

# Odisha Industrial Infrastructure Development Corporation

(A Government of Orissa Undertaking)

IDCO, IDCO Towers, Janpath,

Bhubaneswar-751022

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ISO 9001 & 14001 CORPORATION

No.IDCO/ID/A/8839/01/15/

649

Dated.11.01.2016

## CIRCULAR

The Board of Directors in its 103<sup>rd</sup> meeting held on 31.10.2015 have approved the Land Regulation wherein it has been proposed that an Agreement to lease shall be executed by the Corporation with the allottee / entrepreneurs for implementation of the project within the moratorium period. After timely implementation of the project lease deed will be executed between the Corporation and the allottee for 90 years from the date of possession of the handing over of the land or for the balance lease period as appropriate in each case.

In pursuance to the above said decision of the Board, an Agreement to lease shall be executed by IDCO with the entrepreneurs who are allotted land for the project afresh. After successful and timely implementation of the project, lease deed shall be executed for 90 years or for balance lease period.

This circular will have immediate effect and will be applicable for both large and MSME industries.

By order of MD

Chief General Manager(Land)

Memo No. 650 Date:11.01.2016

Copy to PA to Chairman, IDCO for kind information of Chairman.

Chief General Manager(Land)

Memo No. 651 Date:11.01.2016

Copy to PS to MD, IDCO for kind information of Managing Director.

Chief General Manager(Land)

Memo No. 652 Date:11.01.2016

Copy to the Divisional Head, MSME-I / MSME-II / Angul / Balasore / Berhampur / Bolangir / Cuttack / Jajpur Road / Sambalpur / Rourkela for information and necessary action. A copy of format of agreement is enclosed for reference and use.

Chief General Manager (Land)

Memo No. 653      Date.11.01.2016

Copy to the President / Secretary, Orissa Small Scales Industries Association, Cuttack / Orissa Young Entrepreneurs Association, Cuttack & Rourkela / Odisha Assembly of Small Medium Enterprises, Cuttack / Odisha Industries Federation, Jagatpur / Utkal Chamber of Commerce & Industry, Bhubaneswar & Rourkela / Association of Industrial Entrepreneurs of Bhubaneswar / NOCCI, Balasore for information with a request to circulate the above guidelines to all concerned.

Copy to all Chief General Managers, IDCO / All Land Officers, IDCO /GM (MSME), IDCO for information.

Copy to Manager (MIS), IDCO for information with a request to launch this circular in IDCO website for general information.

Copy to All Officers & Dealing Assistants of MSME Wing, Head Office, IDCO, Bhubaneswar for information and necessary action.

  
Chief General Manager(Land)

**AGREEMENT**

An Agreement made at \_\_\_\_\_ on the day of \_\_\_\_\_ year-201\_\_

BETWEEN THE ODISHA INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CORPORATION. a corporation constituted and operated by the state of Odisha under the ODISHA INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CORPORATION Act, 1980 (Odisha Act 1 of 1980) and having its Head Office at IDCO Tower, Janpath, Bhubaneswar, Odisha, Pin-751022, hereinafter called the "Licensor" / "Grantor" (which expression shall unless the context does not so admit, include its successors and assigns) of the one part

**AND**

Messrs-

\_\_\_\_\_

Shri/Sarvashri

a company incorporated under the companies Act 2013, and having its registered office at \_\_\_\_\_ with SSI registration no. \_\_\_\_\_ carrying on business in partnership / as proprietors in the firm-name and style of \_\_\_\_\_ having his / their office / place of business at \_\_\_\_\_

hereinafter called the Licensee/ Licensees (which expression shall unless the context does not so admit, include its successor/successors in business/ is/their survivors or survivor and the heirs, executors.

And permitted assigns)

\_\_\_\_\_ of the other part.

Administrators and permitted assigns of such last survivor)

The "Licensor" and the "Licensee" are hereinafter together always referred to as the "Parties" and are individually, when necessary, referred to as "Party".

WHEREAS the Licensee/Licensees has/have applied to the Grantor/Licensor for the grant to him/them/her/it of a lease of the land and premises hereinafter described, which the Grantor/Licensor has agreed to grant to him upon certain terms and conditions AND WHEREAS before signing this Agreement, the Licensee/Licensees has/have paid the sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_).

Being the amount of land cost payable by the Licensee/Licensees.

NOW IT IS HEREBY MUTUALLY AGREED as follows: -

1. During the period of three/five years from the date hereof the Licensee/licensees shall have licence and authority only to enter upon the piece of land described in the first schedule hereunder written and delineated on the plan annexed hereto and there on for the purpose of building and executing works for the implementation of the project, there on as herein after provided and for no other purpose what so ever and until the grant of such Lease as is hereinafter referred to the Licensee/Licensees shall be deemed to be a bare Licensee only of the premises at the same rent and subject to the same terms as if the Lease had been actually executed.
2. Nothing in these present contained shall be construed as a demise in law of the said land hereby agreed to be demised or any part there so as to give to the Licensee/Licensees any legal interest therein until the lease hereby contemplated to be executed and registered but the Licensee/Licensees shall only have a licence to enter upon the said land for the purpose of performing this Agreement.

However, the Licensor shall permit the Licensee the use and occupation of the Licensed Premises during the period of License herein created without any hindrance/eviction interruption and/or disturbance, claim or demand whatsoever by the Licensor or any person claiming by from under or in trust for the Licensor, save and except in the event of termination or prior determination under Article 6 below.

3. The Licensee/Licensees hereby agrees/agree to observe and perform the stipulations following that is to say: -

- a) That the Licensee/Licensees shall take possession of the property on "as is where is basis". No further demand shall be made to the Licensor for any improvement and / or development of the land whatsoever.
- b) The Licensee/Licensees may, at its own cost, put up two sign-boards indicating its name, on the exterior of the Licensed Premises, Provided that the dimensions and exact location of such sign boards shall be intimated, in advance, to the Licensor for its approval and that such approval should be obtained, in writing, Provided However, that such approval shall not be unreasonably withheld. Such signboards should not cause any damage to the facade of the Licensed Premises and shall not contravene any local laws or regulations.
- c) The said plot of land shall be fenced in during construction by the Licensee / Licensees at his/their/its expense in every respect.
- d) No work shall be commenced which infringes any of the Building Regulations set out by the Appropriate Authority, Governed by Govt. of Odisha until the said plans and elevations shall have been so approved as aforesaid and thereafter he/they/it shall not make any alterations or additions there to unless such alterations and additions shall have been previously in like manner approved.
- e) The Licensee/Licensees shall have to start civil construction on the allotted property within six months from the date of possession and commence commercial production within three / five years from the date of handing over of possession. The extension of implementation up to one year may be allowed without imposition of penalty provided the Licensor is convinced that the delay is not due to the fault of the licensee. However penalty at the rate of 1 % of prevailing land cost of the industrial estate shall be imposed beyond the approved implementation period at the discretion of the licensor.

- f) The Licensee/Licensees shall be responsible for complying with all pertinent bye- laws, rules and regulations for the time being in force in respect of the changes made by the Licensee inside the Licensed premises the Licensee may deem fit for full enjoyment of the Licensed Premises.
- g) That Licensee/Licensees will pay all rates, taxes, charges, claims and outgoings chargeable against an owner or occupier in respect of the said land and any building erected thereon.
- h) The Licensee/Licensees agrees/agree and admits its liability to pay any such further sum or sums towards premium of the demised land demanded by the Licensor consequent upon the Lessor being required to pay more towards the compensation arising out of any law or order of any competent Court. The Licensee agrees and undertakes to reimburse the Licensor towards payment of higher compensation as may be assessed.
- i) That the Licensee/Licensees shall from time pay to the Grantor/ Licensor such recurring fees in the nature of service or other charges as may be prescribed by the Government of Odisha under the Odisha Industrial Infrastructure Development Corporation Act, 1980 and the Rules framed thereunder.
- j) That the Licensee will keep the Grantor / Licensor indemnified against any and all claims for damage which may be caused to any adjoining buildings or other premises by such building or in consequence of the execution of the aforesaid works and also against all payments whatsoever which during the progress of the work may become payable or be demanded by the Municipality or any local authority in respect of the said works or of anything done under the authority herein contained.
- k) That the Licensee shall observe and conform to all rules, regulations and bye-laws of the Local Authority concerned or any other statutory regulation in any way relating to public health and sanitation inforce for the time being and shall provide sufficient latrine accommodation and other sanitary arrangement for the labourers and workmen employed during the construction of the buildings on the said land in

order to keep the said land and its surroundings clean and in good condition to the entire satisfaction of the Divisional Head, IDCO and shall not, without the consent in writing of the Divisional Head, IDCO permit any labourers or workmen to reside upon the said land and in the event of such consent being given shall comply strictly with the terms thereof.

- l) That the Licensee/Licensees will not make any excavation upon any part of the said land nor remove any stone, earth, or other material there from except so far as may, in the opinion of the officer authorised by the Grantor/Licensor, be necessary for the purpose of forming the foundations of the building and compound walls and executing the works authorised by this Agreement.
- m) That the Licensee/Licensees will not directly or indirectly transfer, assign, sell, encumber or parts with his/their/its interest under or the benefit of this Agreement or any part thereof in any manner whatsoever without the previous consent in writing of the Corporation. However in case of the Licensee is desirous of creation of charge/ interest of any Banking or Non-Banking Financial Company for financial assistance for the purpose of grant of license, the same may be executed with prior consent of the Licensor in the format and procedure mentioned under the regulations and rules of the Licensor. In this event also, it is hereby clarified that at no point of time the Licensee per se gets any interest over the demised premises of the License.
- n) That the Licensee/Licensees shall not at any time do, cause or permit any nuisance in or upon the said land and in particular shall not use or permit the said land to be used for any industry other than the purpose for which the land is allotted.
- o) That the Licensee/Licensees shall at own cost construct and maintain an access road leading from the Estate road to the said land in strict accordance with the specifications and details prescribed by the Divisional Head concerned.
- p) The Licensee shall always be liable to make good the exterior and structure of the Licensed Premises including walls, drainage and roof

by carrying out necessary repairs or renovations within its statutory common duty of care.

- q) That in employing skilled and unskilled labour the Licensee/Licensees shall give first preference to the persons who are able-bodied and whose lands are acquired for the purpose of the said industrial area.
- r) The Licensee/Licensees hereby agrees/agree to bear all charges to be paid to the power supply company for making the power available to the Licensee in terms of these presents and for consumption of the electric power by the Licensee.

4. That the Licensor hereby agrees to observe and perform the stipulations following that is to say:

- a) The Licensor shall not be liable to the Licensee, its Directors, officers, employees, servants, agents, invitees, visitors, customers or any other person using or at any time being upon the Licensed Premises or any personal injury, damage, loss or inconvenience howsoever or whatsoever caused to them or to any goods or chattels brought by any person upon the Licensed Premises it being the intention of and agreed to between the Parties that the Licensee and other persons using the Licensed Premises shall use the same solely at the risk of the Licensee, provided that, such injury, damage, loss or inconvenience is not caused by the negligence of the Licensor, its employees or agents.
- b) The Licensor further agrees that as soon as the Divisional Head / Land Officer / authorized officer of IDCO certifies on the completion of factory building and on commencement of commercial production in accordance with the terms hereof and if the Licensee/Licensees shall have observed all the stipulations and conditions herein before contained, the Licensor will grant and the Licensee/Licensees will accept a lease (which shall be executed by the parties in duplicate) of the said land and the factory building erected thereon for a term of 90 (Ninety) years ~~after the~~ <sup>whichever is less</sup> balanced lease period from the date of handing over possession.
- c) The Lease shall be prepared in duplicate in accordance with form of Lease set out in the schedule hereunder-written with such



modification and conditions there to as may be agreed upon and all costs, charges and expenses of and incidental to the execution of Agreement and its duplicate, also the lease and its duplicate shall be borne and paid by the Licensee/Licensees alone.

5. Termination, post-termination obligations

Either Party ("non-defaulting party") shall be entitled to terminate this Agreement in the event of the other party ("defaulting party") committing a material breach of the terms, conditions and covenants contained in this Agreement to be observed and performed by the defaulting party by giving 30 days advance notice in writing and if the defaulting party rectifies the breach and informs the non-defaulting party in writing about the same within the said period of 30 days then the notice will cease to be effective.

However, if the defaulting party is unable to rectify the breach within the period of 30 days, then this Agreement shall, at the option of the non-defaulting party, stand terminated.

6. Notices

All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be either delivered personally or sent by mail, at the following addresses of the Parties:

- a) To the Licensor at its Registered office mentioned herein, and
- b) To the Licensee at
  - i. The Licensed Premises and
  - ii. Its registered office

Notice shall be deemed to be given on the seventh business day after such notice is mailed, if sent by registered mail. Any notice shall commence on the day such notice is deemed to be given.

A Party may change its address for purposes hereof by notice to the other Party.

7. Force Majeure

Neither Party shall be liable to the other Party for failure to perform its obligations hereunder due to the occurrence of any event beyond the control of such Party and affecting its performance including, without limitation, governmental regulations, orders, administrative requests, rulings or orders, acts of God, war, war-like hostilities, civil commotion, riots, epidemics, or any other similar cause or causes.

8. Governing Law

It is declared and confirmed by the Parties hereto that what is recorded in this Agreement reflects the true intention of the Parties and neither Parties shall contend to the contrary. This Agreement shall be governed and construed in accordance with the laws of India.

9. Costs for Registration

All costs and expenses for preparation, execution and registration of this agreement/licence shall be borne by the Licensee.

10. Should there be any conflict between the terms contained in this Agreement and the term contained the IDCO Act/IDCO Land Regulations hereunder - written the latter shall prevail.

11. For the purpose of this Agreement to Lease the expression Chairman-cum Managing Director, IDCO shall include the Managing Director / the Land Officer / Divisional Head or any other authorised Officer of the Odisha Industrial Infrastructure Development Corporation (IDCO).

IN	WITNESS	WHEREOF
Shri.....		
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The Managing Director / the Land Officer / Divisional Head or any other authorised Officer of the Odisha Industrial Infrastructure Development Corporation (IDCO) has, for and on behalf of the aforesaid, Odisha Industrial Infrastructure Development Corporation (IDCO) set his hand and affixed the common seal of the Corporation hereto on its behalf and the

Licensee/Licensees hath hereunto set his/their hand/affixed the Common Seal of the Company the day and year first above written.

LAND SCHEDULE

(Description of land)

All that piece of land knows as Plot No.  
(a).....

In the .....Industrial Area, within the village limits of.....

....., TAHASIL.....,  
District....., containing by.

IN WITNESS WHEREOF Shree.....