

**Jamshedpur**  
**19 December, 2012**

To,

1. **The Chief Secretary,**  
**Govt. of Jharkhand, Ranchi.**
  
2. **The Secretary,**  
**Revenue & Land Reforms.**  
**Govt. of Jharkhand, Ranchi.**

**Subject :- Review of the Tata Lease Agreement in the light of the Bihar Land Reforms Act, 1950 and Current Court Cases in the Jharkhand High Court related to the grant of subleases under section 8 of it.**

Dear Sir,

You are well aware about recent dispute arisen out of the investigation report of Mr. Devashish Gupta regarding the alleged illegalities in subleases granted to above 100 persons and organisations by the Tata Steel Ltd. with the concurrence of the appropriate machinery committee formed by the Jharkhand Govt. as per the provision of Section VIII of the lease agreement 1985 and the lease renewal agreement 2005 between the erstwhile state Govts. of Bihar/Jharkhand and the then managements of the TISCO / the Tata Steel Ltd. Above two dozen sublessees, whose construction work on the site has been stopped due to the order of the principal secretary, department of Revenue & Land reforms, Govt. of Jharkhand vide his letter no. 5/tata lease Bhoomi Parivad- 10/10-3058/ra dated 17.9.2012 to maintain status quo in the matter till further order, have moved to the Jharkhand High Court and challenged the order.

In this context I want to draw your kind attention towards the relevant sections of the Bihar Land Reforms Act ( BLRA ), 1950 which were substituted in it as sections 7D & 7E for private sector undertaking and as section 7G for public sector undertaking by way of amendments vide Act 5 of 1972, Act 14 of 1974 and by Act 17 of 1983 and later lead to facilitate the Lease agreement between the TISCO and the Bihar Govt. in 1985. The lease agreement was renewed in 2005 by the Govt. of Jharkhand after bifurcation of the erstwhile state of Bihar. Sections 7D,7E and 7G of the Bihar Land Reforms Act, 1950 which were adopted by the Jharkhand Government are quoted below :-

**7D** : Land and Buildings, etc. acquired for an industrial undertaking and utilised for providing civic amenities, namely, health, housing, welfare, power house, and educational facilities to be deemed settled with it by the state. –

(1) If any land has been acquired for an industrial undertaking under the Land Acquisition Act, 1894 (Act 1 of 1894) so much of such land and buildings and structures thereon in possession of industrial undertaking as are being utilised for providing civic amenities, namely health, housing, welfare, power house and education facilities to its employees and so much of remaining portion of such land and buildings and structures thereon as are found essential on an enquiry by the State Government for production processes of the industrial undertaking shall be deemed to have been leased out by the State Government with the owner of the industrial undertaking for the period as determined by the State Government subject to payment of such fair and equitable rent as determined by the State Government.

**7E** : Lands and buildings, etc., acquired for an industrial undertaking and leased by it to another industrial undertaking for its expansion by establishing new industry or to an individual to be deemed as leased with it by the State Government on same terms

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(1) If any portion of the land acquired for an industrial undertaking under the land acquisition Act, 1894 (Act 1 of 1894) has been leased out by the industrial undertaking before the 22 June, 1970 to another industrial undertaking for establishment of a new industry or its expansion or to any Or to any individual or society or association for residential, commercial or for such other purpose, the whole of such land, buildings or structures covered by such lease shall with effect from the commencement of this Act, be deemed to be leased to the industrial undertaking for such period as may be determined by the state Government subject to payment of fair and equitable rent as determined by the state Government and the association to whom lease has been granted by the industrial undertaking and provision of clause (g) and (h) of the clause 4 shall not be effective with respect to such land or building or structures thereon.

**7G** : Land acquired for public sector undertaking on which no occupancy right has been acquired to be saved to public sector undertaking. -  
Notwithstanding anything contained in this Act, where any land has been acquired for public sector undertaking under the Land Acquisition Act, 1894 (Act 1 of 1894), so much of land on which occupancy right has not been acquired by any tenant before the commencement of this Act, in accordance with the tenancy law of the area in which it is situated, shall be saved to the said public sector undertaking :  
Provided that Nothing in this section shall entitle the public sector undertaking to create any intermediary interest or tenancy in accordance with the tenancy law of the area in which it is situated.

**Explanation** - Nothing in this proviso shall, however, affect the right of a public sector undertaking to lease out or settle lands with a view to provide civic, community, health, housing, welfare and educational facilities to its employees, or for industries concerning or ancillary to the industrial process carried on by the public sector undertaking :

As per the spirit of the section 7D of the BLR Act, 1950 a lease agreement was entered into between the Govt. of erstwhile Bihar and M/S TISCO Ltd. which was renewed by the Govt. of Jharkhand in 2005. In this agreement the lands and structures used by TISCO / Tata Steel for industrial purpose were put in schedule-I, the lands and structures marked for residential use in schedule-II, the lands and structures categorised for civic amenities in schedule-III and the remaining lands i.e. vacant lands were kept in schedule- V. whereas the lands and structures subleased by TISCO before June 22, 1970 were placed in schedule- IV of the agreement.

As provided in the section 7D & 7E of the BLR Act, 1950 the land in schedules I,II,III & IV are deemed to be leased to the industrial undertaking but the same is not applicable in the context of the remaining or vacant lands kept in schedule V. With regard to the vacant land section 7D clearly says that an enquiry will be made and only that only that portion of the vacant land, which will be found essential after enquiry, will be leased by the Government to the industrial undertaking only and only for the purpose of industrial process. There is no ambiguity about it in the section 7D of the BLR Act, 1950.

Even a lay man will reach to conclusion after going through the section 7D of the BLR Act 1950 that It does not allow the vacant lands placed in schedule V of the lease agreement would be subleased to any individual, organisation or association for any purpose. It clearly means that what to tell of the vacant lands an industrial

undertaking has not been empowered to sublease any portion of the any lands acquired under the land acquisition Act, 1894 and leased to it. In fact the vacant land according to it will remained with the Government and only that portion of the vacant land will be leased out to the industrial undertaking which will be found essential and that too only for the production purpose. Whereas a public sector industrial undertaking in section 7G of the BLR Act, 1950 has been empowered to make subleases for certain specific purposes.

Contrary to the provision of the BLR Act 1950, section 8 of the Tata lease agreement 1985 /Tata lease renewal agreement 2005 empowered the TISCO Ltd. / Tata Steel Ltd. to make subleases of the vacant lands with the permission of the so called Appropriate Machinery Committee constituted by the state Government. Thus section 8 of the Tata lease agreement is totally against section 7D of the BLR Act, 1950 and thus is ultra virus. Consequently the subleases granted after 1985 under section 8 of the Tata lease agreement are illegal and irregular.

Even though the subleases granted under illegally incorporated section 8 of the lease agreement the Tata steel and the AMC have blatantly violated this illegal provision as well while granting subleases to individuals and organisations. The lands subleased are not confined within the boundaries of the vacant lands in schedule V of the lease agreement but spreads to the lands of the other schedules also. In fact lands consisting of all the schedules have been subleased to interested persons which is in utter violation of the illegally incorporated section 8 of the lease agreement. The guilt of the persons involved in this illegal act with obvious patronage and knowledge of the persons in power that be as well as in the local administration is thus compounded.

The Jharkhand Government while defending its order with regard to the status quo in sublease matter challenged by some of sublesees before the Jharkhand high court should also keep the above mentioned fact in mind. In this light the state Government should also revisit the lease agreement/ lease renewal agreement and make necessary corrections in it by removing/ amending the provision of the section 8 of the lease agreement.

I request your good self to kindly look deeply into the fact above and take appropriate steps in the public interest as well as in the interest of the state to undo the illegality made knowingly or unknowingly in the past.

With Regards,

Your's faithfully,

**Sd/- Saryu Roy**

**Copy to :-  
The Deputy Commissioner,  
East Singhbhum, Jamshedpur.**