

**IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH  
AT HYDERABAD**

THURSDAY, THE TWENTIETH DAY OF SEPTEMBER  
TWO THOUSAND AND TWELVE

:PRESENT:

**THE HON'BLE THE ACTING CHIEF JUSTICE PINAKI CHANDRA  
GHOSE**

WP.NOs:14771 & 15208 of 1994, 15217 of 2002; 15015, 15016 & 15017 of  
2003; 9914, 9915 and 9916 of 2006; 6073, 6085 and 6127 of 2007; and  
10836 of 2008

WP. NO. 14771 OF 2002:

Between:

M/s. Seshasai Plastic Industries, Shed No.1, Phase-III, IDA- Patancheru-502  
319, Medak District, AP, being Rep. by its Managing Partner, Sri

P.Prabhakara Rao,

S/o. Late P.Suryanarayana Murthy, Hindu, R/o. H.No. 270/B/3RT, Sanjeeva  
Reddy Nagar, Hyderabad-500 038

..... Petitioners

AND

1. The Govt. of A.P., A.P. Secretariat, Hyderabad, being rep. by its  
Principal Secretary to Government, Industries & Commerce (PE Cell)  
Department
2. The A.P. State Financial Corporation, 5-9-194, Chirag Ali Lane,  
Hyderabad-1, being rep. by its Managing Director
3. The Manager, Sanga Reddy Branch, AP State Financial  
Corporation, Medak District
4. The Branch Manager, Andhra Bank, Sanathnagar Branch,  
Hyderabad-500 018

(R4 is deleted as per Court dt: 2018/05 in WPMP. NO. 23318 of 2005)

.....Respondents

Petition under Article 226 of the Constitution of India, praying that in the circumstances stated in the petition and the affidavit filed herein, the High Court may be pleased to issue a writ of certiorari or any other appropriate writ, order or direction in the nature of a writ calling for the records pertaining to the Notice No. 3787 dated: 8-12-1993 and the seizure effected vide panchanama dated: 2-8-1994 by the 3<sup>rd</sup> respondent and the letter No. 526/18/394, dated: 3-8-1994 issued by the 4<sup>th</sup> respondent effecting the seizure of the stocks hypothecated by the petitioner's unit and set aside the same declaring them as illegal and arbitrary directing the implementation of the letter No. 867/PE Cell/92/9, dated: 20-6-1993 of the 1<sup>st</sup> respondent and further direct the 1<sup>st</sup> respondent forthwith to settle the claim of Rs. 340.11 lakhs due to the petitioner as on 31-10-1993 from the State Government in terms of Govt. memo No. 867/PE cell/92-9, dt: 30-6-1993 as borne out by the Government records which as calculated by the GM, DIC in his letter dated: 03-04-2001 become Rs. 9,97,41,645/- as 31-3-2001 with interest up to that date as per interest Delayed payment to small scale

Industries Undertaking Act 1993 and 2<sup>nd</sup> and 4<sup>th</sup> respondents to implement the package of reliefs agreed in the Minutes of Consortium Meeting dt: 10-11-1989 and 20-12-1997 duly implementing this Hon'ble Court interim orders dt; 7-11-1996 in WPMP. NO. 27628/1996 in WP. No. 14771/94 and also to release the balance amount laying with the 2<sup>nd</sup> respondent in the FDR with interest upto date after deducting the interim payment of Rs. 22,06,682 within 15 days in order to enable the unit to meet the margin Money for revival of petitioner unit and lifting the seizure effected by the 3<sup>rd</sup> and 4<sup>th</sup> respondents against the petitioner's unit on 2-8-1994 and directing the 4<sup>th</sup> respondent to allow the operations of its OCC Account by the petitioner's unit on the normal terms.

(Prayer is amended as per Court orders dt: 31-1-2007 in WPMP. No. 22505 of 2006)

**Counsel for the Petitioner : SRI P.PRABHAKAR RAO, PARTY  
IN  
PERSON**

**Counsel for the Respondent No.1 : GP FOR INDUSTRIES &  
COMMERCE**

**Counsel for the Respondents No.2 & 3: SRI Y.N. LOHITA**

WP .NO:15208 of 1994

Between:

M/s Diamond Plast Industries, Shed No.1/A. Phase-III, IDA Patencheru, Medak District, being rep. by its Managing Partner, Sri P.Suryanarayana Murthy S/o P.Krishna Murthy, R/o. 55/B(MIGH), Sanjeeva Reddy Nagar, Hyderabad-500 038

..... Petitioner

AND

1. The Govt. of A.P., A.P. Secretariat, Hyderabad, being rep. by its Principal Secretary to Government, Industries & Commerce (PE Cell) Department
2. The A.P. State Financial Corporation, 5-9-194, Chirag Ali Lane, Hyderabad-1, being rep. by its Managing Director
3. The Branch Manager, AP State Financial Corporation, Sangareddy, Medak District
4. The Branch Manager, Andhra Bank, Sanathnagar Branch, Hyderabad-500 018
5. Commissioner of Industries, Chirag Ali Lane, Hyderabad, being rep. by its Additional Director
6. Director, Small Industries Service Institute, Ministry of Industry, Govt. of India, Balanagar, X Cross Road, Hyderabad-500 037

.....Respondents

Petition under Article 226 of the Constitution of India, praying that in the circumstances stated in the petition and the affidavit filed herein, the High Court may be pleased to

- 1) Issue writ of certiorari or any other appropriate order or direction in the nature of writ calling for the records pertaining to File No. 64/PE Cell/91 and File NO. 765/PE Cell/91 & File No. 867/PE Cell/92 of 1<sup>st</sup> respondent directing the respondent No.1 to pass his orders invoking its Government powers under Article 146-A of the Articles of Association of Hyderabad Allwyn Limited on the petitioner's representation Lr. No. DPI/Govt. of AP/ 99/93, dt: 9-6-1994 prior to transfer and handing over of its company namely Allwyn Watch Limited Management to M/s BPL Limited (MOU Entered on 21-7-1994) duly ascertaining the total conditional supplies of watch boxes and DHR & MHR (Import Substitutes) supplied by the petitioner and accepted by their company till date and what amount the petitioner is entitled as per the prices fixed by the Joint Team at the rate of Rs. 3.43 for watch boxes and Rs. 8.24 for DHR & MHR Vide its report dated: 2-7-87 approved by the Government as per the agreement made on 13-8-86 along with interest as per the Interest and delayed payments to Small Scale and Ancillary Industrial Undertakings Act, 1993
- 2) Issue a Writ of Certiorari or any other appropriate writ or order or direction to the Respondents to implement the report dt: 3-4-2001 of the General Manager, District Industries Center, Sangareddy and also for the subsequent supplies accepted by erst while Hyderabad Allwyn Ltd., thereafter on the basis of the prices fixed by Joint Inspection Team and revise the petitioner unit.
- 3) Issue a writ of certiorari or any other appropriate or order or direction in the nature of a writ calling for the records pertaining to the Notice No. APSFC/MR & R/Zone-II/YSR/1994-95, dt; 11-8-94 issued by third respondent and quash the same as illegal, arbitrary, unconstitutional. (prayer is amended as per Court order dt: 21-2-2007 in WPMP. No. 29656/2002)

**Counsel for the Petitioner** : **SRI P.PRABHAKAR RAO, PARTY**  
**IN** **PERSON**

**Counsel for the Respondent No.1** : **ADDL. ADVOCATE GENERAL**

**Counsel for the Respondents No.2 & 3:** **SRI Y.N. LOHITA**

**Counsel for the Respondent No.6** : **SRI PONNAM ASHOK GOUD,**  
**ASST. SOLICITOR GENERAL**

WP .NO:15217 of 2002

Between:

1. M/s. Seshasai Plastic Industries, Shed No.1, Phase-III, IDA- Patancheru-502 319, Medak District, AP, being Rep. by its Managing Partner, Sri P.Prabhakara Rao,  
S/o. Late P.Suryanarayana Murthy, Hindu, R/o. H.No. 270/B/3RT, Sanjeeva Reddy Nagar, Hyderabad-500 038
2. M/s Diamond Plast Industries, Shed No.1/A. Phase-III, IDA Patencheru, Medak District, being rep. by its Managing Partner, Sri

P.Suryanarayana Murthy S/o P.Krishna Murthy, R/o. 55/B(MIGH),  
Sanjeeva Reddy Nagar, Hyderabad-500 038

3. Sri Kartikeya Industries, Plot No. 76, IDA, Phase-III, Patancheru,  
Medak District, AP, being rep. by its Proprietrix, Smt. P. Usha Rani,  
W/o Sri P. Prabhakara Rao, R/o. Hyderabad.
4. All Metal Spray Industries, Flat no. 202, Vuday Bhaskar Residency,  
SR Nagar, Hyderabad-500 038, rep by its Proprietor, Mr. Y. Murali  
Krishna S/o (Late), Y.Krishna Murthy, R/ Hyderabad.

..... Petitioners

AND

1. Board of Industrial and Financial Reconstructions, Jawahar Vyapar  
Bhawan, 1, Tolstoy Marg, New Delhi-110 001, rep. by its Chairman
2. Govt. of A.P., Industries and Commerce (IFR) Department,  
Secretariat, Hyderabad, rep. by Principal Secretary to Government,  
through Advocate General, Govt. of A.P.,
3. The Chairman, APMSEFC and Commissioner of Industries, Govt. of  
A.P., Chirag Ali Lane, Abids Roads, Hyderabad-500 001  
(Respondents No. 2 & 3 are impleaded as per Court order dt: 20-09-  
2012 in WPMP. No. 29690 of 2012)

.....Respondents

Petition under Article 226 of the Constitution of India, praying  
that in the circumstances stated in the petition and the affidavit filed herein,  
the High Court may be pleased to issue a writ, order or direction particularly  
in the nature of Mandamus directing the respondent to quantify the arrears  
due to each of the petitioners in case No. 631/92 pending on the file of the  
Respondent herein, and to give appropriate direction to the authorities to  
discharge the claims in accordance with the record of the proceedings of the  
hearing held on 2-4-2002 before the respondent;

**Counsel for the Petitioner No.1 : SRI P. PRABHAKAR RAO,  
PARTY-**

**IN-PERSON**

**Counsel for the Petitioners No. 2 to 4 : SRI V.V.PRABHAKARA RAO**

**Counsel for the Respondent No.1 : SRI PONNAM ASHOK  
GOUD,**

**ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No.2 : ADVOCATE GENERAL**

**Counsel for the Respondent No.3 : GP FOR INDUSTRIES &  
COMMERCE**

WP .NO:15015 of 2003

Between:

Seshasai Plastic Industries, Shed No.1, IDA, Phase-III, Patancheru, Medak District,  
Being Rep. by its Partner, Sri P.Prabhakara Rao, S/o.Late P.S.N.Murthy,  
Hindu, AGE:48, R/o.Hyderabad.

..... Petitioner

AND

1 Appellate Authority for Industrial & Financial Reconstruction, 10<sup>th</sup> Floor,  
Jeevan

Prakash, 25, Kasturiba Gandhi Marg, New Delhi-110 001, Rep. by its  
Chairman,

(Government of India),

2 Board for Industrial & Financial Reconstruction, Jawahar Vyapar  
Bhawan,

1, Tolstoy Marg, New Delhi-110 001. Rep. by its Chairman, (Government  
of India),

3 Principal Secretary to Government, Government of Andhra Pradesh,  
Industries & Commerce Department, Secretariat, Hyderabad.

4 Industrial Development Bank of India, IDBI Tower, Cuffe Parade,  
MUMBAI-400 005, Rep. by its Chairman & M.D.,

5 M/s.Voltas Ltd., P.B.No.1198, 9, J.N.Heradia Marg, Bollord Estate,  
MUMBAI-400 001.

6 M/s.Allwyn Watches Ltd., Patancheru, Medak District, Rep. by its  
Managing  
Director,

.....Respondents

Petition under Article 226 of the Constitution of India, praying  
that in the circumstances stated in the petition and the affidavit filed herein,  
the High Court may be pleased to issue a Writ, order or direction particularly  
in the nature of certiorari calling for the records in Appeal No.287 of 2002 on  
the file of the 2nd Respondent and quash the same as arbitrary, illegal and  
contrary to the provisions of Sections 14 and 26 of the SICA Act 1952 and  
remand the Case to BIFR/AAIFR for quantification of the arrears due to the  
Petitioner firm and for a consequential direction to the 3rd & 5th  
Respondents to discharge the same.

**Counsel for the Petitioner : SRI P.PRABHAKAR RAO, PARTY  
IN  
PERSON**

**Counsel for the Respondent Nos.1 & 2: SRI PONNAM ASHOK  
GOUD,  
ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No.3 : GP FOR INDUSTRIES &  
COMMERCE**

**Counsel for the Respondent No.4 : SRI S.NIRANJAN REDDY**

**Counsel for the Respondent No.5 : SRI M.S. SRINIVAS IYENGAR**

**Counsel for the Respondent No.6 : SRI N.SUBBA REDDY**

WP .NO:15016 of 2003

Between:

Sri Kartikeya Industries, Plot No. 76, IDA, Phase-III, being rep. by its  
Propreitrix, Smt. P.Usha Rani W/o Sri P.Prabhakara Rao, R/o. Hyderabad.

..... Petitioner

AND

1 Appellate Authority for Industrial & Financial Reconstruction, 10<sup>th</sup> Floor,  
Jeevan

Prakash, 25, Kasturiba Gandhi Marg, New Delhi-110 001, Rep. by its  
Chairman,

(Government of India),

2 Board for Industrial & Financial Reconstruction, Jawahar Vyapar  
Bhawan,

1, Tolstoy Marg, New Delhi-110 001. Rep. by its Chairman, (Government  
of India),

3 Principal Secretary to Government, Government of Andhra Pradesh,  
Industries & Commerce Department, Secretariat, Hyderabad.

4 Industrial Development Bank of India, IDBI Tower, Cuffe Parade,  
MUMBAI-400 005, Rep. by its Chairman & M.D.,

5 M/s.Voltas Ltd., P.B.No.1198, 9, J.N.Heradia Marg, Bollord Estate,  
MUMBAI-400 001, rep. by its Chairman & MD.

6 M/s.Allwyn Watches Ltd., Patancheru, Medak District, Rep. by its  
Managing  
Director,

.....Respondents

Petition under Article 226 of the Constitution of India, praying  
that in the circumstances stated in the petition and the affidavit filed herein,  
the High Court may be pleased to issue a Writ, order or direction particularly  
in the nature of certiorari calling for the records in Appeal No.292 of 2002 on  
the file of the 2nd Respondent and quash the same as arbitrary, illegal and  
contrary to the provisions of Sections 14 and 26 of the SICA Act 1952 and  
remand the Case to BIFR/AAIFR for quantification of the arrears due to the  
Petitioner firm and for a consequential direction to the 3rd & 5th  
Respondents to discharge the same.

**Counsel for the Petitioner : SRI V.V.PRABHAKARA RAO**

**Counsel for the Respondent Nos.1 & 2: SRI PONNAM ASHOK  
GOUD,**

**ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No. 3 : GP FOR INDUSTRIES &  
COMMERCE**

**Counsel for the Respondent No.4 : SRI S.NIRANJAN REDDY**

**Counsel for the Respondent No.5 : SRI M.S. SRINIVAS IYENGAR**

**Counsel for the Respondent No.6 : SRI N.SUBBA REDDY**

WP .NO:15017 of 2003

Between:

Diamond Plast Industries, Shed No.1/A, Phase-III, IDA, Patancheru, Medak District.

Rep. by its Managing Partner Sri P.R.K.Seshagiri Rao, S/o.Late

P.S.N.Murthy, Hindu,

R/o.Hyderabad.

..... Petitioners

AND

1 Appellate Authority for Industrial & Financial Reconstruction, 10<sup>th</sup> Floor, Jeevan

Prakash, 25, Kasturiba Gandhi Marg, New Delhi-110 001, Rep. by its Chairman,

(Government of India),

2 Board for Industrial & Financial Reconstruction, Jawahar Vyapar Bhawan,

1, Tolstoy Marg, New Delhi-110 001. Rep. by its Chairman, (Government of India),

3 Principal Secretary to Government, Government of Andhra Pradesh, Industries & Commerce Department, Secretariat, Hyderabad.

4 Industrial Development Bank of India, IDBI Tower, Cuffe Parade, MUMBAI-400 005, Rep. by its Chairman & M.D.,

5 M/s.Voltas Ltd., P.B.No.1198, 9, J.N.Heradia Marg, Bollord Estate, MUMBAI-400 001, rep. by its Chairman & MD.

6 M/s.Allwyn Watches Ltd., Patancheru, Medak District, Rep. by its Managing Director,

.....Respondents

Petition under Article 226 of the Constitution of India, praying that in the circumstances stated in the petition and the affidavit filed herein, the High Court may be pleased to issue a Writ, order or direction particularly in the nature of certiorari calling for the records in Appeal No.289 of 2002 on the file of the 2nd Respondent and quash the same as arbitrary, illegal and contrary to the provisions of Sections 14 and 26 of the SICA Act 1952 and remand the Case to BIFR/AAIFR for quantification of the arrears due to the Petitioner firm and for a consequential direction to the 3rd & 5th Respondents to discharge the same.

**Counsel for the Petitioner : SRI V.V.PRABHAKARA RAO**

**Counsel for the Respondent Nos.1 & 2: SRI PONNAM ASHOK GOUD,**

**ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No. 3 : GP FOR INDUSTRIES & COMMERCE**

**Counsel for the Respondent No.4 : SRI S.NIRANJAN REDDY**

**Counsel for the Respondent No.5 : SRI M.S. SRINIVAS IYENGAR**

**Counsel for the Respondent No.6 : SRI N.SUBBA REDDY**

WP .NO:9914 of 2006

Between:

Sri Kartikeya Industries, Shed No.1, IDA, Phase-III, Patancheru-502 319,  
Medak

District, Being represented by its Proprietrix, Smt.P.Usha Rani.

..... Petitioners

AND

1 Board for Industrial and Financial Reconstruction, Jawahar Vyapar  
Bhavan, 1,

Tolstoy Marg, New Delhi- 110 001, Rep by its Chairman ( Govt. of India).

2 Principal Secretary to Govt., Govt. of A.P Industries & Commerce  
Department,

Secretariat, Hyderabad.

3 Industrial Development Bank of India, IDBI Tower, Cuffee Parade,  
Mumbai-400

005, Rep. by its Chairman & M.D.

4 M/s. Voltas Ltd., P.B.No.1193, 9 , J.N.Heradia Marg, Bollord Estate,  
Mumbai-400 001.

5 M/s. Allwyn Watches Ltd., Patancheru, Medak District., Rep by its  
Managing  
Director.

.....Respondents

Petition under Article 226 of the Constitution of India, praying that in the circumstances stated in the petition and the affidavit filed herein, the High Court may be pleased to issue a Writ or Order or direction more particularly one in the nature of Writ of Certiorari or any other appropriate Writ i) Declaring the action of the 1st respondent in giving permission to the 3rd Respondent to sell away the 5th respondent assets as arbitrary, illegal, unjust, abuse of power, and in violation of this Hon'ble Court interim order dated 29-07-2003 in W.P.No.15016/2003. ii) Further declare that the Proceedings of the 1st Respondent dated 12-04-2006 in Case No.631/92 as void and consequently quash the same. iii) Call for the records;

**Counsel for the Petitioner : SRI V.V.PRABHAKARA RAO**

**Counsel for the Respondent No.1 : SRI PONNAM ASHOK GOUD,  
ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No. 2: ADDL. ADVOCATE GENERAL**

**Counsel for the Respondent No.3 : SRI S.NIRANJAN REDDY**

**Counsel for the Respondent No.4 : SRI M.S. SRINIVAS IYENGAR**

**Counsel for the Respondent No.5 : SRI N.SUBBA REDDY**

WP. NO. 9915 OF 2006:

Between:

Seshasai Plastic Industries, Shed No.1, IDA, Phase-III, Patancheru-502 319,  
Medak District, being rep. by its Managing Partner, Sri P. Prabhakar Rao  
Petitioner

AND

- 1 Board for Industrial and Financial Reconstruction, Jawahar Vyapar Bhavan, 1,  
Tolstoy Marg, New Delhi- 110 001, Rep by its Chairman ( Govt. of India).
- 2 Principal Secretary to Govt., Govt. of A.P Industries & Commerce Department,  
Secretariat, Hyderabad.
- 3 Industrial Development Bank of India, IDBI Tower, Cuffee Parade, Mumbai-400  
005, Rep. by its Chairman & M.D.
- 4 M/s. Voltas Ltd., P.B.No.1193, 9 , J.N.Heradia Marg, Bollord Estate, Mumbai-400 001.
- 5 M/s. Allwyn Watches Ltd., Patancheru, Medak District., Rep by its Managing Director.

.....Respondents

Petition under Article 226 of the Constitution of India, praying that in the circumstances stated in the petition and the affidavit filed herein, the High Court may be pleased to issue a Writ or Order or direction more particularly one in the nature of Writ of Certiorari or any other appropriate Writ i) Declaring the action of the 1st respondent in giving permission to the 3rd Respondent to sell away the 5th respondent assets as arbitrary, illegal, unjust, abuse of power, and in violation of this Hon'ble Court interim order dated 29-07-2003 in W.P.No.15015/2003. ii) Further declare that the Proceedings of the 1st Respondent dated 12-04-2006 in Case No.631/92 as void and consequently quash the same. iii) Call for the records;

**Counsel for the Petitioner : SRI P.PRABHAKARA RAO,**  
**PARTY IN PERSON**

**Counsel for the Respondent No.1 : SRI PONNAM ASHOK GOUD,**  
**ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No. 2: ADDL. ADVOCATE GENERAL**

**Counsel for the Respondent No.3 : SRI S.NIRANJAN REDDY**

**Counsel for the Respondent No.4 : SRI M.S. SRINIVAS IYENGAR**

**Counsel for the Respondent No.5 : SRI N.SUBBA REDDY**

WP .NO:9916 of 2006

Between:

Daimond Plast Industries , Shed No.1/A, IDA, Phase-III, Patancheru-502  
319, Medak District, being rep. by its Executive Partner Smt. P. Usha Rani.

..... Petitioner

AND

1 Board for Industrial and Financial Reconstruction, Jawahar Vyapar  
Bhavan, 1,

Tolstoy Marg, New Delhi- 110 001, Rep by its Chairman ( Govt. of India).

2 Principal Secretary to Govt., Govt. of A.P Industries & Commerce  
Department,

Secretariat, Hyderabad.

3 Industrial Development Bank of India, IDBI Tower, Cuffee Parade,  
Mumbai-400

005, Rep. by its Chairman & M.D.

4 M/s. Voltas Ltd., P.B.No.1193, 9 , J.N.Heradia Marg, Bollord Estate,  
Mumbai-400 001.

5 M/s. Allwyn Watches Ltd., Patancheru, Medak District., Rep by its  
Managing

Director.

.....Respondents

Petition under Article 226 of the Constitution of India, praying that in the circumstances stated in the petition and the affidavit filed herein, the High Court may be pleased to issue a Writ or Order or direction more particularly one in the nature of Writ of Certiorari or any other appropriate Writ i) Declaring the action of the 1st respondent in giving permission to the 3rd Respondent to sell away the 5th respondent assets as arbitrary, illegal, unjust, abuse of power, and in violation of this Hon'ble Court interim order dated 29-07-2003 in W.P.No.15017/2003. ii) Further declare that the Proceedings of the 1st Respondent dated 12-04-2006 in Case No.631/92 as void and consequently quash the same. iii) Call for the records;

**Counsel for the Petitioner : SRI P.PRABHAKARA RAO,**  
**PARTY IN**

**PERSON**

**Counsel for the Respondent No.1 : SRI PONNAM ASHOK GOUD,**  
**ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No. 2: ADDL. ADVOCATE GENERAL**

**Counsel for the Respondent No.3 : SRI S.NIRANJAN REDDY**

**Counsel for the Respondent No.4 : SRI M.S. SRINIVAS IYENGAR**

**Counsel for the Respondent No.5 : SRI N.SUBBA REDDY**

WP .NO:6073 of 2007

Between:

Seshasai Plastic Industries, Shed No.1,. IDA, Phase-III, Patancheru - 502  
319, Medak District, being rep. by its Managing Partner Sri. P.Prabhakara  
Rao.

..... Petitioner

AND

1 Appellate Authority for Industrial & Financial Reconstruction, 10th Floor,  
Jeevan

Prakash, 25, Kasturiba Gandhi Marg, New Delhi 110 001, rep. by its  
Chairman,  
(Govt. of India)

2 Principal Secretary to Govt., Govt. of A.P. Industries & Commerce  
Department,  
Secretariat, Hyderabad.

3 Industrial Development Bank of India, IDBI Tower, Cuffe Parade Mumbai  
- 400  
005, rep. by its Chairman & MD.

4 M/s.Voltas Ltd., Managing Director, P.B.No.1193, 9, J.N. Heradia Marg,  
Bollord Estate, Mumbai - 400 001.

5 M/s.Allwyn Watches Ltd., Patancheru, Medak District, rep. by its  
Managing  
Director.

.....Respondents

Petition under Article 226 of the Constitution of India, praying  
that in the circumstances stated in the petition and the affidavit filed herein,  
the High Court may be pleased to issue a writ, order or direction more in the  
nature of Certiorari or any other appropriate writ calling for the records  
pertaining to Appeal No.119/2006 of AAIFR and set aside the impugned  
order dt. 15.1.06 by holding the same as illegal arbitrary, and untenable and  
further direct the 4th respondent i.e., M/s. Voltas Ltd., to discharge the  
contingent liabilities and claim reimbursement from 2nd respondent i.e.,  
Govt. of A.P. asp per SS-94 dated 4.4.1994 whatever it be as quantified by  
G.M., District Industries Center in its report vide Lr.No.354/L/2001, dated  
3.4.2001 with further interest as per the Interest on delayed Payments to  
Small Scale and Ancillary Industrial Undertakings Act, 1992/1993.

**Counsel for the Petitioner : SRI P.PRABHAKARA RAO,  
PARTY IN**

**PERSON**

**Counsel for the Respondent No.1 : SRI PONNAM ASHOK GOUD,  
ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No. 2: ADDL. ADVOCATE GENERAL**

**Counsel for the Respondent No.3 : SRI S.NIRANJAN REDDY**

**Counsel for the Respondent No.4 : SRI M.S. SRINIVAS IYENGAR**

**Counsel for the Respondent No.5 : SRI N.SUBBA REDDY**

WP .NO:6085 of 2007

Between:

Sri Kartikeya Industries, Shed No.1/B, IDA Phase-III, Patancheru-502 319  
Medak District, being Rep. by its Proprietrix Smt. P. Usha Rani

..... Petitioner

AND

1 Appellate Authority for Industrial & Financial Reconstruction, 10th Floor,  
Jeevan

Prakash, 25, Kasturiba Gandhi Marg, New Delhi 110 001, rep. by its  
Chairman,  
(Govt. of India)

2 Principal Secretary to Govt., Govt. of A.P. Industries & Commerce  
Department,  
Secretariat, Hyderabad.

3 Industrial Development Bank of India, IDBI Tower, Cuffe Parade Mumbai  
- 400  
005, rep. by its Chairman & MD.

4 M/s. Voltas Ltd., Managing Director, P.B.No.1193, 9, J.N. Heradia Marg,  
Bollord Estate, Mumbai - 400 001.

5 M/s. Allwyn Watches Ltd., Patancheru, Medak District, rep. by its  
Managing  
Director.

.....Respondents

Petition under Article 226 of the Constitution of India, praying that in the circumstances stated in the petition and the affidavit filed herein, the High Court may be pleased to issue a writ, order or direction more in the nature of Certiorari or any other appropriate writ calling for the records pertaining to Appeal No.119/2006 of AAIFR and set aside the impugned order by holding the same as illegal arbitrary, and untenable and further direct M/s Voltas Ltd., to discharge the contingent liabilities whatever it be as quantified by G.M. District Industries Center in its report vide Lr. No. 354/L/2001, dated: 03-04-2001 with further interest as per the Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1992/1993.

**Counsel for the Petitioner : SRI V.V.PRABHAKARA RAO**

**Counsel for the Respondent No.1 : SRI PONNAM ASHOK GOUD,  
ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No. 2: ADDL. ADVOCATE GENERAL**

**Counsel for the Respondent No.3 : SRI S.NIRANJAN REDDY**

**Counsel for the Respondent No.4 : SRI M.S. SRINIVAS IYENGAR**

**Counsel for the Respondent No.5 : SRI N.SUBBA REDDY**

WP .NO:6127 of 2007

Between:

Diamond Plast Industries, Shed No. 1/A, IDA, Phase-III, Patancheru-502  
319

Medak District, being Rep. by its Managing Partner, Sri P.R.K. Seshagiri  
Rao

..... Petitioner

AND

1 Appellate Authority for Industrial & Financial Reconstruction, 10th Floor,  
Jeevan

Prakash, 25, Kasturiba Gandhi Marg, New Delhi 110 001, rep. by its  
Chairman,  
(Govt. of India)

2 Principal Secretary to Govt., Govt. of A.P. Industries & Commerce  
Department,  
Secretariat, Hyderabad.

3 Industrial Development Bank of India, IDBI Tower, Cuffe Parade Mumbai  
- 400  
005, rep. by its Chairman & MD.

4 M/s. Voltas Ltd., Managing Director, P.B.No.1193, 9, J.N. Heradia Marg,  
Bollord Estate, Mumbai - 400 001.

5 M/s. Allwyn Watches Ltd., Patancheru, Medak District, rep. by its  
Managing  
Director.

.....Respondents

Petition under Article 226 of the Constitution of India, praying  
that in the circumstances stated in the petition and the affidavit filed herein,  
the High Court may be pleased to issue a writ, order or direction more in the  
nature of Certiorari or any other appropriate writ calling for the records  
pertaining to Appeal No.119/2006 of AAIFR and set aside the impugned  
order dt: 15-1-2007 by holding the same as illegal arbitrary, and untenable  
and further direct M/s Voltas Ltd., to discharge the contingent liabilities  
whatever it be as quantified by G.M. District Industries Center in its report  
vide Lr. No. 354/L/2001, dated: 03-04-2001 with further interest as per the  
Interest on Delayed Payments to Small Scale and Ancillary Industrial  
Undertakings Act, 1992/1993.

**Counsel for the Petitioner : SRI V.V.PRABHAKARA RAO**

**Counsel for the Respondent No.1 : SRI PONNAM ASHOK GOUD,  
ASST. SOLICITOR GENERAL**

**Counsel for the Respondent No. 2:     ADDL. ADVOCATE GENERAL**

**Counsel for the Respondent No.3 :     SRI S.NIRANJAN REDDY**

**Counsel for the Respondent No.4 :     SRI M.S. SRINIVAS IYENGAR**

**Counsel for the Respondent No.5 :     SRI N.SUBBA REDDY**

WP .NO:10836 of 2008

Between:

Diamond Plast Industries, Industrial Development Area, Patancheru-  
502319, Medak District, AP, rep. by its Partner, Mrs.P.Usha Rani

..... Petitioner

AND

1 M/s. AP State Financial Corporation, 5-9-194, Chirag Ali Lane,  
Hyderabad,

rep. by its Vice Chairman & Managing Director

2 The Dy. General Manager, AP State Financial Corporation 22-095,  
Reddy Complex,

Lingampally Circle, Ramachandrapuram, Hyderabad-502032

.....Respondents

Petition under Article 226 of the Constitution of India, praying that in the circumstances stated in the petition and the affidavit filed herein, the High Court may be pleased to issue a writ of certiorari or any other appropriate or orders or direction in the nature of a writ calling for the records pertaining to the impugned notice No.AFC/RCP/MR&R/AVP/2008-2009/382 dated 6.5.2008 notice dated 6.5.2008 to declare the same is wholly arbitrary, illegal, and untenable and therefore it is respectfully prayed that this Hon`ble High Court may be pleased to quash the same;

**Counsel for the Petitioner                     :     SRI V.V.PRABHAKARA RAO**

**Counsel for the Respondents                :     SRI Y.N.LOHITA**

These petitions coming on for hearing, upon perusing the petitions and the affidavits filed therein, and upon hearing the arguments of the above mentioned counsels, the Court made the following;

**ORDER:**

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**“The petitioner industries, who claim to be the ancillary SSI units of M/s. Hyderabad Allwyn Ltd., a Government of Andhra Pradesh owned company, effected supplies of various components and extended services to the said company. They claim that they had supplied the components to the said company at tentative prices subject to final**

fixation of prices by the company and the Government. The Joint Inspection Team constituted by the Government fixed the prices higher than the tentative prices at which supplies were effected by the petitioner industries. Subsequently, the company became sick and a scheme for rehabilitation of the company was sanctioned by BIFR on 4.4.1994. As the difference of price was not paid to the petitioner industries for the supplies effected by them, they moved this Court and also filed claim petitions before the BIFR. The BIFR rejected the claims of the petitioners on the ground that the Government of Andhra Pradesh has not accepted any of the claims and the disputed claims are matter of consideration of civil courts and BIFR would not be examining either the applicability of the claim or the quantum thereof. The appeals filed by the petitioners before the AAIFR were also dismissed. The matter went up to the Supreme Court.

In this batch of writ petitions, the petitioners seek a direction to the BIFR to quantify the arrears of amount due to each petitioner; to direct the Government to settle their claims; to quash the seizure notices issued by the A.P. State Financial Corporation; to direct Voltas Ltd. to discharge the contingent liability of the petitioners; and to declare the action of the BIFR in granting permission to sell the assets of Hyderabad Allwyn Ltd., as illegal and arbitrary.

It appears from the proceedings of the cases that the matter is being adjourned from time to time on the statement made by the learned Addl. Advocate General appearing on behalf of the Government that they are exploring the possibility of an out of court settlement and that the file is circulated to the Hon'ble Chief Minister for an appropriate decision in the matter.

It is also seen from the record that the Government has not filed its counter affidavit, except in one or two cases.

In Writ Petition No.15217 of 2002, the petitioner filed WPMP.No.29690 of 2012 seeking to implead the Government of Andhra Pradesh, represented by its Principal Secretary, Industries and

**Commerce (IFR) Department, and the Chairman, APMSEFC and Commissioner of Industries, Government of Andhra Pradesh, as party respondents. The said petition is ordered.**

**Having regard to the facts of these cases, I am of the view that the standpoint of the Government, as on today, will give a solution to the longstanding issue.**

**The Government of Andhra Pradesh represented by its Principal Secretary, Industries & Commerce (IFR) Department, is directed to file a status report in the matter within four weeks from today.**

**List the matter after four weeks.”**

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ASSISTANT REGISTRAR

//TRUE COPY//

For ASSISTANT REGISTRAR

To

1. The Principal Secretary, Industries and Commerce (IFR) Department, Govt. of A.P., Secretariat, Hyderabad,
2. The Chairman, APMSEFC and Commissioner of Industries, Govt. of A.P., Chirag Ali Lane, Abids Roads, Hyderabad-500 001
- (Addressees 1 & 2 BY RPAD)**
3. Two CCs to Sri Ponnamm Ashok Goud, Asst. Solicitor General, High Court of A.P., Hyderabad (OUT)
4. Two CCs to G.P.for Industries & Commerce, High Court of A.P., Hyderabad (OUT)
5. Two CCs to Advocate General, High Court of A.P., Hyderabad (OUT)
6. One CC to Sri V. V. Prabhakara Rao, Advocate (OPUC)
7. One CC to Sri S.Niranjana Reddy, Advocate (OPUC)
8. One CC to Sri M.S. Srinivas Iyengar, Advocate (OPUC)
9. One CC to Sri Y.N.Lohita, Advocate (OPUC)
10. One CC to Sri N. Subba Reddy, Advocate (OPUC)
11. One CC to Sri P.Prabhakara Rao, Party in person (OPUC)
12. One Spare Copy

**HIGH COURT**

**AB**

**DRAFTED ON 26-9-2012**

**HACJ**

**DATE: 20-9-2012**

**NOTE: POST AFTER FOUR WEEKS**

**ORDER**

**WP.NOs:14771 & 15208 of 1994, 15217 of 2002;  
15015, 15016 & 15017 of 2003; 9914, 9915 and  
9916 of 2006; 6073, 6085 and 6127 of 2007; and  
10836 of 2008**

**DIRECTION**