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Condition-wise compliance Report in respect of 23 conditions of the original lease along with the transaction details of all Payments made in respect of Lease Conditions of the User Agencies to the Forest Department:

In this regard please refer to the letter dated 14th July 2006 (No. A5(2) GFL.CR3/06-07) of the Principal Chief Conservator of Forests, Bangalore, who cites the "site inspection report" of the Deputy Conservator of Forests, Dharwad Division, Dharwad, who has reported as follows:

"..... the lessee has complied the lease conditions and has paid the lease rent upto date."

While this is the official report regarding the fulfilment of lease conditions as also the Payment of Lease rent upto date, the Society desires to furnish the following details.

[A] A condition-wise Compliance Report in respect of 23 conditions of the original Lease:-

The Annexure to the order granting 4 Acres of land out of F.S. No. 68 of Unkal, Hubli, to our Society, under order No. AFD 218 FGL 73 Bangalore dated 10th December 1973, contains 23 conditions, and a compliance of each of these conditions by our Society, condition-wise is as follows:

[1] After the period of lease was over, as per condition No.1, under the said condition, our Society, the Lessee, has given one year's Notice in writing to the Government requesting the Government to extend the Lease for a further period of 30 Years, and has given such Notice before One Year of expiry of lease. Please refer to the Application dated 12-11-2002 (By Regd. A.D. Ref. No.1 HJCHS/RL/5/2002-03) with necessary enclosures as per Govt. Circular No. FSE/71 FFM 97 dated 18-9-1997.

[2] The Lessee has not only paid the Land rent of Rs.75-00 per acre under condition 2, but also has paid the enhanced Land rent of Rs.5,000/- per Hectare from 1997-98 to 2003-04, as directed by the Govt., along with the interest at 18% per annum for the above-said period as directed (Please refer to reply detailed hereunder regarding Payment of Land rent.

[3] The boundaries of the leased Land have been ear-marked and boundary stones fixed at the cost of the lessee. They have been kept in tact.

[4] The lessee has utilised the area of Lease for the purpose for which it has been allotted ie. for building houses for its members.

[5] The total amount towards lease has been paid fully.

[6] No irregularities have been committed by either the lessee or his agents or labourers.

[7] No such casualty occurred either on the land leased or in its surroundings during the period of lease.

[8] The lessee has always welcomed the officers or servants of the Government to enter the leased land to review the conditions therein.

[9] The lessee has not resorted to any such activity stipulated in condition 9.

[10] Please refer to the letter dated 22-2-1974 (No. FD/GFL/74(08-09)/73-74) of the Divisional Forest Officer, Dharwad Division, Dharwad, addressed to Hon. Secretary of our Society, in which a Bank Guarantee for Rs.500/- has been furnished towards Security Deposit. No breach of any of the conditions of the lease has been committed by the Lessee.

[11] Condition 11 has been duly complied by the Lessee.

[12] The Lessee has implicitly fulfilled condition No.12, while constructing buildings on the leased premises.

[13] The Lessee has fulfilled this condition and has cleared all the payments relating to Land rent of the land leased to the Lessee-Society.

[14] The Lessee has abided by condition 14 of the Agreement.

[15] This contingency never arose during the Lease period.

[16] The Lessor has not yet discharged his obligation under condition 16 till date.

[17] The Lessee has followed condition No.17.

[18] The Lessee has paid the enhanced Land rent as directed by the Lessor from 1997-98 till completion of the duration of the Lease.

[19] The Lessee has abided by this condition before taking possession of the leased land.

[20] The Lessee has built 22 houses for members of the Society and thus has fully used the land leased for the purpose for which it has been granted.

[21] The contingency as envisaged in condition No.21, did not arise during the period of Lease.

[22] The Lessee under condition No.1, has opted to request the Lessor to grant the Lessee extension of Lease of the said Land for a further period of 30 Years and the status quo ante 10-12-2003 has been continued.

[23] The Lessor has fulfilled condition No.23, before handing over possession of the demised Land to the Lessee at the time of handing over possession of the demised Land to the Lessee.

[B] Regarding Payment of Lease rent by the lessee:

[1] Please note that according to the conditions originally laid down in Para 2 of Annexure to G.O. No. AFD 218 FGL 73 dated 10-12-1973, "The lessee shall pay a rent of Rs.75/- per acre or part of an acre per year."

[ii] But the Deputy Conservator of Forests, Dharwad Division, Dharwad through his letter dated 04-08-2003 (No. B3/GFL/Lease/Journalist/2003-04) addressed to the Secretary, Hubli Journalists Cooperative Housing Society Ltd, Hubli informed that under the orders of the Government for Forest Land released for non-forest purposes, the lease amount has been fixed at Rs.5000/- per hectare w.e.f. 01-04-1997 and intimated that the arrears of lease from 1997-98 till date be paid, and requested that the total amount of Rs.49,500-00 (Rupees Forty Nine Thousand Five Hundred) shall be paid to cover the period from 1997-98 till 2003-04) after deducting Rs.1,200/- already paid.

[iii] Even though, the above upward revision was unilateral and we were intimated about this only on 04-08-2003, and not covered by the stipulated terms of the Lease, we implicitly complied with the remittance of the arrears of Rs.49,500/-, to cover the entire Land rent from 1997-98 till 2003-2004, in the following manner:

[a] Rs.2,400-00 (Rupees Two Thousand Four Hundred) only through D.D. No. 311733 of State Bank of Mysore, Dharwad Branch dated 25-07-2003 and

[b] Rs.47,100-00 (Rupees Forty Seven Thousand One Hundred) only through D.D. No. 097549 of State Bank of Mysore, Dharwad Branch.

[c] This Payment was acknowledge by the Deputy Conservator of Forests, Dharwad vide R.No. 0067269 of 04-09-2003.

[iii] But later by the letter dated 18-09-2003 (No. B3:GFL:Lease:Journalist:03-04), the Deputy Conservator of Forests, Dharwad Division, Dharwad, informed the Secretary of our Society to remit interest at rate of 18% for the periods from 1997-98 to 2003-04) and requested payment of a total of Rs.7,248-00 (Rupees Seven Thousand Two Hundred and Forty Eight) only.

[iv] By our letter dated 20-12-2003, we brought to the notice of the Deputy Conservator of Forests, Dharwad Division, Dharwad that even though the enhancement of Land Rent Rs.5000-00 per hectare was unilateral and this was intimated to us only on 04-08-2003, and now through the letter 18-09-2003, interest at 18% is being levied, our Society is complying with the directions, and paid Rs.7,248-00 (Rupees Seven Thousand Two Hundred and Forty Eight) only on 20-10-2003 by D.D. No.81453 dated 19-10-2003 for Rs.7,248-00 drawn on State Bank of Mysore, Dharwad. The said payment has been acknowledged vide Receipt No. 89120 dated 20-10-2003 by the D.F.O, Dharwad. Even this extent of rate of interest is not stipulated in the Lease Deed.

[v] Thus we desire to state that our Society has paid all the Land Rent towards the lease of 4 Acres leased to our Society upto date.

Please note that the Principal Chief Conservator of Forests, Bangalore has acknowledged the Report of the Deputy Conservator of Forests, Dharwad, after the site inspection, certifying that the Lessee has not only fulfilled all the conditions of Lease but also cleared all the dues towards payment of Land rent

[Please refer letter dated 14th July 2006 (No. A5(2) GFL. CR3/06-07) of the Principal Chief Conservator of Forests, Bangalore.