

**IN THE HIGH COURT OF JHARKHAND AT RANCHI**

(Civil Writ Jurisdiction)

**WP(C) No. 943 of 2019**

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1. Holy Cross Institute Hazaribagh through its President Sr. Rosily Kolencherry, aged about 66 years, daughter of Late K.T. Mathai, resident of Holy Cross Provincial House, Holy Cross Road, PO Hazaribagh 825301, PS Hazaribagh Sadar, District Hazaribagh
2. Holy Cross School, Bokaro through its Principal Sr. Kamala Paul Bihari, aged about 46 years, resident of Holy Cross Convent Balidih Bokaro Steel City, PS Balidih, PO Bokaro 827001, District Bokaro.

..... **Petitioners**

**Versus**

1. Steel Authority of India Ltd. through the Chairman, Steel Authority of India, Ispat Bhawan, Lodhi Road, New Delhi, Delhi State;
2. General Manager, Bokaro Steel Plant, Balidih, PO & PS Bokaro 827001, Bokaro Dt;
3. Assistant Manager Town Administration (TA Administration Land), Bokaro Steel City Town Services Department, Nagar Sewa Bhawan Bokaro Steel City, Bokaro.

..... **Respondents**

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**CORAM: HON'BLE MR. JUSTICE KAILASH PRASAD DEO**

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For the Petitioners : Mr. K.M. Joseph, Advocate;  
Mr. Peter Martin T.J., Advocate  
For the Respondents-SAIL : Mr. Vijay Kant Dubey, Advocate

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**CAV ON: 29/07/2022**

**PRONOUNCED ON:10/08/2022**

Heard, Mr. K.M. Joseph, learned counsel for the petitioner assisted by Mr. Peter Martin T.J., and Mr. Vijay Kant Dubey, learned counsel for the respondents-SAIL.

2. The Petitioners, namely, Holy Cross Institute Hazaribagh through its President Sr. Rosily Kolencherry and Holy Cross School, Bokaro through its Principal Sr. Kamala Paul Bihari, have preferred this writ petition for setting aside the impugned offer of renewal of lease dated 22.11.2018 (Annexure-8), whereby under the signature of Assistant Manager, (TA-land), a demand has been made to the Principal, Holy Cross School, Balidih, Bokaro Steel City of the school with regard to payment of premium, annual rent and service charge at par with that applicable to commercial category of lease. The petitioner has further prayed for a direction upon the respondents to grant renewal of lease to the petitioners-society for the land under lease held and used for charitable educational purpose at the rates applicable to lease of land to societies for charitable educational purpose without profit and in terms of the earlier renewable

lease agreement dated 14.09.1982.

3. Learned counsel for the petitioners has further submitted, that in the year 1981, the President of Holy Cross Institute, Hazaribagh applied before the Manager, Bokaro Steel Limited (hereinafter referred as 'BSL') with request to lease out 5 acres of land for expansion of the Holy Cross School at Bokaro Steel City by constructing staff quarters and playground. Subsequently, 4 acres of vacant land belonging to Steel Authority of India Limited (hereinafter referred as 'SAIL'), bordering on existing campus of Holy Cross School, Bokaro was leased out on 14.09.1982. The lease deed was specified for a period of 33 years, renewable at option of the lessee for a further period.

4. Learned counsel for the petitioners has further submitted, that the President of Holy Cross Institute, Hazaribagh *vide* letter dated 15.09.1982 expressed her gratitude to the authorities of SAIL for the grant of land, under lease for expansion of school facilities and assured him that the wards of the employees of BSL shall be provided all facilities at the school.

5. Learned counsel for the petitioners has further submitted, that on 28.09.1982, the Town Administrator, Bokaro Steel Plant specified the land leased to the school, so that the school at Bokaro Steel City will extend the same facilities as are being given to the wards of railway employees.

6. Learned counsel for the petitioners has further submitted, that the petitioner No.1, namely, Holy Cross Institute, Hazaribagh on execution of the agreement for lease by SAIL authority in the year 1982 has developed the lease hold property and constructed at its own cost, school building and school Auditorium/hall for the use of Holy Cross School, Bokaro.

7. Learned counsel for the petitioners has further submitted, that since lease is to be expired after 33 years from the year 1982, thus on 08.04.2015, Holy Cross Institute through its Principal applied to the SAIL authorities, requesting them for renewal of the land for further period as the lease deed was of dated 14.09.1982. The application was kept pending till 2018, while without any hindrance, the petitioners are running their school and imparted education to the children in the building as specified in the original lease deed.

8. Learned counsel for the petitioners has further submitted, that a

letter was issued on 22.11.2018, under the signature of Assistant Manager, (TA-Land), Bokaro Steel City, has been served upon the petitioners on 30.01.2018, with an offer to renew the lease, whereby demand of Rs.4,08,74,713.44/- has been made with additional liability for payment of annual land rent of Rs.29,62,080/- and service charge of Rs.59,24,160/-, therefore, it has been prayed before this Hon'ble Court for a direction upon the respondent-authorities to renew the lease.

9. Learned counsel for the petitioners has further submitted, that an exorbitant enhancement has been made by the respondent-authorities with regard to the lease amount of Rs.4,08,74,713.44/- including annual charges for payment of annual land rent of Rs.29,62,080/- and service charge of Rs.59,24,160/- which approximately comes to the tune of Rs.1,00,00,000/- (land rent + service charge) annually.

10. Learned counsel for the petitioners has further submitted, that such problem has not been cropped up with the educational institutions rather such problem has also cropped up because of irrational assessment made by one private party, who has been given such work, whereby the lands allotted to the persons at the time of establishment of the Bokaro Steel Plant at Sector-4 on lease initially for commercial purposes, where the sanction has been made with regard to the commercial-cum-residential purposes by enhancing rate of lease for more than 150 times. This Court, in terms of order dated 18.07.2022, passed in WP(C) No. No. 2440 of 2015 and analogous cases, has allowed the writ applications, with a direction to the respondent-authorities to reassess the valuation based on revenue rate of the adjoining area of Bokaro, situated in North, South, East and West for proper assessment.

11. Learned counsel for the petitioners has further submitted, that so far the petitioners are concerned, it is an educational institution, which imparted education to the children in the building. This institution is a charitable institution and as per the initial lease granted to the petitioners by the BSL, which cannot be considered, to be for commercial or residential purposes and four acres of land which has been leased out for residential purposes for the school staff of teaching and non-teaching, are also not for commercial use and, as such, the impugned demand is irrational and exorbitant and thus compelling the school to shutdown, which is neither in

the interest of BSL nor in the interest of the country and, as such, the impugned order may be set-aside.

12. Learned counsel for the petitioners has placed reliance upon Annexure-9 to the writ petition, whereby representation has been filed before the respondent-authorities in detail on 12.01.2019, but there is no hint of it, that respondent has been taken note of same.

13. Mr. Vijay Kant Dubey, the learned counsel for the respondents-SAIL has opposed the prayer and submitted, that after 33 years such enhancement is being made based on universal policy decision taken by the SAIL for all their properties situated in Bhilai and other places.

14. Learned counsel for the respondents-SAIL has further submitted, that the assessment has been made for all the properties of SAIL, on the basis of an advertisement, work has been allotted in favor of a Company of Mumbai, dealing in such matters. The company on the basis of revenue rate of Chas Circle, which is adjacent to the Bokaro Steel Limited has made assessment and thus the assessment was made considering the location of the land and, as such, this Court may not interfere with the same.

15. Learned counsel for the respondents-SAIL has further submitted, that a Co-ordinate Bench of this Court has also allowed such writ petitions filed by the lessee, who have been initially allotted for commercial purpose, subsequently, sanction has been made for commercial-cum-residential purpose. The writ petition has been allowed with a direction to the SAIL to reassess and pass a reasoned order and against the said order/judgment of the learned Single Judge, Letters Patent Appeal is pending before the Hon'ble Division Bench of this Court and, as such, this Court may not interfere with the same.

16. Learned counsel for the respondents-SAIL has further submitted, that a counter affidavit has been filed in this case on 20.08.2020, duly sworn by Ajit Kumar, son of Sri Bishnudeo Prasad, posted as DGM (TA-LRA). Paragraph Nos.8 to 11 of which may profitably be taken note of which reads as under:

*"8. That it is stated that a plot measuring an area of 04 acres was allotted to petitioner no.1 Holy Cross Institute, Hazaribagh ("petitioner"), for the purpose of expansion of school building in erstwhile Mouza Narkara, Simabar, and Larbera for a period of 33 years reckoned from 14.09.1982 vide Agreement for Lease dated 14.09.1982. Possession of*

plot was handed over to the lessee on 21.09.1982. A supplementary lease deed was executed on 17.08.1984 to the existing lease executed on 14.09.1982, a few clauses of the Supplementary Lease Agreement dated 17.08.1984 are reproduced as under:

**"Clause 1:-**

*That the lessee shall not give any denominational religious instruction in the School mentioned herein for any community or for others in class hours on an optional or on compulsory basis. The Lessor will, however, have no objection to religious instructions being given to any community outside the class hours.*

**"Clause 4:-**

*The syllabus prescribed of Institutions / Bodies is recognized either by Central Government or State Government. This may include University, Intermediate Board, The Board of Secondary Education, State Board of Secondary Education.*

**"Clause 5:**

- 1) At least 35% of the total student of the institution shall be wards of BSL employees.*
- ii) The institution will be secular in character.*
- iii) Admission will be open to all irrespective of caste, and religion.*
- iv) School premises will not be utilized for purposes other than academic and co-curricular activities."*

*9. That it is stated that another plot measuring area 4 acres was allotted to petitioner for the purpose of playground and other facilities in erstwhile Mouza Larbera for a period of 33 years reckoned from 14.09.1982 vide Agreement for Lease dated 20.11.1987. Apart from above 08 acres, 01 acre has also been allotted in the name of petitioner for the purpose of construction / expansion of staff quarters. Agreement for lease in respect of this 01 acre land was executed on 17.08.1984 for a period of 33 years and possession of the plot was handed over on 21.09.1984, lease of this plot has also expired on 17.08.2017, but, the petitioner has deposited the renewal charges of Rs.6,58,142.50 against this 01 acre land vide D.D. No. 406843 dated 09.04.2019 of Canara Bank for the renewal of lease.*

*10. That it is stated that the lease period of aforesaid plots measuring Area 08 (04 +04) acres has expired on 14.09.2015 and renewal is due, since, 14.09.2015. Accordingly, letter dated 22.11.2018 (Annexure-8 of the writ petition) has been issued to the petitioner for depositing renewal and other charges amounting to Rs.4,08,74,713.44 against aforesaid 08 acres of plots in accordance with Clause 27 and 28 of the Agreement for Lease dated 14.09.1982 and 20.11.1987 and as per the policy, framework given in the current SAIL Board*

*Guidelines. The Clauses 21, 22, 27 and 28 of the Lease Agreement dated 14.09.1982 and 20.11.1987 are reproduced as under: -*

***"Clause 21/22:***

*The assessment of rental hereby reserved and the service charges stipulated in Para III here in above may at the option of the Lessor be revised at any time if considered necessary by the Lessor and the Lessee shall agree there to, even if the same is communicated and charged retrospectively.*

***"Clause 27/28:***

*And it is hereby agreed and declared that in case, the lessee shall be desirous of having a renewal of this lease for a further period from the expiration of the term hereby granted he shall at least 6 calendar months before the expiration of the term hereby granted give notice in writing to the Lessor of his desire. The Lessor may at the cost and expenses of the lessee grant fresh lease of the demised land with the structures thereof to the Lessee for a further period as may be mutually agreed upon at such rent as will then be fixed by the Lessor and on such terms and conditions as will then be arrived at by and between the parties subject to the condition and provided always that the Lessee has during the said term of 30/31/33 years duly observed and performed the terms, covenants and conditions and on his part to be observed and performed. And that in the event of lessee not being interested in having a renewal of his demised land he shall immediately upon termination of the period of this lease make over khas possession of the demised land and the structures constructed thereon by him to the Lessor and the Lessor shall in that case pay compensation to the Lessee on the basis of the capital cost less depreciation for the structures constructed by him on the demised land."*

*The cases for renewal of the lease of plots whose lease expired were processed accordingly. SAIL Board has defined a single renewal policy for its entire unit all over India. The renewal premium rates are based on the valuation done by the authorized valuer of SAIL appointed at Corporate Level. As per the SAIL Board Guidelines following are applicable at the time of renewal of lease.*

- i. The valuation is done for the land only and lease is to be renewed on the applicable renewal charges equivalent to 25% of the land premium prevailing on the due date of renewal.*
- ii. In case, land was allotted at Re.1/- or Nil for religious or non-commercial purposes, renewal charges will be as follows: -*

*(a) Re.1/- or Nil where land has been allotted for*

*religious purposes.*

*(b) Equivalent to 10% of applicable land premium prevailing on due date of renewal where land has been allotted for non-commercial purposes like social, cultural, non-profit making education, etc.*

*iii. Annual ground /land rent to be charged from various parties / institutions / organizations etc. shall be @ 1% per annum of the applicable land premium.*

*iv. Security deposit to be charged from various parties/ institutions/ organizations, etc. shall be @ 2% of applicable land premium, subject to the minimum of Rs.50,000/-.*

*v. As per the SAIL Board Guidelines in case of delay in renewal, lessee shall pay penal interest @ 2% more than the borrowing rate of SAIL from SBI (Cash Credit Account) for total duration of delay, on applicable renewal charges equivalent to 25% of applicable land premium prevailing on the due date of renewal. This is applicable only in the case, when the lessee defaults in payments of the renewal charges and other charges within the stipulated time period as advised by the lessor company.*

*Keeping in view of SAIL Board Guidelines and in accordance with the Lease Agreement dated 14.08.1982 and 20.11.1987 demand note for the payment of amount towards renewal and other applicable charges was issued to the lessee (petitioner) within specified time period, which they fail to comply with.*

*11. That it is stated that 141 numbers of plot holders have already got lease of their respective plots renewed after depositing renewal and other charges and further, 123 plot holders have deposited renewal charges etc. which includes educational institute like DAV Public School, Chinmaya Vidyalaya and Guru Govind Singh Public School with respondents whose lease renewal is in advance stage.”*

17. Learned counsel for the respondents-SAIL has further submitted, that this Court may consider counter affidavit dated 20.08.2020 and may not interfere with the impugned demand.

18. Heard, learned counsel for the parties and perused the materials brought on record, it appears to this Court, that the petitioner No.1, namely, Holy Cross Institute Hazaribagh is a society registered under the Societies Registration Act, 1860 with its office at Hazaribagh town in the District of Hazaribagh. The society is engaged in various charitable educational purpose and social activity including establishment of Holy Cross School at Balidih, Bokaro Steel City. In the year 1976 the Holy Cross School, Balidih,

Bokaro Steel City was established at Bokaro on the land given on lease by the Railway Board for education of wards of the employee of Railway at Bokaro and other children from vicinity.

19. In the year 1980, the Steel Authority of India Limited (hereinafter referred to as 'SAIL') established the Bokaro Steel Plant (hereinafter referred to as 'BSL') for the purpose of residence of the employees of steel plant and other facilities. and for the same a vast area of land bordering on the railway colony and campus of petitioners' school was leased out by the State Government. Many wards of BSL employees are admitted in the Holy Cross School, Bokaro situated over the lease land of railway as well as BSL.

20. In the year 1981, the President of Holy Cross Institute, Hazaribagh applied before the Manager, BSL with request to lease out 5 acres of land for expansion of the Holy Cross School at Bokaro Steel Plant. Subsequently, 4 acres of vacant land belonging to SAIL, bordering on existing campus of Holy Cross School, Bokaro was leased out on 14.09.1982. The lease deed was specified for a period of 33 years, renewable at option of the lessee for a further period.

21. The President of Holy Cross Institute, Hazaribagh *vide* letter dated 15.09.1982 expressed her gratitude to the authorities of SAIL for the grant of land under lease for expansion of school facilities and assured him that the wards of the employees of BSL shall be provided all facilities at the school. Further, on 28.09.1982, the Town Administrator, Bokaro Steel Plant specified the land leased to the school, so that the school at Bokaro Steel City will extend the same facilities as are being given to the wards of railway employees.

22. It also appears that the petitioner No.1, namely, Holy Cross Institute, Hazaribagh on execution of the agreement for lease by SAIL authority in the year 1982 has developed, the lease hold property and constructed at its own cost, a school building, and a school Auditorium/hall for the use of Holy Cross School, Bokaro

23. After the expiry of lease i.e., 33 years, reckoned from the year 1982, the petitioner no.-1, namely Holy Cross Institute through its Principal applied before the SAIL authorities for renewal of the said land for the further period, which is due since 08.04.2015 but the application for the



renewal remained pending till 2018 and while without any hindrance, the petitioners are running their school and imparting the education to the children in the building as specified in the original lease deed.

24. Admittedly, the demand was made by the respondent- SAIL authorities for the renewal of the said lease wherein a demanded Rs.4,08,74,713.44/- for renewal of lease, which also includes Rs.29,62,080/- as annual land rent and Rs.59,24,160/- as service charge, upon the charitable institution payable annually.

25. From the perusal of the counter affidavit dated 20.08.2020 wherein it has been stated, that the respondent- SAIL authorities vide offer letter dated 22.11.2018 has offered for renewal of lease demanding Rs.4,08,74,713.44/- (including Rs.29,62,080/- as annual land rent and Rs.59,24,160/- as service charge), invoking clause 27 and 28 of the Agreement for lease dated 14.09.1982, as per framework given in the SAIL Board Guidelines, against all the properties of the Petitioners situated in Bhilai and other places and from the submission made by the counsel for the respondent- SAIL authorities, the aforesaid assessment has been made through one of the private company situated at Mumbai, on the basis of revenue rate of Chas revenue circle, considering the location of the land.

26. It appears to this Court, that the petitioner's institution is a charitable institution imparting education and has invested huge amount in construction of building for the educational purposes as well as Auditorium/Hall/Park/field and providing facilities for the social benefits. Even, the said land which has been leased by the respondent authorities to the Petitioner was for the expansion of the school and assurance was given to facilitate all facilities at the school to the wards of the employees of BSL. The purpose for which land has been leased out and the work done over such land, cannot be treated as commercial and thus huge amount cannot be imposed on the name of renewal of the said lease with annual charges. Even though, no rational reason has been assigned for exorbitant enhancement of the amount for the renewal of the same.

27. The Apex court in the case of *Style (Dress Land) v. UT, Chandigarh* reported in (1999) 7 SCC 89 has held that all actions of every public functionary in whatever sphere must be guided by reason and not humour, whim, caprice, or personal predilections of the persons entrusted

with the task on behalf of the State and exercise of all powers must be for public good instead of being an abuse of power. Relevant para of the aforesaid judgement is quoted hereunder: -

*10. .... the action of the respondents regarding imposition of the terms and conditions of the lease including the enhancement of rent is required to be fair and reasonable and not actuated by considerations which could be termed as arbitrary or discriminatory. The Government cannot act like a private individual in imposing the conditions solely with the object of extracting profits from its lessees. Governmental actions are required to be based on standards which are not arbitrary or unauthorised. This Court in Ramana Dayaram Shetty v. International Airport Authority of India [(1979) 3 SCC 489 : AIR 1979 SC 1628] while agreeing with the observations of Mathew, J. held: (SCC pp. 505-06, para 12)*

*“12. We agree with the observations of Mathew, J., in V. Punnan Thomas v. State of Kerala [AIR 1969 Ker 81 : 1968 Ker LT 800 (FB)] that:*

*‘The Government is not and should not be as free as an individual in selecting the recipients for its largesse. Whatever its activity, the Government is still the Government and will be subject to restraints, inherent in its position in a democratic society. A democratic Government cannot lay down arbitrary and capricious standards for the choice of persons with whom alone it will deal.’*

*The same point was made by this Court in Erusian Equipment and Chemicals Ltd. v. State of W.B. [(1975) 1 SCC 70 : AIR 1975 SC 266 : (1975) 2 SCR 674] where the question was whether blacklisting of a person without giving him an opportunity to be heard was bad? Ray, C.J., speaking on behalf of himself and his colleagues on the Bench pointed out that blacklisting of a person not only affects his reputation which is, in Poundian terms, an interest both of personality and substance, but also denies him equality in the matter of entering into contract with the Government and it cannot, therefore, be supported without fair hearing. It was argued for the Government that no person has a right to enter into contractual relationship with the Government and the Government, like any other private individual, has the absolute right to enter into contract with anyone it pleases. But the Court, speaking through the learned Chief Justice,*

*responded that the Government is not like a private individual who can pick and choose the person with whom it will deal, but the Government is still a government when it enters into contract or when it is administering largesse and it cannot, without adequate reason, exclude any person from dealing with it or take away largesse arbitrarily. The learned Chief Justice said that when the Government is trading with the public, 'the democratic form of government demands equality and absence of arbitrariness.... The activities of the Government have a public element and, therefore, there should be fairness and equality. The State need not enter into any contract with anyone, but if it does so, it must do so fairly without discrimination and without unfair procedure'. This proposition would hold good in all cases of dealing by the Government with the public, where the interest sought to be protected is a privilege. It must, therefore, be taken to be the law that where the Government is dealing with the public, whether by way of giving jobs or entering into contracts or issuing quotas or licences or granting other forms of largesse, the Government cannot act arbitrarily at its sweet will and, like a private individual, deal with any person it pleases, but its action must be in conformity with standard or norms which is not arbitrary, irrational or irrelevant. The power or discretion of the Government in the matter of grant of largesse including award of jobs, contracts, quotas, licences, etc. must be confined and structured by rational, relevant and non-discriminatory standard or norm and if the Government departs from such standard or norm in any particular case or cases, the action of the Government would be liable to be struck down, unless it can be shown by the Government that the departure was not arbitrary, but was based on some valid principle which in itself was not irrational, unreasonable or discriminatory."*

*11. Even the administrative orders and not (sic only) quasi-judicial are required to be made in a manner in consonance with the rules of natural justice, when they affect the rights of the citizens to the property or the attributes of the property. While exercising the powers of judicial review the court can look into the reasons given by the Government in support of its action but cannot substitute its own reasons. The Court can strike down an executive order, if it finds the reasons assigned were irrelevant and extraneous. The courts are more concerned with the decision-making process than the decision itself.*

*12. This Court in Shrilekha Vidyarthi (Kumari) v. State of U.P. [(1991) 1 SCC 212: 1991 SCC (L&S) 742] held that every State action, in order to survive, must not be susceptible*

*to the vice of arbitrariness which is the crux of Article 14 and basic to the rules of law, the system which governs us, arbitrariness being the negation of the rule of law. Non-arbitrariness, being a necessary concomitant of the rule of law, it is imperative that all actions of every public functionary in whatever sphere must be guided by reason and not humour, whim, caprice or personal predilections of the persons entrusted with the task on behalf of the State and exercise of all powers must be for public good instead of being an abuse of power. Action of renewability should be gauged not on the nature of function but public nature of the body exercising that function and such action shall be open to judicial review even if it pertains to the contractual field. The State action which is not informed by reason cannot be protected as it would be easy for the citizens to question such an action as being arbitrary.*

28. Also, the Apex Court in the case of ***Jamshed Hormusji Wadla Vs. Board of Trustees, Port of Mumbai and Another*** reported in **(2004) 3 SCC 214** has held that State as instrumentality cannot act with arbitrariness or in a capricious manner. The State and its authorities including instrumentalities of States must be just, fair and reasonable in all their activities including those in the field of contracts. Even while playing the role of a landlord or a tenant, the State and its authorities remain so and cannot be heard or seen causing displeasure or discomfort. Relevant para i.e. para-14, 16 & 18 may profitably be quoted hereunder: -

*14. The Bombay Port Trust is an instrumentality of State and hence an 'authority' within the meaning of Article 12 of the Constitution. (See - M/s Dwarkadas Marfatia And Sons Vs. Board of Trustees of the Port of Bombay (1989) 3 SCC 293). It is amenable to writ jurisdiction of the Court. This position of law has not been disputed by either party. The consequence which follows is that in all its actions, it must be governed by Article 14 of the Constitution. It cannot afford to act with arbitrariness or capriciousness. It must act within the four corners of the statute which has created and governs it. All its actions must be for the public good, achieving the objects for which it exists, and accompanied by reason and not whim or caprice.*

*16. The position of law is settled that the State and its authorities including instrumentalities of States have to be*

*just, fair and reasonable in all their activities including those in the field of contracts. Even while playing the role of a landlord or a tenant, the State and its authorities remain so and cannot be heard or seen causing displeasure or discomfort to Article 14 of the Constitution of India.*

18. *In our opinion, in the field of contracts the State and its instrumentalities ought to so design their activities as would ensure fair competition and non-discrimination. They can augment their resources but the object should be to serve the public cause and to do public good by resorting to fair and reasonable methods. The State and its instrumentalities, as the landlords, have the liberty of revising the rates of rent so as to compensate themselves against loss caused by inflationary tendencies. They can - and rather must - also save themselves from negative balances caused by the cost of maintenance, and payment of taxes and costs of administration. The State, as landlord, need not necessarily be a benevolent and good charitable Samaritan. The felt need for expanding or stimulating its own activities or other activities in the public interest having once arisen, the State need not hold its hands from seeking eviction of its lessees. However, the State cannot be seen to be indulging in rack-renting, profiteering and indulging in whimsical or unreasonable evictions or bargains.*

29. In the teeth of the aforesaid judgments rendered by the Apex court, this Court is of the opinion that the respondent-SAIL authorities cannot be relied upon impugned demand as the same is exploitative renewal rate. The principle of fair play and natural justice requires that the respondent-SAIL authority should disclose the affected lessee, the basis on which rent is proposed to be increased and reasons for the same.

30. This Court has also taken view in analogous matter about commercial or commercial-cum-residential plots of Sector-IV of Bokaro Steel Limited and directed the respondent-BSL to reassess the same based on revenue rate of the adjoining areas. Apart from this, the present institution is a charitable institution imparting education and other facilities for building up the moral of the students, who are the future of the country, as such, this Court is not inclined to sustain the impugned demand, which

seems irrational and not based upon any scientific method, as the same is exorbitant and thus the same is not sustainable and hereby quashed.

31. This Court directs the respondents-SAIL to reassess the rate through a rational agency, considering the value of the land of the surrounding area of North, South, East, and West of Bokaro. The land leased out for school cannot be treated as for commercial purpose, it ought to have been considered, that it is for educational purposes and the wards of the employees of Bokaro Steel Plants are getting education there, apart from other students of the vicinity. Accordingly, the impugned order is set-aside.

32. The instant writ petition is hereby allowed with the aforesaid observations and directions.

**(Kailash Prasad Deo, J.)**

Jharkhand High Court, Ranchi,  
Dated: 10 / 08 / 2022,  
Madhav- NAFR