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How The Profit Of Land Is Diverted Into Industries Or Charity?



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In Opinion

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A landlord is someone whose most of the earnings and power in society derives from ownership of land, rents coming from land or sale and purchase of lands. While industrialist is someone who creates real production and earns incomes from productions.

The landlords in general have poor reputation in people, particularly educated middle classes. While industrialists are respected.

The problem is; once upon a time, land-ownerships of all individuals were defect known to all. E.g., everyone in village used to know how much land everyone else owns. Therefore, it was difficult for a landlord to claim that his income is not from rents and is from industry.

Whereas today, under the garb of right to privacy, the landownerships are treated like some national security secrets and not disclosed.

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Now Godrej via "charitable trusts" owns some 4000 acres in Mumbai alone! How much is worth of these 4000 acres? At a throw away price of Rs 200,000 per square meters, it would be about Rs 3, 20,000 crores! Moreover, that is what Godrej owns in Mumbai alone! Add its land in Thane, Gujarat and whole of India; it could be several times this amount.

In addition, Tata owns some 10-20 times more land than Godrej (not in Mumbai though — Tata have sold most of the lands in Mumbai). And So-called charitable Christian Missionaries own some 50-100 times more land than Tata and Birla. Adani, Ambani etc also own a huge amount of plots. Tata, Godrej Birla, Schindia, Gaekwad (of Baroda) etc. and Missionaries got plots from British for assisting British in ruling India. Moreover, assisting British in controlling Congress, RSS and CPI all along! And many of these "industrialists" had the network of *Khabaries* that in total was more than *khabaries* that then Indian Police had! The most of them remained loyal to British (and now Americans) even after freedom.

So again, maybe they owned land. However, it is possible that their industries never benefited from plots they owned! The industries made their profits from which they expanded

Well, this is how most financial operations run

- (1) The land was sold as huge profits the way landlord would do.
- (2) A portion of money obtained was used to buy land outside cities so that when cities grow, that land can be sold at higher price.
- (3) A portion of land profits was diverted into their industries to increase its base, its volume and show a profit.

Moreover, many times, nefarious land hoarding was in accord with so-called NA permissions. Big Industrialists will sell their land in city at high prices. Then buy land outside city for cheap. The land outside city is cheap because there is NO Non-Agriculture land permission, no roads etc. Moment the Industrialists have bought say over 90% of city outskirts' land, immediately, town planning scheme will be put, Non-Agriculture land permissions will be given, roads and electric cables will be put and so price of that land will rise by 10 times to 100 times.

That is why when you look at their books, quiet often "other incomes" look large and covers the business losses and their income from land sales is almost zero. That is because incomes from land sales, via several accounting entries were diverted and shows as "profits from running industry". So why the industrialists did diverted the land sales' profits and showed as industry profits? Why not just show it as profits from land sales?

Because if they had shown their incomes as profits from land hoarding, then reputation in society would decrease. The education class will rightly see them as leeches. So an illusion that "we are earning money by running industries" was needed. So a large number of industrial setups were run by merely hiring professional. In other words, the professional are hired and given salary and land and place to work. The top keeps the control, but doesn't add any value. The top in fact is losing money. Say it earns Rs 100 crore by selling



गरीबों का धर्मान्तरण हो रहा है तो गलती सरकार की है?



जेएनयू के ज्यादा पढ़े-लिखे लोगों अब दोबारा मत पूछना बलूचिस्तान का मसला क्या है?



यदि कश्मीर को आजाद कर दिया जाये तो पाकिस्तान का अगला कदम क्या होगा?

plots. Then it diverts all gains in industry, and industry will see profits of only Rs 80 crores. Therefore, there is net loss of Rs 20 crores. In return, they were able to create an industrial empire, which enables them to give favors to many and control many. In addition, they get reputation of being industrialist and not land-hoarders

## Is it illegal?

No. Did British did anything "illegal"? The real strength is NOT in doing something illegal, but forcing lawmakers to make laws / favors that make the someone to observe like that, benefit looks as legal! So no illegal was done?

## So all in, what's "wrong"?

The wrong part was — when they sold the land at extremely high price, someone else lost opportunity to start a business from his surplus income, because a huge part of his income was consumed in buy that land (or flat). Finally, It reduces competitiveness in the economy.

And other way to put same above statement is - when a person is earning huge money from land hoarding, and that person uses that money to pay costs, salaries etc. in his company, then a competitor who doesn't have access to such land-hoarding money will bleed and lose out. In addition, this again will reduce efficiency of overall national economy.

So massive land-hoarding done by big industrialists did a huge damage to Indian economy. by diverting the profits of land hoarding and land sales into their industries, they managed to convince (or fool?) public that They are industrialists and not landlords and land hoarders.

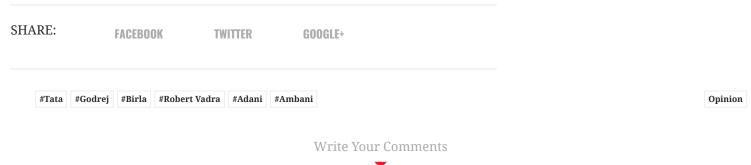
## So finally, what is the solution?

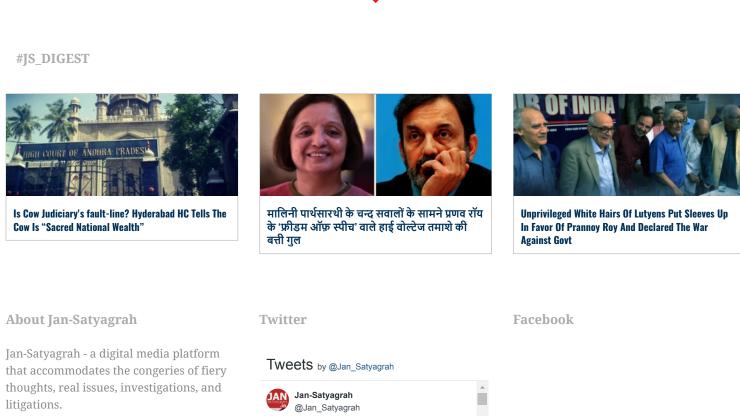
The solution is that we activists campaign for a law-draft that ALL landowners' land holdings will be disclosed on govt website including lands owned by individuals via HUFs, companies, trusts etc. Therefore, that way, we will know that who are landlords and who are not?

Next is to put details of ALL land sales and land transfers that happened in past 100 years (or as many as available) on net. That way, one will be able to see how apex elite men benefitted from transfer of land from British to their Charitable Trusts and so on

Once these two things will be in form a law, it will be clear whether these people are land hoarders or industrialists as they claim. And to what extent their past growth was due to industry profits and profits by land sales. And these two laws may increase demands for wealth tax on land.

The views and opinions expressed in this article are those of the author. You are entitled to be agreed and disagreed with him. Further, any clarification or for exchange of thoughts, you can approach to him.





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