

**INDENTURE OF LEASE BETWEEN GOVT. OF JHARKHAND &  
TATA STEEL ON 20.08.2005**

**THIS INDENTURE OF LEASE** made this, the Twentieth day of August Two Thousand and Five between the Governor of the State of Jharkhand (hereinafter referred to as "The Lessor") represented by Mr. P.P. Sharma, I.A.S., Chief Secretary, Government of Jharkhand of the **ONE PART**.

**AND**

Tata Steel Limited an existing Company under Companies Act, 1956, having its Registered Office at Bombay House, 24, Homi, Mody Street, Fort, Mumbai (hereinafter referred to as "The Lessee") which expression shall unless repugnant to the context be deemed to include its successors and assigns represented by Mr. B. Muthuraman, Managing Director, of the **OTHER PART**.

**WHEREAS** disputes and difference arose between the erstwhile Government of Bihar and the Lessee regarding the operation and effect of the Bihar Land Reforms (Amendment) Act, 1972 passed by the Legislature of Bihar and the Lessee filed a Writ Application 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 Lessee.

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

**AND WHEREAS** the Lessee 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 Lessee

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 Lessee in regard to such development, services and amenities, the Lessor is of the opinion that in the public interest it is necessary that the said development and services should continue to be undertaken and rendered by the Lessee as hitherto at its cost and mode of management and realisation of charges for services so rendered in the manner followed so far;

**AND WHEREAS** without powers, privileges and rights hereinafter mentioned the Lessee 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 Lessee;

**AND WHEREAS** the Lessee has developed huge industry in the shape of factory, godowns, quarters and constructed buildings for the employees and has also leased out certain lands and constructions. Pursuant to the amendments in B.L.R. Act by Act 17 of 1983 and having consideration of the general utilities for the expansion and industrial development and interest of the people of the State 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 erstwhile State of Bihar and the Lessee entered into an Agreement for Lease which was executed on 4th August 1984.

**AND WHEREAS** by a Deed of Agreement dated the 4<sup>th</sup> August, 1984 executed between the State of Bihar and the Lessee and registered on the 9<sup>th</sup> November, 1984 in Book No. 1, Volume 48, pages 412 to 426 being No. 6418 and 6417 of the year 1984 at Jamshedpur Sub-Registration Office, it was agreed between the parties that the Lessor shall grant unto the Lessee leases in respect of vacant lands as well as those with building and structures standing thereon and execute deed of lease in respect of lands which are deemed to be leased to the Lessee by virtue of Sections 7D and 7E of the Bihar Land Reforms Act, 1950 as amended from time to time, the last amendment being made by the Bihar Land Reforms (Amendment) Act, 1982 (Bihar Act 7 of 1983), all fully described in Schedule 1 to V thereto.

**AND WHEREAS** after joint survey carried out by the State and the Lessee as per the Agreement for Lease, an Indenture of Lease dated 1<sup>st</sup> August 1985 was executed between the State of Bihar and the Lessee registered on 6<sup>th</sup> August 1985 in Book No. 1 Volume 56, pages 99 to 407 along with 37 maps of eighteen villages, being Deed No. 5655 of the year 1985 at Jamshedpur Sub-Registration Office in the town of Jamshedpur, of which the Agreement for Lease dated 04.08.1984 is a part. For the purpose of determining the rent of lands utilised by the Lessee for different purposes, the entire lands were detailed in five separate schedules. Schedule I – Lands utilised for production purposes, Schedule II – Lands utilised for housing of employees of the Lessee, Schedule – III – Lands utilised for providing civic amenities viz. hospitals, schools parks etc. Schedule IV- Land given to other industrial undertakings, societies, individuals, charitable institutions, clubs etc. and Schedule V – Vacant lands;

AND WHEREAS in the Agreement for Lease dated 04.08.1984 in several clauses, the Lessee was given the option to apply for renewals for a period of 30 years each and the option for such renewal rests with the Lessee;

**AND WHEREAS** the Lessee exercised its option for renewal by letter No. AO/14847/95 dated 03.08.1995 addressed to the Deputy Commissioner, East Singhbhum, Jamshedpur with copies to Land Reforms Commissioner, Government of Bihar, Patna and the Commissioner-Cum-Secretary, Revenue and Land Reforms Department, Government of Bihar, Patna in pursuance to the terms and conditions as contained in Clause (xi) of the Agreement for Lease, for further renewal of lease of lands under different Schedule of the Lease Deed dated 01.08.1985;

**AND WHEREAS** the State of Bihar was negotiating with the Lessee about the terms and conditions of lease. In the meanwhile, reorganization, of the State of Bihar took place and the leasehold fell within the new State of Jharkhand and under the provisions of Bihar State Re-organisation Act, 2000, the State of Jharkhand is competent to renew the lease.

**AND WHEREAS** the Lessor is of the opinion that it is desirable, in public interest, to renew the lease in respect of the lands other than those deemed to be leased to the Lessee under Sections 7D and 7E of the said Act and to execute this Indenture of lease for all such lands including those deemed to be leased under the Act.

**NOW THIS INDENTURE WITNESSETH THAT** the Lessor doth hereby demise unto the Lessee all the lands and premises as specified in the Appendices forming part of this Indenture with their appurtenances to continue to hold the same unto the Lessee from the 1st day of January, 1996 for a further term of 30 years with option of renewal for periods of thirty years each on continued payment of a clear yearly rent at the rates mentioned hereinafter for the various categories of lands and the Lessor and the Lessee covenant with each other that they will perform and observe the terms and conditions set out hereunder.

1. That the lands together with the buildings and structures thereon as are being used for purposes of the factories or mills or godowns by the Company which are saved to the Company under Section 7 of the B.L.R. Act, 1950 are deemed to be settled by the State to the Company on payment of the rate of Rs. 400/- (Rupees Four Hundred only) per acre per year, effective from 1<sup>st</sup> January, 1996.
2. That the lease of the lands comprised in Schedule – I of the Lease Deed dated 01.08.1985, the Contents of which have been modified due to various reasons the details of which are given in the Appendix – “A” forming part of this Indenture and are essential for production processes of the Lessee together with buildings and structures thereon, is renewed in favour of the Lessee for storage of materials and marshalling yards, for dumping of sludge and other plant wastes etc. for a period of 30 years commencing from 1st January 1996 on payment of revised rent at the rate of Rs. 400/- (Rupees Four Hundred only) per acre per year with the option of the Lessee for further renewals for periods of 30 years each under the terms and conditions prescribed by the Lessor from time to time. However, due consideration will be given at the time of renewals to the objects and purposes of this Indenture.
3. That the lease of the lands together with buildings and structures comprised in Schedule – II of the Lease Deed dated 01.08.1985, the contents of which have been modified due to various reasons, the details of which are given in Appendix - “B” forming part of this Indenture is renewed in favour of the Lessee for the purpose of providing residential facilities to the employees of the Lessee, for a period of thirty years commencing from 1<sup>st</sup> January, 1996 on payment of revised

rent at the rate of Rs. 100/- (Rupees One Hundred only) per acre per year with the option of the Lessee for further renewals for periods of thirty years each under the terms and conditions prescribed by the Lessor from time to time. However, due consideration will be given at the time of the renewals to the objects and purposes of this Indenture.

4. That the lease of the lands comprised in Schedule – III of the the Lease Deed dated 01.08.1985 the contents of which have been modified due to various reasons. The details of which are given in Appendix- “C” forming part of this Indenture is renewed in favour of the Lessee, for providing civic amenities such as health, welfare, hospitals, dispensaries and clinics including veterinary hospitals, family planning and child welfare centres conservancy depots, sewage disposal system alongwith installations, open spaces, water supply system along with installations, road, park, gardens and lakes, playgrounds and stadium, community and social welfare centres, dairy and poultry farms, picnic spots, electric substations, transmission lines for power supply, telephone lines, buildings and offices for the administration of civic amenities, essee’s Schools including teachnical institutes and hostels. The period of the renewal lease shall be thirty years with effect from Ist January 1996 on payment of revised rent at the rate of Rs. 2/- (Rupees Two Only) per acre per year with the option of the Lessee for further renewals for periods of thirty years each under the terms and conditions rescribed by the Lessor from time-to-time. However, due considseration will be given at the time of the renewals to the objects and purposes of this Indenture.
5. That the lease of the lands comprised in Schedule – IV, of the Lease Deed dated 01.08.1985 leased by the Lessee before 22<sup>nd</sup> June, 1970 to different parties, such as other industrial undertakings, individuals societies or associations the period of lease from the Lessor in favour of the Lessee is hereby renewed for thirty years with effect from Ist January 1996 and the rent payable to the Lessor by the Lessee shall be the same as the rent which the Lessee has beenr ecovering from such industrial undertakings, individuals societies and associations with option of the Lessee for further renewals for periods of thirty years each on the terms and conditions prescribed by the Lessor from time to time.

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

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

6. That the lease of the lands comprised in Schedule-V of the Lease Deed dated 01.08.1985, the contents of the which have been modified due to various reasons and the details of which are given in Appendix- "E" forming part of this Indenture is renewed in favour of the Lessee for a period of 30 years effective from 1st January 1996 on a rental payable for agriculture lands in that area subject to a minimum of Rs. 28.20 (Rupees Twenty Eight and Paise Twenty only) per acre per year for all residuary vacant lands with the option of the Lessee for further renewals for periods of thirty years each on the terms and conditions prescribed by the Lessor from time to time, that is to say for land as under :-
  - a. Land not covered by sub-clauses (1) (2), (3) (4) (5), (6) and (7) herein;
  - b. Lands not covered by huts, bazaars, dairies 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 Indenture.

The vacant lands may be used by the Lessee for factory, production processes, providing civic amenities to the town and housing facilities to the employees of the Lessee., If the vacant lands is put to any such use, the lease rent will be paid to the Lessor in accordance with the rates specified in this Indenture for such use. However, the Lessor 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 Lessor will be at liberty to resume such land.

For any subsequent change in the use of the lands already put to use under this indenture, thirty days prior notice will be given to the Lessor and such change will also be subject to enquiry about the bonafides of the changes as stated above.

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

7. The lands forming part of Schedule V of the Lease Deed dated 01.08.1985, on which Busties are existing have been excluded from this Indenture, area and boundary of which shall be decided by the State Authorities by separate decision which shall be made annexure to the a/d mentioned in Appendix- 'E' but Lessee shall provide Civi amenities to residents of such land on the charges recoverable by Lessee from such residents. Further, if any Raiyati land of any Raiyat has/ have been inadvertently included in any scheduled land as a part of the lease, shall be excluded from the concerned Schedule – Appendix in consultation with the Lessee after following due process of law.
8. That should the Lessee 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 prior approval of the Lessor or terms to be settled. An Appropriate Machinery Committee has been set up by the Lessor in consultation with the Lessee for expeditious disposal of such cases of sub-lease.
9. That in regard to land let out by the Lessee on month basis to individuals, societies, associations or industrial undertakings either before 22<sup>nd</sup> June, 1970 or between that date and the date of enactment of the Bihar Land Reforms (Amendment) Act, 1972, the Lessor hereby renews the lease in favour of the Lessee for a period of thirty years effective from 1<sup>st</sup> January 1996 with option of the Lessee for further renewals for periods of thirty years each on payment of rent to the Lessor. The amount of rent will be the same as the rent which the Lessee has been recovering from such monthly tenants and the said persons shall hold their respective lands as sub-lessees under the Lessee on the same terms and conditions as of their monthly tenancies from the Lessee. In this regard, the Lessor has authorized the Lessee 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 Lessor.

10. That in regard to the sub-leases of lands granted by the Lessee to other industrial undertakings, individuals, societies and associations after 22<sup>nd</sup> June, 1970 and before the date of enactment of Bihar Land Reforms (Amendment) Act 1972, and all other sub-leases granted to other industrial undertakings, individuals, societies and associations after the Agreement for Lease dated 04.08.1984 with prior approval of the Lessor on recommendation of the Appropriate Machinery Committee set up under the terms of the said Agreement for Lease, the Lessor hereby renews the lease in favour of the Lessee for a further period of 30 years with effect from 1st January, 1996, with option of the Lessee for further renewals for periods of thirty years each.

Provided that the Lessor 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 Lessor comes to a finding after giving due opportunities to the parties for being held that such transactions were not made with a view to defeating the purpose of the B.L.R. Act. When the Lessor resumes possession of such lands, Lessor would settle the same with the Lessee 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 Lessee the period of the sub-lease expires and the said sub-lease is renewed, then the Lessor shall at the time of renewals of such sub-lease have the power to revise the amount of rent payable to the Lessor by the Lessee.

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

The lands included in Clauses (5), (9) and (10) hereinabove are incorporated in Appendix – “D” of this indenture.

However, the Lessee will submit by the beginning of the next financial year a one time statement showing detailed demand against each of such sub-leases of

lands in Appendix – 'D' to the Deputy Commissioner (East Singhbhum). Subsequently, the statement will be supplemented annually if and when there is any change in demand of rent.

11. That in respect of clauses (2), (3), (4), (5), (6), (9) and (10) hereinabove, the option for renewals is to be exercised by a written communication by the Lessee to the Lessor at least three months prior to the expiry of the period of lease, and any omission to do so may be condoned by the Lessor, if it so desires and is convinced as to the reason of failure in exercising the option in time.
12. That in view of the fact that on expiry of the period of the Lease on 31.12.1995, the Lessee has continued to deposit the rent from 01.01.1996 to 31.03.2005, in accordance with the rates specified in the Agreement for Lease dated 04.08.1984, the Lessee shall be liable to pay the differential amount of revised rent for the said period. Payment of road, health and education cess are subject matter of Civil Appeal No. 4952-4953 of 2001 pending before the Hon'ble Supreme Court. The parties shall abide by the final judgment of the Court. However, the issue of Agricultural Development Cess is pending re-consideration of the Lessor.
13. That for the subsequent years commencing from 01.04.2005, annual rents at revised rates shall be paid by the Lessee to the Lessor on or before 31<sup>st</sup> March of the financial year. However, payment of cesses shall be subject to the decision of the Hon'ble Supreme Court of India in Civil Appeal No. 4952-4953 of 2001.
14. That this Indenture does not cover lands which were acquired for the Lessee 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 (except those tenants whose rights had extinguished under law), and the lands which have been resumed by the Lessor or title has been declared finally in favour of parties by competent Courts.
15. That since the liability of the Lessee is to pay the same amount of rent to the Lessor as the rent recoverable by the Lessee from all the sub-lessees (voered by clauses (5), (9) and (10) above) and since the Lessee has to incur considerable administrative expenses for collection of rent from the sub-lessees, it is hereby

agreed that the Lessor shall grant a rebate of 5 (five) percent in respect of such rent payable by the Lessee to the Lessor by way of collection charges.

16. Whatever rights have accrued to the persons of Scheduled Tribes in any of the lands concerned under the Chotanagpur Tenancy Act, 1908, cannot be disturbed by the Lessee. Furthermore, the terms and conditions of all leases held by the tribale or to be given to the tribal in the area will receive the prior approval of the Lessor or will be in accordance with the general directives issued by the Lessor in this behalf.
17. That it is further agreed that in lieu of the aforementioned services of municipal nature to be rendered by the Lessee, the Lessee shall be at liberty to recover the charges as may be fixed by the Lessee from time to time from the recipients, subject to the maximum ceiling fixed under the Bihar and Orissa Municipal Act. Further, the Lessee will continue to maintain the standard of municipal services and civic amenities being rendered by them in Jamshedpur.
18. That it is further agreed that recovery of arrears of land rents including cesses (subject to final decision of Hon'ble Supreme Court in Civil Appeal No. 4952-4953 of 2001) and interest thereon payable by the Lessee shall be effected under the Public Demands Recovery Act.
19. That the Lessor being the paramount owner of the land leased out to the Lessee, the provisions of the Bihar Public Land Encroachment Act, 1956, will apply to all such lands fully described in Appendices – A, B, C, D & E and for the purposes of the prevention and removal or regularization of encroachments on lands, and efficacious machinery will be set up by the Lessor in consultation with the Lessee.
20. The lessees of lands leased by the Lessor in compliance of Government instructions issued after the 1972 amendment to the B.L.R. Act, will also be deemed to be the sub-lessees of the Lessee on the same terms and conditions.
21. That for the purpose of execution of this Indenture of Lease, stamp duty and registration charges shall be borne by the Lessee.

22. Wherever Lessee 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 or 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 Lessor with the settlees on payment of fair and equitable ground rent to be determined by the Deputy Commissioner, (East Singhbhum) in the prescribed manner and such settlees will hold the same as tenant under the Lessor.
23. The rate of rent can be revised by the Lessor in all cases of renewals after 01.01.2026. However, due consideration will be given at the time of renewals to the objects and purposes of this Indenture.
24. In case of any violation of the terms and conditions of this Indenture by the Lessee, 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.
25. That the Lessor shall have a right to make inspection of the lands covered by this Lease Deed through its officers duly authorized in this behalf by the Lessor/ Deputy Commissioner (East Singhbhum)
26. That if at a later date any bonafide errors or mistakes in classification of the lands is detected, the parties will be competent to correct the same and appropriate Deed of Modification shall be executed between the parties hereto.
27. If at a later date on verification of the leases granted by the Company to individuals, societies, or industrial undertakings any lease which is found to be defective, not genuine with a view to defeating the purpose of the Bihar Land Reforms Act, 1950 the same shall be liable to be cancelled and the Lessor will be free to take suitable action in accordance with the provisions of this Indenture.

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

Signed by

Prem Prakash Sharma, I.A.S  
Chief Secretary  
Govt of Jharkhand  
For on behalf of  
The Governor of Jharkhand

Signed by

B. Mathuraman  
Managing Director  
Tata Steel Limited

In presence of

1. A C Ranjan, I.A.S.  
Principal secretary  
Revenue and Land Reforms  
Department  
Government of Jharkhand

In presence of

1) P. Sengupta  
Principal Executive Officer  
Tata Steel Ltd.

2. Dr. N M Kulkarni, I.A.S.  
Dy. Commissioner  
East Singhbhum

2) P. Sinha  
Chief Resident Executive  
Tata Steel Ltd.

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