

**AGREEMENT FOR LEASE BETWEEN GOVT. OF BIHAR AND TATA IRON AND STEEL COMPANY
(TISCO) ON 04.08.1984**

Memorandum of Agreement made this the fourth day of August One Thousand Nine Hundred Eighty Four between the Governor of the State of Bihar of the one part and the Tata Iron and Steel Company Limited having its Registered Office at Bombay House, 24, Homi Mody Street, Fort, Bombay (hereinafter referred to as "the Company", which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the other part.

WHEREAS disputes and differences arose between the Government and the Company regarding the operation and effect of the Bihar Land Reforms (Amendment) Act, 1972 passed by the legislature in the Supreme Court (Original Jurisdiction) bearing no.201 of 1973 challenging the validity of the said Act and stay orders with certain conditions were granted by the Supreme Court staying implementation of the said Act against the Company.

AND WHEREAS thereafter the Company withdraw its writ petition and the legislature of Bihar enacted the Bihar Land Reforms (Amendment) Act, 1982, and the estate of the Company has vested in the State of Bihar under the B.L.R. Act, 1950 as amended up to date.

AND WHEREAS the Company has continued to develop the town of Jamshedpur and render the civic services like conservancy, building and maintaining roads, sewerage etc. supply of water and maintaining water mains, pipes, etc. street lighting and supplying electrical energy and similar amenities and various other civic amenities for the inhabitants of the town of Jamshedpur.

AND WHEREAS for the development of the town and for the supply and maintenance of services aforesaid and diverse civic amenities to the town of Jamshedpur, the Company incurs yearly a huge expenditure and the burden of a large deficit after recoveries made from recipients of these services.

AND WHEREAS having regard to the high standard hitherto maintained by the Company in regard to such development, services and amenities, the Government is of the opinion that in

the public interest it is necessary that the said development and services should continue to undertaken and rendered by the Company as hitherto at its cost and mode of management and realization of charges for services so rendered in the manner followed so far.

AND WHEREAS without powers, privileges and rights hereinafter mentioned the Company cannot have the requisite control over the town of Jamshedpur which is necessary for carrying out its functions in connection with the development of the town and the supply and maintenance of the services and amenities that are being rendered by the Company.

AND WHEREAS the Company has developed huge industry in the shape of factory, godowns, quarters and constructed buildings for the employees and have also leased out certain lands and constructions and having consideration of their general utilities for the expansion and industrial development and interest of the people of Bihar in general and that of Jamshedpur in particular and to avoid any litigation and to protect and preserve the interest of the sub lessees the parties are entering into this Agreement on the terms noted below :

NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO :-

- i. That the rent for the lands together with the buildings and structured thereon as are being used for purposes of the factories or mills or godowns by the Company which are saved to the Company u/s 7 of the B.L.R. Act are deemed to be settled by the State to the Company on payment of rent at the rate of Rs.200/- (Rupees two hundred) only per acre per year, effective from 1st January, 1956.
- ii. That in regard to the lands together with the buildings and structures thereon as are essential for production processes of the Company directly or indirectly, such as for storage of materials and marshalling yards, for dumping of slag and other plant wastes etc. the period of the lease shall be forty years commencing from 1st January, 1956 on payment of rent at the rate of Rs. 200/- (Rupees two hundred) only per acre per year with option of the Company for renewals for periods of 30 years each; under the terms and conditions prescribed by the State Government from time to time However, due consideration will be given at the time of renewals to the objects and purposes of this Agreement.
- iii. That in regard to the lands together with the buildings and structures thereon as are utilized for providing residential facilities to the employees of the Company the period of the lease shall be forty years with effect from 1st January, 1956, on payment of rent at the rate of Rs.50/- (Rupees fifty only) per acre per year with option of the Company for renewals for

periods of thirty years each; under the terms and conditions prescribed by the State Government from time to time. However, due consideration will be given at the time of the renewals to the objects and purposes of this Agreement.

- iv. That in regard to the lands utilized for providing civic amenities such as health, welfare, hospitals, dispensaries and clinics including veterinary hospitals, family planning and child welfare centers, conservancy depots, sewage disposal system along with installations, water supply system along with installations, open spaces, roads, parks, gardens and lakes, playgrounds and stadium, community and social welfare centers, dairy and poultry farms, picnic spots, electric substations, transmission lines for power supply, telephone lines, buildings and offices for the administration of civic amenities, Company's school including technical institutes and hostels, the period of the lease shall be forty years with effect from 01-01-1956 on payment of rent at the rate of Rs.1/- (Rupee one only) per acre per year with option of the Company for renewal for periods of thirty years each under the terms and conditions prescribed by the State Government from time to time. However, due consideration will be given at the time of the renewals to the objects and purposes of this Agreement.
- v. That in regard to the lands leased by the Company before 22nd June, 1970 to different parties, such as other industrial undertakings, individuals, societies or associations, the period of the lease from the State Government to the Company shall be forty years with effect from 01-01-1956 and the rent payable to Government by the Company shall be the same as the rent which the Company has been recovering from such industrial undertakings, individuals, societies and associations with option of the Company for renewals for periods of thirty years each on the terms and conditions prescribed by the State Government from time to time.

Provided, however, that if before the expiry of the lease to the Company the period of the sub-lease expires and the said sub-lease is renewed, then the State Government shall at the time of renewals of such sub-lease have the power to revise the amount of rent payable to the state Government by the Company.

Provided further that in that case the Company shall be at liberty to make a corresponding enhancement in the rent payable by the sub-lessee to the Company.

- vi. That the Company shall pay to the State any premium or salami realised by the Company for settlements/leases, entered into after 01-01-1956.
- vii. That the State Government shall execute a deed of lease in favour of the Company for a period of 40 years effective from 01-01-1956 on a rental payable for agricultural lands in that area subject to a minimum of Rs.1/- per acre for all residuary vacant lands with the option of the Company for renewals for periods of thirty years each on the terms and conditions prescribed by the State Government from time to time, that is to say for lands as under :-
 - a. Lands not covered by sub-clauses (i), (ii),(iii), (iv) and (v) hereinbefore;
 - b. Lands not covered by hats, bazars, sairats and fisheries
 - c. Lands not covered by agricultural tenancies under the Government; and
 - d. Lands not resumed by Government.

However due consideration will be given at the time of the renewals to the objects and purposes of this Agreement.

The Vacant lands may be used by the Company for factory, production processes, providing civic amenities to the town and housing facilities to the employees of the Company. If the vacant land is put to any such use the lease rent will be paid to the Government in accordance with the rate specified hereinbefore for such use. Government will be entitled to hold enquiry as to the bonafides of such use and in case it is found that the use was not bonafide the State will be at liberty to resume such land. For any subsequent change in use of the land already put to use under this clause, information will be given to the Government and such change will also be subject to enquiry about the bonafides of the change as stated above.

Further the State Government shall have the power to resume any such land required for its own use and/or for any public purposes and Company shall return such land to Government without any compensation. In such resumption, however, Government will give due consideration to the interest of the lessee company also.

- viii. That should the Company find it necessary in future to sub-lease any portion of the vacant lands in favour of any person such allotment will be made with the approval of the State Government on terms to be settled. An appropriate machinery will be set up by the Government in consultation with the Company for expeditious disposal of such cases of sub-lease.

- ix. That in regard to lands let out by the Company on month to month basis to individuals, societies, associations or industrial undertakings either before 22nd June, 1970, or between that date and the date of enactment of the Bihar Land Reforms (Amendment) Act, 1972, the State Government shall execute a lease deed in favour of the Company for a period of forty years effective from 01-01-1956 with option of the Company for renewals for periods of thirty years each on payment of rent to the Government and the amount of rent will be the same as the rent which the Company has been recovering from such monthly tenants and the said persons shall hold their respective lands as sub-lessees under the Company on the same terms and conditions as of their monthly tenancies from the Company, provided that the Government may authorise the Company to convert such monthly tenancies into sub-leases for such periods on such terms and conditions and on payment of such rents as may be fixed by the State Government.
- x. That in regard to the leases of land granted by the Company to other industrial undertakings, individuals, societies and associations after 22nd June 1970 and before the date of enactment of Bihar Land Reforms (Amendment) Act 1972, the State Government shall execute a lease in favour of the Company for a period of 40 years with option of the Company for renewals for periods of thirty years each provided that the State Government shall have the powers to make enquiries to ensure that such transactions were not made to defeat the purposes of the B.L.R. Act and will have the power to resume possession of those lands where the State Government comes to a finding after giving due opportunities to the parties for being heard that such transactions were not made with a view to defeating the purpose of the B.L.R. Act. When the Government resumes possession of such lands Government would settle the same with the Company on lease like other lands provided the same is not required for Government purpose or public purposes.

Provided, however, that if before the expiry of the lease to the Company the period of the sub-lease expires and the said sub-lease is renewed then the State Government shall at the time of renewals of such sub-lease have the power to revise the amount of rent payable to the State Government by the Company.

Provided, further that in that case the Company shall be at liberty to make a corresponding enhancement in the rent payable by the Sub-lessee to the Company.

- xi. That in respect of sub-clauses (ii), (iii), (iv), (v), (vii), (ix) and (x) hereinabove the option for renewals is to be exercised by a written communication by the Company to the Government of Bihar, at least three months prior to the expiry of the periods of lease, and any omission to

do so may be condoned by the Government if it so desires and is convinced as to the reason of failure in exercising the option.

- xii. That in respect of the period from 01-01-1956 to 31st March, 1984 all rents and dues from the Company to the Government particularly in respect of sub-clauses (i), (ii), (iii), (vi), (ix) and (x) here in mentioned before shall be paid in three equal annual installments with interest, the first of such installments being paid on or before 31.12.1984. Interest will be calculated at the rate of 9.5% from 01-01-1956 to 31-12-1974 and at the rate of 13% from 01-01-1975 to 31-03-1984.
- xiii. That for the subsequent years commencing form 01-04-1984, annual rents shall be paid by the Company to the Government on or before 31st March of the following year.
- xiv. That with a view to ascertaining the exact areas demised by the Government to the Company in respect of the different purposes a joint survey shall be held as soon as possible and agreed plans shall be prepared demarcating the operation area in respect of each user, and on determination of such areas appropriate leases will be executed along with terms and conditions herein mentioned.
- xv. That the existing hats, Melas, bazaars, Jalkars, fisheries and other Sairats shall be settled by the Government with the Company on a fixed Jama for a period of five years at a time and the Company shall carry on the management and administration thereof of payment of the entire amount of the fixed Jama to the State Government by the Company. Provided that the State Government shall have the right to revise the fixed Jama for such settlements after every three years. The entire amount realized towards such items by the Company since 01-01-1956 upto 31-03-1984 shall be paid to the Government in three equal annual installments, the first of such installments being paid on or before 31st December, 1984 and along with the last installment, interest on such dues at the rate of 9.5% per annum for the period 01-01-1956 to 31-12-1974 and at the rate of 13% per annum from 01-01-1975 to 31-03-1984 shall be paid.
- xvi. That the aforesaid leases shall not cover lands which were acquired for the Company under the Land Acquisition Act but in which subsequently agricultural tenants acquired occupancy rights before the commencement of the Bihar Land Reforms (Amendment) Act, 1960 and the lands resumed by Government. All such lands have already vested in the State of Bihar.
- xvii. That since the liability of the Company is to pay the same amount of rent to the Government as the rent recoverable by the Company from all sub-lessees and since the Company has to incur considerable administrative expenses for collection of rent from the

sub-lessees, it is hereby agreed that the Government shall grant a rebate of 5 (five) percent in respect of such rent payable by the Company to the Government by way of collection charges.

- xviii. Whatever rights have accrued to the persons of Scheduled Tribes in any of the lands concerned under the Chhotanagpur Tenancy Act cannot be disturbed by the Company. Furthermore the terms and conditions of all leases held by the tribals or to be given to the tribals in the area will receive the prior approval of the State Government or will be in accordance with the general directives issued by the State Government in this behalf.
- xix. That it is further agreed that in lieu of the aforementioned services of municipal nature to be rendered by the Company, the Company shall be at liberty to recover the charges as may be fixed by the Company from time to time from the recipients subject to the maximum ceiling fixed under the Bihar & Orissa Municipal Act. Further the Company will continue to maintain the standard of Municipal Services and Civic amenities being rendered by them in Jamshedpur.
- xx. That it is further agreed that recovery of arrears of land rent and charges for the aforesaid services rendered by the Company may be affected under the Public Demands Recovery Act.
- xxi. The State being the paramount owner of the land leased out to the Company the provisions of the Bihar Public Land Encroachment Act will apply to such lands also and for the purposes of prevention and removal or regularization of encroachments on lands an efficacious procedure will be set up by the Government in consultation with the Company.
- xxii. The lessees of lands leased by the State Government in compliance of Government instructions issued after the 1972 amendment to the B.L.R. Act will also be deemed to be the sub-lease of the Company on the same terms and conditions.
- xxiii. Prior approval of the State Government should be taken before seeking any execution of decree for eviction issued by the competent court with regard to sub-lessees.
- xxiv. All documents and deeds which may be necessary or expedient for the purpose of implementing this Memorandum and requiring registration shall be prepared by the Company and approved by the Government. Stamp duty and registration charges in respect of this Memorandum and all other aforesaid documents and deeds shall be borne by the Company. All other costs, charges and expenses incurred by the Company shall be borne by it.
- xxv. Wherever Tisco has before 22-06-1970, settled any land which was originally acquired under the L.A. Act, 1894 for it or any buildings or structures thereon with another industrial

undertaking for expansion or establishment of a new industry the whole of the lands, buildings, or structures covered by such settlements shall, with effect from 01-01-1956, be deemed to have been settled by the State Government with the settlers on payment of fair and equitable ground rent to be determined by the Deputy Commissioner, Singhbhum in the prescribed manner and such settlers will hold the same as tenant under the State Government.

xxvi. The rate of rent can be revised by the State of Bihar in all cases of renewals after 01-01-1996. However due consideration will be given at the time of renewals to the objects and purposes of this Agreement.

xxvii. In case of any violation of the terms and conditions of this Agreement by the Company leases other than the leases deemed to have been leased under B.L.R. Act shall be liable for determination by giving six months notice and due opportunity to explain and if necessary to rectify the position.

IN WITNESS whereof the said parties have hereunto set their hands and seal the day and year first above written.

Signed by

Signed by

(K.P. Sinha, I.A.S.)
Adviser Revenue-cum-Land
Reforms Commissioner,
Government of Bihar
For and on behalf of
The Governor of Bihar.

(R.H. Mody)
Vice-Chairman & Managing Director
The Tata Iron & Steel Company Limited
For and on behalf of
The Tata Iron & Steel Company Limited

In the presence of

1)

2)

In the presence of

1)

2)