**AGREEMENT BETWEEN OWNER AND CONTRACTOR**

This Agreement is entered into as of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [[Effective Date]] (the ‘’Effective Date’’) at \_\_\_\_\_\_\_ (Place).

**BETWEEN:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, An Individual/Company/Builder, having its registered address at\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ through its [Authorised Signatory: \_\_\_\_\_\_\_\_\_\_\_\_], (hereinafter referred as “the Owner”, "First Party").

OF THE FIRST PART

**AND:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, An Individual/Company/Builder, having its registered address at\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ through its [Authorised signatory:\_\_\_\_\_\_\_\_\_\_\_\_], (hereinafter referred as “the Contractor”, "Second Party").

OF THE SECOND PART

**WHEREAS** the first party is The Owner of piece of land bearing \_\_\_\_\_\_\_\_ [[Plot No.]] situated at \_\_\_\_\_\_\_\_\_\_ [[Address]] (hereinafter referred to as the "said plot of land").

**WHEREAS** the Contractor has long experience in constructing residential flats in different localities under different soil conditions safe and sound for inhabitation.

**WHEREAS** the Owner is desirous of a multi-storeyed building being constructed on the said plot and approached the Contractor and the Contractor has examined the site and is satisfied with the location and the soil condition of the said plot and opined that the said plot is suitable for construction of multi-storeyed building.

**WHEREAS** the Contractor at the request of the Owner has prepared plans, designs, drawings and elevations of the said proposed multi-storeyed building and specification of the works to be done and the materials to be provided for erection and/or construction of the said building which for the purposes of identification have been initiated therein.

**AND WHEREAS** the Contractor has agreed to carry out the works after complying with all formalities and obtaining all approvals necessary for remuneration partly by way of lump sum payment and partly on percentage of the cost of construction basis.

1. **RELATIONSHIP OF THE PARTIES- INDEPENDENT** 
   1. The Parties agree that the Parties shall be considered independent partners and not agents or employees of the other Party. Neither Party shall have authority to make any statements, representations nor may commitments of any kind, nor to take any action which shall be binding on the other Party, except as be expressly provided for herein or authorized in writing.
2. **DUTIES AND OBLIGATIONS OF THE CONTRACTOR**
   1. The Contractor will pay for and bear all overhead expenses of his office and staff including Supervisors.
   2. The Contractor shall construct and erect on the said plot of land a multi-storeyed building in accordance with the sanctioned plans, drawings and elevations and complete the said multi-storeyed building with the materials of best quality and in most substantial and workmanlike manner to the satisfaction of a nominated Architect of Owner and the Contractor will comply with and abide by the true intent and manner of the specifications, plans, drawings and elevations and these presents.
   3. The Contractor will complete construction of the multi-storeyed building and make the same habitable in all respects ready for occupation within \_\_\_\_ [[Time period]] from the date hereof. For any delay in completing the said multi-storeyed building as aforesaid within the stipulated period the Contractor shall pay to the Owner interest \_\_\_ [[Percentage]] per annum on the amount already spent and/or invested by the Owner in relation to the said construction of multi-storeyed building.
   4. The Contractor shall not engage any Sub-Contractor so far as actual construction work is concerned but the Contractor shall be at liberty to engage Sub-Contractors for the supply of men and materials, plant and machinery without creating any privacy between the Owner and the Sub-Contractors.
3. **DUTIES, OBLIGATIONS AND RIGHTS OF THE OWNER**
   1. The Owner will pay for and bear the actual costs of materials, labour and hire charges of plant and machinery and fees, rates and taxes incidental to such construction on production of the requisite bills and/or receipts. Such payment will be made within \_\_\_\_ [[No. of days]] days of production of the relative bills, vouchers or receipts.
   2. The Owner will not be responsible for payment of any cost of material or labour if the work is done contrary to the agreed plans, specifications, designs, materials and workmanship.
   3. The Owner shall not be responsible for payment of wages to the labourers or Sub-Contractors for any damages that may arise out of any accident and for all these the Contractor shall remain directly responsible to the person affected.
   4. The owner shall allow free ingress to and egress from the premises to the contractor’s servants, employees, sub-contractors and all other persons, who are necessary in connection with the carrying out of the works under the agreement.
4. **MANDATORY OBLIGATIONS OF THE PARTIES**
   1. The Owner’s nominated Architect will supervise the work but shall not be responsible for proper implementation of these presents by the Contractor. In case of difference of opinion on any point relating to construction of the said multi- storeyed building between the Owner’s nominated Architect and the Contractor, the opinion or the decision of the nominated Architect will prevail and the Contractor will give due effect to the opinion or decision of the nominated Architect.
   2. Any suggestion by the Owner for additions or alterations in/or construction of the said multi-storeyed building but within the sanctioned plan if certified by the nominated Architect to be feasible then the Contractor shall be under obligation to carry out such addition or alteration at the cost of the Owner.
5. **CONSTRUCTION COST**
   1. The construction cost shall not exceed \_\_\_\_\_\_\_\_ [[Amount in Rs.]] per square meter and should conform to the norms of market. The construction cost shall not include: -

(a) cost of land;

(b) architects’ fees;

(c) any services relating to fitting or fixtures not designed by the architects; and

1. **TERMS OF PAYMENT** 
   1. In consideration of the work to be done by the Contractor the Owner will pay to the Contractor a lumpsum amount of \_\_\_\_\_\_\_ [[Amount in Rs.]] and further \_\_\_\_\_\_ % on the total cost of construction of the multi-storeyed building.
2. **LIMITATION OF LIABILITY**
   1. The Owner shall make payment within \_\_\_\_\_\_\_ [[No. of days]] banking working days of all bills and/or outgoings of the Contractor in relation to the said multi-storeyed building on reimbursement basis. In case of default in payment within the said stipulated period the Contractor would be entitled to charge interest on the outstanding amount at \_\_\_\_\_ % per annum calculated on daily basis.
   2. If the contractor fails to complete the said work within the period as stipulated in the foregoing provision, the contractor shall, at the option of the owner but without prejudice to the other rights under law of the owner and other provisions herein, pay liquidated damages calculated at the rate of \_\_\_\_\_\_ [[Amount in Rs]] per day (but subject to a maximum of \_\_\_\_\_ % of the total contract amount payable by the owner under this agreement) for the period between the said stipulated time for completion of the works.
3. **REPRESENTATIONS AND WARRANTIES**

Each party hereby represents and warrants to that:

* 1. Each party has all required capacity and corporate authorization to enter into this Agreement and be bound by the obligations provided hereunder;

1. **NOTICE**
   1. Any notice provided for or permitted in this Agreement shall be in writing and will be deemed to have been given \_\_\_\_ [[Minimum number of Days after Mail: Number]] days after having been mailed, postage pre-paid, by certified or registered mail or by recognized overnight delivery services, except in the case of a postal or other strike affecting the service used whereupon notice will be deemed to have been given \_\_\_\_ [[Minimum number of Days for Service of Notice: Number]] days after normal service resumes.
   2. Addressing and delivery is to be made as follows:
      1. If to: Owner

Owner Name: \_\_\_\_\_\_

Owner Address: \_\_\_\_\_\_\_

* + 1. If to: the Contractor

Contractor Name: \_\_\_\_\_\_\_\_

Contractor Address: \_\_\_\_\_\_\_\_

* 1. The parties may communicate other addresses where notice must be sent to from time to time. Such communication shall be in writing and shall have the effect of replacing the address. No change of address effected under this section shall in any way affect the operation of any term, other than the delivery address, in this Agreement.

1. **DISPUTES AND RESOLUTIONS**
   1. ARBITRATION:
      1. In the event of any dispute, difference or controversy arising between the Owner and contractor in the performance, interpretation, implementation or application of this agreement, the parties will first attempt to resolve their differences mutually but failing mutual settlement dispute, difference or controversy arising, either Party may request that such disputes be settled by arbitration in accordance with the Arbitration and Conciliation Act, 1996 (“ the Act of 1996”) and the rules made there under, as amended from time to time.
      2. The Seat of Arbitration will be in \_\_\_\_ [[Place]] and all Arbitration proceedings will be conducted in \_\_\_\_\_\_\_ [[Place]].
   2. All disputes, actions and proceedings shall be subject to the jurisdiction of the Courts in \_\_\_\_\_ [[Name of the place]].

IN WITNESS WHEREOF the parties hereto have subscribed their respective hands hereto and on a duplicate hereof on the day and year hereinabove first mentioned

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| --- | --- |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (First Party) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (Second Party) |

Signed and Witnessed in the presence of:

1. Name of the Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_

Address of the Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature

1. Name of the Witness: \_\_\_\_\_\_\_\_\_\_\_\_

Address of the Witness: \_\_\_\_\_\_\_\_\_\_\_ Signature