellants. The appellants are claiming the balance amount, whatever be the liability, as per the undertaking before the BIFR that binds the parties; the State Government is also bound to implement the direction issued by the BIFR.

The appeals are accordingly disposed of. No costs.

G.N.

Appeals disposed of.