Sub: Allotment of land-execution of Memorandum of Agreement and the Drill to be followed for execution and handing over possession of land to the licensee.

In terms of the Ministry of Works and Housing No.J-20011/1/81.LD dated the 28th February, 1981, all allotment of land will be initially made on license basis and the allottee will have bare licence to enter the land. A Memorandum of agreement is to be entered into with allottee for carrying out the purposes of allotment. It is only after completion of construction of the building and fulfilment of other terms and conditions of the Memorandum of agreement that grant of perpetual lease hold rights is contemplated. In terms of the Ministry of Works and Housing No.J-12026/4/77-LI dated the 19th March, 1982, the liability for payment of licence fee will commence only from the date on which the allottee is allowed to enter the land or from the date an offer to this effect to made to him in writing, which ever is earlier.

2. In view of the above instructions, it is of the utmost importance that the plot of land proposed to be allotted is ready in all respects and the party is allowed to enter the land with the least possible delay after allotment is communicated. It has, therefore, been decided that the following drill and time schedule should be adhered to by all concerned to ensure that the party is allowed to enter the land with the least possible delay:-

- Payment of Security deposits Advance of licence fee & cost of preparation of agreement.
- Preparation of draft memorandum of agreement, including preparation of layout plans.
- Vetting of draft of memorandum agreement.
- Typing and stitching of memorandum drawn of agreement.
- Despatch of memorandum of agreement to the licensee by Registered post signing of by the licensee & receipt pack.
- Execution by the lessor/allowing party to enter the land.
- 30 days from the date of receipt of offer of allotment by the allottee.
- These processes must be taken up immediately after issue of allotment letter & should be completed within a maximum of 13 days from the date of communication of allotment.
- 7 days from the date of receipt of payment of the amounts mentioned at (I) above.
- 3 days from the date of receipt of memorandum of agreement duly signed by the licensee.
3. The question whether the memorandum of agreement to be entered into with the allottee which gives bare right of licence to the party is compulsorily registerable under Indian Registration Act, 1908 has been examined by the Ministry in consultation with the Ministry of Law, Justice & Co. Affairs. It has been decided that such a memorandum of agreement is not compulsorily registerable under Section 17 of the Indian Registration Act, 1908. It has also been decided that there is no need to get such a memorandum of agreement registered under Section 18 of the Indian Registration Act, 1908 which provides for optional registration.

4. The licensee should be allowed to enter the land immediately on the execution of the Memorandum of Agreement. A copy of the agreement form finalised in consultation with the Ministry of Law, Justice & Co. Affairs will follow. This may be adopted mutandis-mutandi to suit the circumstances of each case.

5. All concerned may please note the above instructions for information and strict compliance.

Sd/-
(V.R. Mahajan)
Estate Officer

All Officers/Sections

Copy to:

1. Min. of Works & Housing (Lands Division) New Delhi (with eight spare copies. Their file No. J-20011/1/81/LD dt. 4-3-82 is returned herewith.

2. Min. of Works & Housing, finance Division (Lands Unit) Nirman Bhawan, New Delhi (with two spare copies).

3. Copy to DDA, vikas Minar, New Delhi.

Sd/-
(V.R. Mahajan)
Estate Officer