

**Government of West Bengal
Land & Land Reforms Department
'NABANNA'
325, Sarat Chatterjee Road
P.S. Shibpur, Howrah – 711 102.**

No. LRC/140/2014

Date: 25.08.2014

MEMORANDUM

Sub: Matters pertaining to M/s. Bata India Limited.

This is regarding the case of M/s. Bata India Ltd. (BIL) which exists on 47 acres of land. BIL was allowed to dispose 262 acres of land for development of a comprehensive township through Riverbank Holdings Pvt. Ltd. (RHPL) which is a joint venture company. Accordingly Memo No. 1063-LR/3M-130/05/GE(M) dated 6th April, 2006 was issued by L & L.R. Deptt., Government of West Bengal.

2. Land value for 262 acres of land was fixed at Rs. 150 crores. In lieu of payment of whole cost of land, the BIL was allowed to invest Rs. 100 crores for rejuvenation of Bata through “production, augmentation and modernization of their factory at Batanagar, strengthening their retail presence in the State and construction of modern accommodation for the employees”. Out of the balance amount of Rs. 50 crores, land value reduction amounting to Rs.37.78 crores was granted for developing very useful Social and Economic Infrastructure at the cost of the project authority i.e. RHPL and the balance amount of Rs. 12.22 crores was realized by GoWB as consideration of money for releasing the said 262 acres of land.

3. Possession of the said land was handed over in 2006 and BIL is enjoying possession of the land since then. As per the order of 06.04.2006, the RHPL was to commence execution of the project within seven years, i.e. 06.04.2013 failing which, the State Government was free to revise the order as per Para 8 of the order of 06.04.2006, after giving due opportunity of being heard to the concerned parties. Field enquiry revealed that there is no progress in respect of social and economic infrastructures.

4. It is under active consideration of the Government that BIL should be revived and social and economic obligations are fulfilled on minimum 88 acres. Therefore the following decisions have been taken by the Government of West Bengal.

(i) The BIL authority has informed this department that the Company has till the end of March 2013, incurred expenditure of an amount of Rs. 138.2 crores against the committed investment of Rs.100 crores under the order of 06.04.2006. The statement of expenditure with some variation in different sector as submitted by the BIL is as follows:-

Sl. No	Items as per Govt. Order	Amount as per 2006 Order (Rs. in Crores)	Total Investment till March, 13 (Rs. in Crores)
1	Augmentation of manufacturing facilities at Batanagar	11.3	23.6
2	Maintenance/Repair and Spares of the Plant & Machinery at Batanagar	20.0	16.2
3	Restructuring of retail outlets in West Bengal	4.0	16.2
4	Construction of new housing stock including the amount spent for construction of 3.32 lacs sqft of housing of BIL employees	65.0	82.2
	Total	100.3	138.2

The obligation of BIL to invest Rs.100 crores for rejuvenation of Bata through “production, augmentation and modernization of their factory at Batanagar, strengthening their retail presence in the State and construction of modern accommodation for the employees” therefore stands completed. The RHPL would have to complete construction of rest portion of the housing for BIL Employees within December 2014.

(ii) In modification of Para 4(A)(i) of the order of 06.04.2006, a new Medical Hospital be built up by RHPL on 11.36 acres on the following conditions :

- (a) 10% free bed of the Indoor patients Department would be earmarked for the poor;
- (b) 5 emergency patients would be treated free daily;
- (c) 20 poor patients would be treated free in the OPD per day;
- (d) Vital and essential medicines worth up to Rs.25,000/- limit as well as free Diagnostics facility (as per availability in the Hospital) would be given free to the free bed patients;
- (e) The command area of the hospital will be West Bengal with preference to local populace. The Ministers of Government of West Bengal as well as Chairperson of Maheshtala Municipality/Corporation would be the referral authority.
- (f) The hospital authority will apply to the Department of Labour for tie-up of ESI Scheme for employees of BIL for their medical treatment.

(iii) In modification of Para 4(A)(ii) of the order of 06.04.2006, new school/educational institution would be set up by RHPL one of which would be at least to the level of Higher Secondary Standard. Conditions of "Right of Children to Free and Compulsory Education Act-2009 is to be implemented in the said educational institutions.

New School = 18.07 acres
Old School = 5.64 acres
Total = 23.71 acres.

- (iv) In modification of Para 4(A)(iii) of the order of 06.04.2006, a new Industrial Park has to be constructed on 14.81 acres to promote commercial activities in the region.
- (v) In modification of Para 4(A)(iv) of the order of 06.04.2006, a new Transport hub and Rehabilitation (on 6.90 acres) along with required road network and a Sewage Treatment Plant would be developed by RHPL on 40.16 acres and Transport hub will be handed over to appropriate authority of State Government.
- (vi) All the constructions viz. medical hospital, new school, transport hub, road, industrial park, sewage treatment plant etc. as mentioned in para 4(ii) to (v) above will have to be constructed by RHPL and completed within 31st March 2017.
- (vii) An amount of Rs. 5 crores will be deposited by RHPL for delay to complete their social commitment under the order of 06.04.2006. In addition to that a Performance guarantee to the tune of Rs. 20 crores is to be furnished by RHPL in form of bank guarantee in place of BIL to GoWB against compliance of their obligation with regard to social and economic infrastructure on 49.88 acres of land since this obligation now stands transferred from BIL to RHPL. This guarantee would be progressively released on achievement of project.
- (viii) Apart from the above, open space of 20 acres, Golf Course of 30 acres would be developed and maintained 6 acres of water body will be preserved.
- (ix) BIL will relinquish 49.88 acres of land free from all encumbrances to the State Government for subsequent fresh settlement to RHPL for construction of social infrastructures on the terms as proposed below.

Table-I

	New & Old School	Medical Hospital	Total
Area	23.71 acres	11.36 acres	35.07 acres
Rate/acre	Rs. 57.25 lakhs/acre	Rs.57.25 lakhs/acre	
Salami (40% of market value)	Rs.542.959 lakhs/acre		Rs.8.03103 crores
Annual Rent (4% of market value per annum)			Rs.80.3103 lacs
Tenure of lease	30 years		

Table-II

	Industrial Park		
Area	14.81 acres		
Rate/acre	Rs.57.25 lacs/acre		
Salami (95% of market value)	Rs.805.478875 lakhs/acre		Rs.8.0548 crores
AR (0.3% of market value per annum)			Rs.2.5436 lacs
Tenure of lease	99 years		

Therefore, RHPL will pay one time salami of Rs.16.08583 crores.

In the above proposals, as possession of the above mentioned land was handed over to the proposed lessee way back in 2006 and purpose of settlement is for development of social and economic infrastructure, the market value of land has been taken to be Rs.57.25 lacs per acre as per Govt. order dt. 6th April, 2006 without any alteration to avoid any litigation in future.

- (x) Overall master plan to be approved by KMDA.
- (xi) RHPL shall ensure that all its obligations are completed within March, 2017; failing which, it shall be liable to pay current market value of the freshly settled land within 30 days from the

date of determination of such penal amount. However, if RHPL fails to deposit the balance amount payable to the Government of West Bengal after adjusting the premium of LTS received from it, same would be recovered under provisions of PDR Act, 1913.

- (xii) RHPL would submit half-yearly report on progress to L&LR Dept as well as C&I Dept. they would also submit audit report of expenditure incurred to C & I Deptt. in support of their claimed expenditure. The C & I Deptt. would also monitor and supervise the project on its progress on its own.
- (xiii) If it is found that RHPL does not discharge its duties and obligations, approval will stand revoked and the performance guarantee would be forfeited.
- (xiv) The decision taken in meeting dated 24.08.2012 on this matter is cancelled.

5. Finance Department has given concurrence vide U.O. No. 1702-Gr.T dated 26.02.2014.

6. Group of Ministers constituted for this purpose has agreed to above.

7. This has the approval of Standing Committee of the Cabinet on Industry, Infrastructure and Employment in its meeting held on 05.08.2014.

By Order of the Governor,

Sd/- K. Mochhary

**Addl. Secretary to the
Government of West Bengal**

No. LRC/140/1(7)/2014

Date: 25.08.2014

Copy to:

1. Director of Land Records & Surveys, WB
"Survey Building", 35, Gopalnagar Road,
P.O. Alipore, Kolkata - 700 027.
2. District Magistrate & Collector, South 24-Parganas
3. ADM & DL & LRO, South 24-Parganas
4. Finance (Audit) Department, Group-T,
'NABANNA', Howrah
5. Bata India Limited
6A, S.N. Banerjee Road
Kolkata - 700 013
6. Shri Sumit Dabriwala
RHPL
225C, A.J.C. Bose Road, 4th Floor
Kolkata - 700 020
7. _____


**Addl. Secretary to the
Government of West Bengal**