



**Revenue & Disaster Management Department, Govt. of Odisha,  
Bhubaneswar.**

**PROJECT REPORT**

**On**

**“Procedure for Lease of Government Land for  
Industrial Purpose in Odisha.”**



**Submitted By**

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## ❖ **Introduction:**

To attract investments in industrial projects and to ensure timely take up of the industries Government of Odisha have decided to identify suitable patches of land both Government and Private, in areas having industrial potential and future requirements to keep it under one basket. The Odisha Government, after careful consideration, have been pleased to decide that the mode of transfer of Government Land and acquired private land in favour of IDCO for creation of Land Bank and IDCO shall continue to hold the Government Land, allotted to it on long term lease basis.

IDCO gets govt. land on lease from Government observing due process as per the provisions of OGLS Act,1962.

## • **Definitions**

**Land use** involves the management and modification of natural environment or wilderness into built environment such as settlements and semi-natural habitats such as arable fields, pastures, and managed woods. It also has been defined as "the total of arrangements, activities, and inputs that people undertake in a certain land cover type.

**Land:** As per Sec- 2 (14) of the OLR Act, 1960, '**Land**' means land of different classes used or capable of being used for agricultural purposes and includes homestead. It can be further classified as follows:

Class I – Irrigated land in which two or more crops (i)were in any year within a period of three years before the commencement of the Orissa Land Reforms (Amendment) Act, 1973, grown or (ii) can be grown in a year.

Class II – Irrigated land in which not more than one crop (i)was, in any year within a period of three years before the commencement of the Orissa Land Reforms (Amendment) Act, 1973, grown or (ii) can be grown in a year.

Class III – Land, other than irrigated land, in which paddy (i)was, in any year within a period of three years before the commencement of the Orissa Land Reforms (Amendment) Act, 1973, grown or (ii) can be grown in a year.

Class IV – Any other land. Explanation – For the purposes of this clause tanks, coconut gardens and orchards (except orchards growing banana), shall be deemed to be Class III land;

### ❖ Government Land:

According to section 2 (b) of the OGLS Act, 1962 (b) “**Government land**” means any waste land belonging to Government whether cultivable or not, recorded as House site, Anabadi, Chot Jungle, Puratan Patit, Nutan Patit, Parityakta Bedakhali or by any other description whatsoever; shall include-

(i) Khasmahal land, that is to say Mahals held under Khas which are treated as Government estates and the rents of which are payable under Section 3 of the Bengal Land Revenue Settlement Regulation, 1822 [Bengal Regulation VII of 1822] or under Section 4 of the Bengal Land Revenue Settlement Regulation [Inserted vide Orissa Act No. 1 of 1991.],[Bengal Regulation IX of 1825]; (Coastal Areas).

(ii) Nazul lands situated in the State; (Characterstics of Escheated Properties-Western Odisha)

(iii) Gramakantha Parambok lands in the ex-Madras areas; (Uncultivated Land mostly excluded places-Southern Odisha) and

(iv) Anabadi lands situated in the State;(Ancillary Purposes)

### ❖ Lease :

A lease is a contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset.<sup>[1]</sup> Property, buildings and vehicles are common assets that are leased. Industrial or business equipment is also leased. Lease can be granted for the following purposes, such as:

(I). Lease for Homestead & Agriculture Purpose.

(II). Lease for Industrial Purpose.

#### ➤ Purpose of Industrial Lease:

- **To create Huge Employment opportunities.**
- **To develop the technical skill & industrial efficacy in the global market.**
- **To enhance adequate food security & safety measures for livelihood purposes.**
- **To safeguard sustainable growth of the underprivileged community.**
- **To spread entrepreneurship development in and around the globe.**
- **Minimal use of available natural resources with maximum output.**
- **To make peripheral development in the field of Transport, Communication, Health, Education, IT through CSR measures &**
- **To make rapid Economic Growth through Industrialization.**

❖ **Reservation & Settlement of Govt. Land : U/s – 3**

Notwithstanding anything to the contrary in any law or any custom, practice or usage having the force of law, Government shall not be deemed to be debarred from exercising all or any of the following powers in respect of Government lands, namely:

- (a) to reserve such portion of the lands as they deem proper for the purpose of being used as house-sites or for any communal or industrial purpose or for any other purpose whatsoever;
- (b) to charge premium for settlement of any such land;
- (c) to charge rent for the lands so settled;
- (d) to charge fees on applications for settlement of lands and such other fees as may be necessary for or incidental to the disposal of such fees shall be payable in the prescribed manner; and
- (e) to authorize any officer of Government not below the rank of a Tahasildar to dispose of applications for settlement of lands and to settle the same in such manner as may be prescribed and subject to the provisions of Sub- sections (2) and (3) of the OGLS Act, 1962.

❖ **Manner of Settlement of Govt. Land: U/R – 5**

➤ **Stages of Lease :**

(1) All applications for settlement of Government land irrespective of the purpose of lease or the extent of area involved, either in rural or in urban area, shall be filed before the Tahasildar having jurisdiction over the area in which the land is situated.

(2) Application for settlement of land shall be in **Form-1A U/r – 5(2)**.

(3) On receipt of applications, they shall be forthwith entered chronologically in a register maintained in **Form-II U/r -5(3)**. There shall be two such registers, one for the urban area and another for the rural area. The Tahasildar shall, on receipt of the application, cause a verification to be made in respect of each application with reference to the existing record of-rights and maps, ascertain, if the land applied for is free from encroachment or encumbrance or not, and whether the lease can be granted, and examined whether any de-reservation will be necessary and the applicant is eligible to get the land for the purpose for which he has applied and the like. Such verification shall as far as prescribed, be completed within a period of fifteen days from the date of receipt of the application. If, after such verification, the Tahasildar is of the opinion that settlement of land shall not be granted because of non-availability of land in question or non-eligibility of the person applying for the land or the like, he shall reject the application after recording in writing reasons of such rejection in respect of each application. He shall do so

irrespective of the fact whether the sanction of the lease in the said case is within his competence or rests with any other officer.

(2) If after necessary verification, as mentioned in sub-rule (3) the Tahasildar is of the opinion that settlement of land may be granted he shall publish a proclamation in **Form No.III** and invite objections, fixing a date for hearing the said objections, if any.

(3) The proclamation shall be published U/r -5(4) by beat of drum and by affixing a copy of the same at a conspicuous place in the village or urban area in which the land is situated in the presence of not less than two person of the locality. If the village is un-inhabited, the notice shall be published in the nearest inhabited village. A copy of the proclamation shall be published by affixing in the Notice Board of the Tahasil office and a copy shall be sent to the Gram Panchayat or Notified Area, Council or Municipality, as the case may be, urban which the land is situated.

(4) On expiry of thirty days from the date of publication of the proclamation, the Tahasildar shall hear objections U/r -5(5), if any, received during the proclamation period, after hearing objections or immediately after expiry of thirty days from the date of publication or the proclamation, where no objection has been filed, the Tahasildar shall, if he satisfied that the applicant is deserving and there is no objection to settlement on any ground, make order granting such settlement of the land applied for or any portion thereof and submit the case record, after expiry of the appeal period, to the Sub-divisional Officer having jurisdiction for approval. **If the settlement has to be granted by an Officer superior in rank to the Tahasildar under these rules the case records shall be submitted to such Officer for disposal. The Tahasildar shall forward lease case to the Sub-Collector for further approval by the Collector.**

While submitting the case record, the Tahasildar shall pass orders carefully. The order of the Tahasildar shall contain:-

- (a) The provisions of law on which the case is initiated.
- (b) Name and detail address of the applicant.
- (c) Detail land schedule.
- (d) Eligibility of the applicant.
- (e) Leasability of the suit land.
- (f) Regarding de-reservation (for Gochar land) and change of classification u/r 34 (e) of the OSS Rules, 1962 if required.
- (g) The Tahasildar shall indicate as to whether the applicant is a Department of the Govt. In such case, alienation shall be made free of all charges in view of the provisions of Rule 283(1) of Orissa General Financial Rule, Vol-I communicated by the Finance Department vide office memorandum No. 26279/F.D dated 09/06/1999. The relevant paragraph is quoted below. "283(1) - When any land or building is transferred from one Department to another of the State Government, the transfer shall be free of all charges".

(h) Calculation of premium, rent, cess and incidental charges payable by the applicant other than a Department of the Govt.

(i) Competency of the Officer to sanction the lease shall be reflected as indicated in schedule-II.

(5) Settlement of land shall be in conformity with reservation, if any, made under clause (a) of sub-section (1) of Section 3, Provided that no such settlement shall be made, unless the premium fixed for the land is paid: Provided further that the Government may exempt the premium payable in any case or class or cases for settlement of land.

❖ **Principles for settlement Govt. Land:U/r-6**

Land covered by forest growth coming within the purview of **clause (ii) of Section 2 of the Forest (Conservation) Act, 1980** or recorded as forest inside village boundary covered by forest shall not be settled for any purpose whatsoever without prior approval of Government. Where areas having sparse tree growth inside village boundary are proposed to be settled under these rules, **no intimation slips as provided in Rule 5(12) shall be issued unless the following formalities are observed, namely:**

(a) the Divisional Forest Officer in-charge of the area shall be intimated of the decision to settle the land if there is sparse tree growth on it and he shall be called upon to dispose of the trees within a period of three months from the date of such intimation either by himself or through an officer not below the rank of a Range Officer;

(b) the Divisional Forest Officer shall arrange for disposal of the trees by auction to the village community in the presence of the Tahasildar or his representative not below the rank of a Revenue Supervisor which shall not be less than the royalty at the rates approved by the Forest Department. Only very small growth which is not saleable or which is not worth-selling may be settled with any person at four times the rate of royalty prescribed by the Forest Department.

(c) If within three months the Divisional Forest Officer does not dispose of the trees or remove them, the Tahasildar or any officer authorized by him in this behalf shall do the same through public auction.

(d) On receipt of intimation under clause (a) of sub-rule (5) the Divisional Forest Officer may raise objection to settlement of such lands. In all such cases the area objected to shall not be settled without the orders of the Collector after due consideration of the objection of the Divisional Forest Officer, **provided that the grant of lease does not contravene the provisions of clause (ii) of Section 2 of the Forest (Conservation Act, 1980) and that the proposed lease of land if inside a village boundary, is not recorded as forest or otherwise covered by forests.**

❖ **Terms and conditions of settlement:U/r-10**

Terms and conditions of settlement of land for industrial purpose, both in rural and urban areas, shall be such as may be determined by the Government from time to time.

❖ **Authorities competent to dispose settlement: U/r-11**

Disposal of application for settlement of land for this purpose shall be made by the authorities specified in **Schedule II** up to the extent mentioned therein. All other cases for settlement of land shall be referred to the Government for orders.

❖ **Fees: U/r-12**

Fees payable In respect of matters referred to in Clause (d) of Sub-section (1) of Section 3 shall be in accordance with the rates specified in **Schedule III**: Provided that the Government may exempt the fees prescribed in the said Schedule in any case or class of cases for settlement of land.

➤ **Fees payable in course of lease proceedings under Amended Rule 2013:**

- Application fees – **Rs. 100/-** ( in shape of Court fee)
- Proclamation fees - **Rs. 50/-** ( in shape of Court fee)
- Measurement Fees per Plot – **Rs. 100/-**
- Objection Petition - **Rs. 20/-** ( in shape of Court fee)
- Fees for serving of Individual Notice - **Rs. 50/-** ( in shape of Court fee)
- Fees for issue of General Notice - **Rs. 50/-** ( in shape of Court fee)

❖ **Intimation slip, Lease Deed, etc:- U/r-13**

In all cases where a settlement of land is granted an intimation slip in **Form IV** shall be issued by the Tahasildar in the name of the lessee. Lease deed as wherever necessary, shall be executed and registered at the cost of the lessee.

❖ **Leasability Criteria:**

1. The land applied for lease shall be free from encroachment.
2. There shall not be any sairat source over the land.
3. The suit land shall be connected with road.

4. The suit land shall not be a forest land. Before submission of the proposal, **the DLC report shall be verified**. Forest land cannot be leased out without the prior approval of Ministry of Environment and Forest in view of the provisions of Forest (Conservation) Act, 1980 read with the order dated 12.12.1996 passed by the Hon'ble Supreme Court of India in W.P. ( C ) No. 202/95.

5. The suit land shall not be leased out to any individuals/organization earlier. Lease register shall also be verified regarding pendency of any application pertaining to the suit plot.

6. There shall not be any communal right of the public over the suit land.

7. The guidelines contained in R & DM Department letter No. 25616 dt. 27.08.2014 shall be followed regarding change of classification of land classified as communal in the Record of rights. The earlier instruction issued by the erstwhile revenue and Excise Department letter No. 44485/R DT. 05.10.1991 was withdrawn.

❖ **Eligible Applicants for Lease of Government Land:**

- a) Central Government Ministry or Department.
- b) State Government Department.
- c) Corporation or Company or Society or Agency owned by Central Government.
- d) Corporation or Company or Society or Agency owned by State Government.
- e) Public Limited Company or Private Limited Company other than those in (c) and (d).
- f) Registered Society or Trust other than in (c) or (d).
- g) Any other entity such as Educational Institutions, Private Organizations etc.

➤ **Application and Documents required for Lease:**

- Application in **Form -I A** in quadruplicate **U/R- 5 (2)**.
- Land Schedule, Trace Map (Cloth Map) and land plan (Master Plan) in quadruplicate.
- Authorization of the Organization in favour of the representative applicant.
- Attested true copy of the Certificate of incorporation or registration, if applicable.
- Attested true copy of Memorandum or Articles of Association, if applicable.
- Copy of audited statement of accounts for last three years.
- Land utilization plan.
- Willingness to pay the requisite Government dues.
- Administrative approval wherever applicable.

❖ **IPR Policy:**

The Industrial Policy Resolution prescribes concessional rate for lease of Govt. land zone wise for promoting industrialization in the state.

➤ **Competent Authority to order for lease on concessional rate or free of premium:**

Government in R & DM Department is the Competent Authority to decide on case to case basis.

➤ **Fixation of premium, annual ground rent, annual cess & incidental charge:**

- Other than cases of special concessions granted by **Govt., premium (One Time)** is generally fixed on the basis of the Benchmark valuation or highest market value of the village to be obtained from the Sub-Registrar and of course the area under lease proposal while lease gets recommended by the Tahasildar.
- **Annual ground rent is nothing but 1% of premium fixed.**
- **Annual Cess is 75% of annual ground rent so fixed.**
- **Incidental charge (One Time) is 10% of premium so fixed.**

❖ **Conclusion:**

. The Lands allotted for Land Bank shall be of two categories, Category A— Land for immediate requirement for industrial Infrastructure Development, which is required to be leased out to IDCO immediately; and Category B— Land to be reserved at the District level with Collector in terms of provision of OGLS Act in Section 3(i) (a) for subsequent allotment to IDCO or industrial units as would be necessary. The successful implementation of this Settlement of Land for Industrial Purpose in Odisha will lead to transparency in land governance, economic growth of the society and upliftment of the marginalized sections in shaping the industrial revolution as well.

❖ **References :**

1. Odisha Government Land Settlement Act, 1962
2. Odisha Government Land Settlement Rules, 1983
3. [www.revenueodisha.gov.in](http://www.revenueodisha.gov.in)
4. [www.rotiodisha.gov.in](http://www.rotiodisha.gov.in)

