

**MEMORANDUM OF UNDERSTANDING**

THIS DEED OF AGREEMENT executed at Chennai on this ..... day of ..... 2010, by Tamil Nadu Small Industries Development Corporation Limited, a company incorporated under the Indian Companies Act. 1956 and an undertaking of the Government of Tamil Nadu having its registered Office at Garment Complex-II, Thiru-Vi-Ka- Indl. Estate, Guindy, Chennai- 600 032, represented by Thiru/Tmt. ...., Branch Manager, SIDCO, Thirumudivakkam, hereinafter called the Party of the FIRST PART which expression wherever it occurs, shall mean and include the representatives, administrators, successors in interest and assign

and

(a) M/s.....a Proprietary concern with Thiru/Tmt .  
.....aged about ..... years residing at  
.....as its Proprietor and carrying on its business at Plot  
No./Shed No....., SIDCO Industrial Estate, ..... hereinafter called the Party  
of the SECOND PART which expression, shall mean and include its legal representatives,  
heirs, executors, administrators, successors in interest, executors and assigns, witnesseth as  
follows:-

(b) ..... a firm within the meaning of Indian  
Partnership Act, 1932 (Central Act IX of 1932) carrying on its business at Plot No./Shed  
No....., SIDCO Industrial Estate, ..... and constituted and represented by its  
Partners,

(1) Thiru/Tmt. .... S/o or W/o ..... and aged  
about ..... Years residing at No.....

(2) Thiru/Tmt. .... S/o or W/o ..... and aged  
about ..... Years residing at No.....

.....  
hereinafter called the Party of the SECOND PART which expression, shall mean and include  
its legal representatives, heirs, executors, administrators, successors in interest, executors and  
assigns, witnesseth as follows:-

(C) M/s ..... a Company, as defined under the Companies Act, 1956 (Central Act 1 of 1956) and having its registered office at .....  
.....  
represented by ..... duly authorised by the Board of Directors as per the Board Resolution No. .... of the ..... Board Meeting held on .....  
.... hereinafter called the Party of the SECOND PART which expression, shall mean and include its legal representatives, heirs, executors, administrators, successors in interest, executors and assigns, witnesseth as follows:-

Whereas one of the object of the party of the FIRST PART is to aid, promote and develop small scale industries in the state of Tamilnadu

Whereas in order to achieve the said object, the party of the FIRST PART has formed a scheme under which it has acquired lands in ..... and formed an industrial estate.

Whereas the party of the FIRST PART allotted the property morefully described in the schedule hereunder to the party of the SECOND PART vide its letter No..... dated .....

Whereas the party of the FIRST PART is maintaining the roads, sewage and drainage systems and providing water supply inside the SIDCO Industrial Estate, ..... wherein the property conveyed to the SECOND PART is situated.

Whereas it is felt necessary by the party of the FIRST PART that the homogeneity and the industrial complex of the Industrial Estate should be maintained without any hindrance to the other allottees in the said industrial estate.

**NOW THIS DEED OF AGREEMENT WITNESSETH AS FOLLOWS**

1. The party of the SECOND PART shall pay water charges and maintenance charges at the rates fixed by SIDCO from time to time and the said rate is liable to be enhanced as and when it becomes necessary and the same shall not be questioned by the party of the SECOND PART. If the party of the SECOND PART fails to pay the said charges, the party of the FIRST PART shall disconnect the water supply and cut other

amenities and proceed to collect the said arrears. The party of the SECOND PART shall also pay the property tax and other public charges to the concerned authorities as and when demanded.

2. The party of SECOND PART shall start construction of the buildings as per the approved building plan, within six months from the date of taking possession of the plot and then commence production within two years from the date of taking possession of the plot, failing which the party of FIRST PART shall cancel the allotment and resume the property and the party of FIRST PART will also levy penalty for non utilization of the property, at the rates fixed by party of FIRST PART from time to time.
3. (a) The party of the SECOND PART shall not change the line of industry for which the property was allotted without the prior approval of the party of the FIRST PART.  
(b) The party of SECOND PART shall utilize the property only for constructing industrial worksheds and for running an industry for which the property was allotted and not for any other purpose. The party of the SECOND PART shall utilise the property only for industry for which it was intended and allotted.
4. (a) The party of the SECOND PART shall not change the name of the unit or transfer, sell or mortgage the property more fully described in the schedule hereunder or change the constitution, partners, shareholders, directors within five years from the date of allotment without the prior approval of the party of the FIRST PART. Any application made by the party of the SECOND PART for such approval will be considered by the party of the FIRST PART on merits and on payment of fees prevailing at that time.  
(b) However, beyond 5 years from the date of allotment, the party of the SECOND PART may effect the above changes after informing the party of the FIRST PART subject to compliance of the other covenants hereafter contained. The above restriction is not applicable for mortgages in favor of State or Central Financial Institutions / Nationalised Banks for the purpose of raising a term loan / working capital for the party of the SECOND PART to run an industry in the property mentioned in the schedule and the party of the SECOND PART shall inform the details of such mortgages to the party of the FIRST PART.

5. The party of the SECOND PART shall not lease out the property or any portion thereof without the prior approval of the party of the FIRST PART. The party of the FIRST PART shall be entitled either to refuse permission or to impose such conditions as the Party of the FIRST PART may think fit for granting such permission.
  
6. (a) The party of the FIRST PART shall have the right of having access into and utilising any portion of THE PROPERTY /said land as required at all times for the limited purpose of laying pipe lines, cables, underground drainage, channels etc., The party of the FIRST PART shall have further right within the area of THE PROPERTY described in the schedule hereunder mentioned, including the building standing thereon, as and when felt necessary by the party of the FIRST PART to lay down, place, maintain, alter or remove or replace any pipes, pipelines, service lines, posts or other appliances of apparatus (including digging of wells and bore wells) in/on/ under/over/along/across the land in such area, and the party of the SECOND PART agrees for the same and also agrees to incorporate this clause in any sale deed executed by them.  

(b) The party of the SECOND PART shall not close, modify or alter the sewage / water lines inside the allotted property without the permission of the party of the FIRST PART.
  
7. Any modifications/alternations/additions to the building or water/sewage lines in THE PROPERTY and digging any well/bore well shall have the prior approval of the concerned authorities and shall not be prejudicial to the interest of the other allottees/unit holders or to the homogeneity or purpose of the Industrial Estate. In the event of such prejudice , the party of the FIRST PART shall have the liberty to intervene in the matter and, if necessary, to enter upon and inspect THE PROPERTY and give such directions as are required so that the homogeneity and purpose of the Industrial Estate is preserved intact and if such directions are violated, the party of the FIRST PART shall have the power to take necessary action against the party of the SECOND PART in addition to claiming damages.

8. The party of the Second part shall not, at any time, after the execution of this deed, cause or permit any nuisance in or upon The Property and in particular, shall not use or permit The Property to be used for purpose for any purpose which may be obnoxious or injurious or offensive by reason or emission or odour, liquid, effluent, dust, smoke, chemical waste or any substance, noise, vibration or fire hazard or any other activity violative of pollution norms.
9. Industrial effluents shall not be let out into the sewer lines of the party of the FIRST PART. Separate effluent treatment plant and equipment to prevent noise, vibrations and fire, health hazards etc., shall be erected or installed by the party of the SECONS PART within the property in accordance with the standards prescribed by the Tamilnadu Pollution Control Board or other authorities concerned.
10. The party of the Second Part agrees that the violation of any of the terms and conditions contained in this agreement shall entitle the party of the first part to disconnect the water supply, cut other amenities and also entitle to claim damages from the party of the SECOND PART.
11. It is expressly agreed between the parties that any dispute arises under this agreement, the court situated in Chennai shall alone have exclusive jurisdiction.

**SCHEDULE**

All that piece and parcel of the land measuring ..... acre known as DP No./Shed No....., in SIDCO Industrial Estate at ....., comprised in Survey No..... of .....Village, ..... Taluk, ..... District, bounded on the

North by	:	.....
South by	:	.....
East by	:	.....
West by	:	.....

and situated within the Sub Registration District of ..... and Registration District of .....

In witness there of Thiru/Tmt....., Branch Manager, SIDCO , .....  
....., acting for and on behalf of the M/s.Tamil Nadu Small Industries  
Development Corporation Limited and Thiru/Tmt....., sole proprietor/  
partners/ authorised signatory of M/s..... with its address at Shed No / Plot  
No....., SIDCO Industrial Estate, ..... have signed this deed on the day, the  
month and the year first above written.

In the Presence of Witnesses:  
(With their address)

1.

2.

Party of the FIRST PART

In the Presence of Witnesses:  
(With their address)

1.

2.

Party of the SECOND PART