

DRAFT LEASE AGREEMENT FOR LAND

THIS LEASE AGREEMENT is made on the day of..... Guwahati, Assam

- BETWEEN -

(AIDC Ltd. / AIIDC Ltd. / ASIDC LTD. /.....), A Govt. of Assam Undertaking established under Company's Act 19....., having its Registered / Head Office at represented herein by its authorized representative hereinafter referred to as **LESSOR / FIRST PARTY** (which expression shall unless the context does not so admit includes its successors and assigns) of the ONE PART.

-AND-

M/s, a proprietorship firm/ partnership firm/ private limited company/ public limited company established under, represented by authorized representative son of having its head office at, (hereinafter referred to as the **LESSEE / SECOND PARTY** which expression shall unless the context does not so admit, include his heirs, its executors, administrators, legal representatives and permitted assigns successors and permitted assigns) of the OTHER PART.

WHEREAS, the Govt. of Assam handed over the land at under Revenue Circle, District-, Assam measuring Sqm. to the **Lessor / First Party** (AIDC Ltd. / AIIDC Ltd./ ASIDC Ltd./) for the purpose of setting up IIDC/ IGC/ Park/ Project at and the said **Lessor / First Party** sub-divided the above land into plots for setting up Industrial Units for leasing out such sub-divided plots to Industrialists / Entrepreneurs for erecting on each Plot the Factory according to the Factory Bye-Laws and Building plans approved by the proper Competent Authority.

WHEREAS, the **LESSEE / SECOND PARTY** has applied to the AIDC Ltd. / AIIDC Ltd./ ASIDC Ltd./, Assam for grant on lease a plot of land/ factory shed/ or building/ or part of building for starting an industry under the name and style of M/....., for manufacturing / processing / servicing / repairing of

-AND-

WHEREAS, the (AIDC Ltd. / AIIDC Ltd./ ASIDC Ltd./) on the application made by the **LESSEE / SECOND PARTY**, agreed to grant him on lease for occupation of plot land in the IIDC/ IGC/ Park, Assam as described in the schedule hereunder and under the terms and conditions hereinafter set forth.

NOW THIS LEASE AGREEMENT WITNESSTH AS FOLLOWS:

- (I) In pursuant to the Law / Rules and Regulation applicable for entering into the Lease agreement / allotment of land etc. for the **Lessor / First Party**, this instant Lease agreement has been entered into and as such, the above mentioned Law / Rules and Regulation will strictly adhere to the both parties of this Lease agreement in all terms. Further, this Lease agreement would be treated as the substitute agreement for the lease agreement, if so entered into earlier between the both parties of this Deed. After execution of this instant agreement, the all earlier agreement, if so executed between the parties, would be considered as invalid and non operational in law for all purposes.

- (II) In consideration of the covenant and agreements herein contained and on payment by **Lessee / Second Party** amount of Rs. (Rupees) only towards the Annual Ground Rent calculated @ Rs. 2.00 per sq.m. per annum, the receipt whereof the **Lessor / First Party** hereby acknowledges, the **Lessor / First Party** doth hereby demise to the **Lessee / Second Party** the plot of land described in the schedule below.

And which said plot of land is more clearly delineated and shown in the attached Plan and therein marked red TO HOLD the said Plot of land (herein after referred to as "the demised" premises) with their appurtenances unto the **Lessee / Second Party** for the specific term of 30 (thirty) years from the date of execution of this Lease agreement except and always reserving to the **Lessor / First Party** and his successors or assignees.

- a. A right to lay water mains, drains, sewers or electric wires under or over the demised premises, if deemed necessary by the **Lessor / First Party** for developing the area.
 - b. Full right and title to all mines and minerals in and under the demised premises or any part thereof.
 - c. Yielding and paying thereof unto the **Lessor / First Party** by 30th day of April in each year in advance the yearly rent. The **Lessor / First Party** reserves the right to revise the rate of Ground Rent in every 3 (three) years. The quantum of rent determined by the **Lessor / First Party** shall be final, conclusive and binding on the **Lessee / Second Party** and it shall not be questioned in any court of law or otherwise.
 - d. The period of lease is renewable on expiry of 30 (thirty) years on satisfaction / payment of Annual Ground Rent, Lease Premium and any other charges as applicable at the time of renewal.
 - e. When the **Lessee / Second Party** for the purpose of establishing or developing the industry on the demised property, seeks to obtain loan from a bank or other Financial Institution by mortgaging his lease hold interest on the demised property in favour of such Bank or institution, prior permission for the same is necessary and will be given by the **Lessor / First Party** to this effect, provided such mortgage does not affect the rights and powers of the **Lessor / First Party** under this deed, in any manner.
 - f. In case of mortgage of such land to the Bank / Financial Institutions by the **Lessee / Second Party** with prior permission of the **Lessor / First Party** for purpose of taking loan / Financial assistances etc. The Bank / Financial Institutions will have a limited right to utilize the land till expiry of lease period on failure of the **Lessee / Second Party** to settle the loan / financial assistance only.
- g. That while taking action to recover the dues, in the event of default in repayment of loan or any other dispute between the Bank /Financial Institution and Lessee, the Bank /Financial Institution shall have no authority or right upon the demised land itself.**
- h. That in the event of the Lessee's failure and /or default to pay dues timely to the AIDC Limited, the Corporation may resort to legal recourse and/ or resume back the possession in terms of the Lease Agreement and the Lessee shall be bound to vacate the premises within(-----) months of the notice by removing plant & machineries, goods whatsoever installed and / or stored in the premises and remaining hypothecated to the Bank to enable the AIDC Limited to take vacant possession otherwise the AIDC Limited will remove all such installation and /or goods and dispose it off at the Lessee's account with due notice.**

i. While availing loans from the Bank/ Financial Institution the Lessee and the Bank shall execute necessary documents of shall have provision in their Loan Agreement between themselves that in the event the said Lessee commits any default in making payment of the all dues to the Lessor the AIDC Limited shall have first share in the amount recovered from the auction of the plant and machineries by the Bank/ Financial institution.

j. In the event Lessee defaults on repayment of loan and the loan is identified as NPA by Bank/ Financial.

k. Institution, the Bank/ Financial Institution may suggest to re- allot the leasehold interest of the plot/ shed for the remaining period to another applicant who is otherwise eligible to obtain such land/ plot/ shed after fulfilling the norms of AIDC Limited and paying transfer fee and other dues as per prevailing norms of AIDC Limited.

- l. Under no circumstances, the right of ownership of the land will be transferred to any party without prior approval of the Government in Revenue & Disaster Management Department.
- m. The leased out land should be used only for industrial purpose. In case of transfer or ownership of the Industrial Unit or taking over of the Industrial Unit by Bank or other Financial Institutions also for remaining period of lease, the land can be used only for Industrial purposes.
- n. The Letter of Allotment issued to the **Lessee / Second Party** for allotment of land shall be treated as a part of this agreement.

NOW THE LESSEE / SECOND PARTY BOTH HEREBY COVENANT WITH THE **LESSOR / FIRST PARTY / FIRST PARTY AS UNDER:**

2.

- a. That the **Lessee / Second party** will bear, pay and discharge all rates, taxes, charges and assessment of every description which may, during the said term, be assessed, charged or imposed in respect of demised premises or the Building to be erected thereupon which would be decided by the **Lessor / First Party** from time to time.
- b. The **Lessee / Second party** shall pay the Development Charges of the Plot calculated at the rate prescribed by the Corporation for IIDC, Nalbari from time to time. The **Lessor / First Party** shall reserves the right to enhance the rate of Development Charges, if the compensation payable under an award is enhanced by any Competent Court subsequently or there is escalation in the cost of development of the area otherwise.
- c. That the **Lessee / Second party** will bear, pay and discharge all Service Charges, Special Maintenance Charges, Road Maintenance Charges, Street Lighting Charges, Arboricultural Charges and other Ancillary Services, required for the upkeep of IIDC/ IGC/ Park/ which may during the said term be assessed, charged, levied or imposed by the **Lessor / First Party** within stipulated time as indicated by the **Lessor / First Party** in due course.

“The **Lessor / First party** reserve the right to revise the rate of Service charges and Special Maintenance Charges from time to time and the decision of the **Lessor / First party** shall be final, conclusive and binding on the **Lessee / Second party** and it shall not be questioned in any court of law or otherwise.”

- d. That the **Lessee / Second party** will obey and submit to the Rules of Municipal or other competent authority now existing or hereafter to exist so far as the same relate to the immovable property in the area or so far as they affect the health, safety, convenience of the other inhabitants of the place.

- e. That the **Lessee / Second party** will erect on the demised premises in accordance with the layout plan, elevation and design to be approved both by the **Lessor / First party** and the competent local authority in writing and in a substantial and workmen-like manner the Industrial Units as aforesaid with all necessary out houses, sewers, drains and other appurtenances according to the local authority's rules and bye laws in respect of buildings, drains, latrines and connection with sewers, and will commence such construction of main production shed within the period of one year and will completely finish the same fit for use and start commercial production **within the period of 2 (two) years** from the date of these presents or from the date of possession, whichever is earlier or within such extended period of time as may be allowed by the **Lessor / First Party** in writing at its discretion on payment of retention charges as determined by the **Lessor / First Party**.

- f. That the **Lessee / Second party** will keep the demised premises and the building thereon at all times in a state of good and substantial repairs and in sanitary condition.

- g. That the **Lessee / Second Party** will not make or permit to be made any alteration in or additions to the said buildings or other erections for the time being on the demised premises or erect or permit to erect any new building on the demised premises without the previous permission in writing of the **Lessor / First Party** and the Local Competent Authority and except in accordance with the terms of such permission and plan approved by the **Lessor / First Party** and the Local Competent Authority and in case of any deviation from such terms or plan, will immediately, upon receipt of notice from the **Lessor / First party** or the Local Competent Authority requiring him so to do, correct such deviation as aforesaid, and if the **Lessee / Second Party** shall neglect or not correct such deviation for the space in one calendar month after the receipt of such notice then it shall be lawful for the **Lessor / First Party**, or the Local Competent Authority to cause such deviation to be corrected at the expenses of the **Lessee / Second party**, which expenses the **Lessee / Second party** hereby agrees to reimburse by paying to the **Lessor / First Party** or the Local Competent Authority the amount which the **Lessor / First party** or Local Competent Authority as the case may be shall fix in that behalf and the decision of the **Lessor / First party** or Local Competent Authority as the case may be, shall be final.

- h. That the **Lessee / Second party** will provide and maintain in good repairs a properly constructed approach road or path alongwith the event across drain to the satisfaction of the **Lessor / First Party / Local Competent Authority** leading from the public road / Corporation road to the building to be erected on the demised premises.

- i. That the **Lessee / Second Party** will not carry on or permit to be carried on the demises any obnoxious trade or business whatsoever or use the same or permit the same to be used for any religious purpose or any purpose other than for the Industrial purposes aforesaid without the previous consent in writing of the **Lessor / First Party** and the Local Competent Authority and subject to such terms and conditions and the **Lessor / First Party / Local Competent Authority** may impose and will not do or suffer to be done, on the demised premises or any part thereof any act or thing which may be or grow to be a nuisance, damage annoyance, or inconvenience to the **Lessor / First Party** or Local Competent Authority or the Owner or Occupiers of other premises in the neighbourhood.

- j. The **Lessee / Second Party** shall have no right to transfer / sublet whole or part of the lease hold interest. However, in the event of specific exceptional cases, the **Lessor / First Party** with the prior approval of the State Government in the Industries and Commerce Department may allow the **Lessee / Second Party** to sublet a portion of a lease hold interest (not exceeding 40%) under certain terms and conditions as framed by the **Lessor / First Party**.

- k. That **Lessee / Second Party** will permit the members, officers and subordinates of the **Lessor / First Party** and workmen and other persons employed by them from time to time and at all

reasonable times of the day during the said term to enter into and upon the demised premises and the buildings to be erected thereupon in order to inspect the same.

- l. That the **Lessee / Second Party** will not make any excavation upon any part of the demised premises (except for foundation of building and for leveling and dressing the area) nor remove any stone, sand, gravel, clay, earth or any other materials therefrom.
- m. That the **Lessee / Second Party** will not erect or permit to be erected on any part of the demised premise any stables, sheds or other structures of any descriptions whatsoever for keeping horse, cattle's, dogs, poultry or other animals except and in so far as may be allowed by the **Lessor / First Party** in writing.
- n. That the **Lessee / Second party** will neither exercise his option of determining the lease nor hold the **Lessor / First Party** responsible to make good the damage if by fire, tempest, flood or violence of any army or a mob or other irresistible force, any material part of the demised premises if wholly or partly destroyed or rendered substantially or permanently unfit for building purpose.
- o. That **Lessee / Second Party** shall construct and complete the said buildings and put the demised premises with the buildings constructed thereon to use herein before mentioned within **two years** from the date of this Agreement or from the date of possession of the said land is handed over to it, whichever is earlier provided that the **Lessor / First Party** may at its discretion extend the time herein before provided if in his opinion the delay is caused for reasons beyond the control of the **Lessee / Second Party**.

Provided that unutilized land of the allotted plot or plots shall revert to the Corporation on the expiry of the prescribed / extended period for starting production / expansion of the unit.

- p. If during the terms of the lease agreement, the **Lessee / Second Party** or his workmen or servants shall,
 - i. injure or destroy any part of building or other structure contiguous or adjacent to the plot of land hereby demised.
 - ii. keep foundation tunnels or other pits on the demised land open or exposed to weather thereby causing any injury or damage to contiguous or adjacent buildings, or
 - iii. dig any pits near the foundation of any building thereby causing any injury or damage to such building, the **Lessee / Second Party** shall pay such damages thereof as may be assessed by the **Lessor / First Party** (whose decision as to the extent of injury or damage, or the amount of damages payable thereof shall be final and binding on the **Lessee / Second Party**).
- q. The **Lessee / Second Party** shall also abide by other terms and conditions as may be laid down from time to time for IIDC/ IGC/ Park/.....
- r. If the **Lessee / Second Party**, being a registered or unregistered Partnership Firm or a Cooperative Society, is dissolved and no successor in interest is appointed with 60 (sixty) days of its dissolution the **Lessor / First Party** shall be entitled to terminate this Land Lease Agreement without approaching any Court of law.
- s. The **Lessee / Second Party** shall not emit untreated effluent in any form (solid, liquid and gas) from the allotted plot.

AND IT IS HEREBY FURTHER AGREED AND DECLARED BY AND BETWEEN THE PARTIES TO THESE PRESENTS AS FOLLOWS:

3.

- a. Notwithstanding anything, herein before contained if there shall have been in the opinion of the **Lessor / First party** any breach by the **Lessee / Second Party** or by the person claiming through or under him of any of the Covenants or conditions herein before contained and on his part to be observed and performed in particular without prejudice to the generality of the sub-clause, if the **Lessee / Second Party** transfers, relinquishes, mortgages or assigns any part of the demised premises less than the whole or transfers, relinquishes, mortgages or assigns the whole of the demised premises without the previous consent in writing of the **Lessor / First Party** as herein before provided subject to the exception in Clause 2(j) or if the **Lessee / Second Party** fails to commence and complete the building in the time and manner herein before provided or if the amounts due to the **Lessor / First Party** as rent hereby reserved or any part of the premium as stipulated in clause I or service charge and special maintenance charge as stipulated in Clause 2(c) shall be in arrear and any other unpaid for a period of 90 days after the same shall have been demanded by the **Lessor / First Party** or if the **Lessee / Second Party** or the persons in whom the terms hereby created shall be vested, shall be adjudged insolvent or if this Land Lease Agreement is determined as herein before specified, it shall be lawful for the **Lessor / First Party** subject to the provisions of this lease deed (without prejudice to any other right of action of the **Lessor / First Party** in respect of any breach of this Land Lease Agreement) to re-enter without taking recourse to a court of law upon the demised premises or any part thereof in name of whole and thereupon this demise shall absolutely CEASE and determined and the money paid by the **Lessee / Second Party** by virtue of these presents shall stand forfeited to the **Lessor / First Party** without prejudice to right of the **Lessor / First Party** to recover from the **Lessee / Second Party** all money that may be payable by the **Lessee / Second Party** hereunder with interest thereon at **18%** per annum and the **Lessee / Second Party** shall not be entitled to any compensation whatsoever. Provided always that the **Lessee / Second Party** shall be at liberty to remove and appropriate to himself all building erections and structures, if any made by him and all materials thereof from the demised premises after paying up all dues, the premium and the lease rent upto date and all municipal and other taxes, rates and assessments then due including service charge e.g. conservancy charges and special maintenance charges and all damages and other dues accruing to the **Lessor / First Party** and to remove the materials from the demised premises within three months to the determination of the **Lessor / First Party** and in case of failure on the part **Lessee / Second Party** to do so, the building and erection standing on the demised premises and all materials there of shall vest in the **Lessor / First Party** and **Lessee / Second Party** shall then have no right to claim for the refund of any money paid by him to the **Lessor / First Party** unto that time or to claim any compensation for the structure and material put up by him on the demised premises. Provided further and always the right of re-entry and determination of the lease as herein before provided shall not be exercised if the industry at the demised premises which has been financed by the State Government or Bank / Financial Institutions as defined in the Public Financial Institutions Act or Scheduled Bank and the said financing body or bodies remedy the breach within a period of 90 days from the date of notice issued or served by the **Lessor / First Party** on the said financing institutions or institutions regarding said breach or breaches.
- b. All legal proceedings for breach of the conditions, aforesaid shall be lodged only before the Court of law situated at Guwahati and not elsewhere.
- c. Any loss suffered by the **Lessor / First Party** on a fresh grant of the demised premises for breach of conditions aforesaid on the part of the **Lessee / Second Party** or any person claiming through or under him shall be recoverable by the **Lessor / First Party** as per law applicable thereto.

d. Any notice required to be served hereunder shall be deemed to have been sufficiently served on the **Lessee / Second Party** if served by Registered Acknowledgement Due Post and signed by an officer of the **Lessor / First Party** and the services shall be deemed to have been made at the time of which the registered letter would in the ordinary course be delivered even though returned un-served on account of the refusal by the **Lessee / Second Party** or otherwise howsoever. A notification of any decision by the **Lessor / First Party** shall also be served in the same manner as prescribed above.

e. *The Security deposit of Rs. 5.00 per Sqm. to be adjusted with the rent or Development Charges.*

f. The security deposit shall stand forfeited, whenever there is a breach of any condition contain in the Lease Agreement. Those units for which Corporation is not insisting Security Deposit as fixed at the time of filling of application for land / shed, in that case the amount of Security Deposit as fixed by Corporation as mentioned in clause 3(e) will be deducted from the Development Charges whenever there is a breach of any condition contained in the lease agreement.

g. *The unutilized land of the allotted plots shall revert back to the Corporation on expiry of the prescribed extended period upto 3 years. The Development Charges originally paid by the Lessee / Second Party for such unutilized land shall be refunded.*

h. The Corporation shall have the right to cancel the allotment after issuing a 15 (fifteen) days Show Cause Notice to the **Lessee / Second Party** for breach of any of these rules, conditions of allotment letter and terms of this Lease agreement.

i. *If any allottee or a Lessee intends to surrender a Plot or part thereof for any reason, the Corporation may accept it on the condition as it may deem fit and proper. In such cases, the amount of development Charges and Interest thereon, if any recovered from the Party will be refunded, without any interest payable thereof as below;*

- a) *If any allottee or a Lessee intends to surrender a Plot or part within 1 year from the date of allotment then 90% of Development Charges will be refunded.*
- b) *If any Allottee or a Lessee intends to surrender a Plot or part after 1 year but within 2 years from the date of allotment then 50% of Development Charges will be refunded.*
- c) *If any Allottee or a Lessee intends to surrender a Plot or part after 2 years from the date of allotment then the Allottee will not be entitled for any refund.*

Further, the amount of Security Money, Ground Rent, Services Charges, Special Maintenance Charges and Interest on unpaid ground Rent, services charges and Special maintenance Charges shall be deducted while refunding the amount.

j. *Any unit which does not clear any dues payable to lessor for continuous period of 3 (three) months shall be treated as defaulter unit and such unit shall have to vacate the said premises without any quite progress.*

a. *Lessor may initiate action to cancel their Trade licence / power connection etc.*

k. *In case of conversion of proprietorship to partnership firm, the share of the original partner shall not be less than 51%.*

l. The **Lessee / Second Party** shall continue his activities in the premises for which the property is used leased. Stoppage of said activities in leased premises temporarily or permanently the **Lessee / Second Party** shall be bound to intimate the reason of stoppage to the **Lessor / First Party** in writing within 7 (seven) days from stoppage or close down.

- m. The **Lessor / First Party** shall have the right to re-entry over the property and take over its possession, if restarting of activities do not take place within 3 (three) months period from the date of initial stoppage / close down of activity or / committing any violation of the terms set forth in this lease agreement. The arrear dues, if any, will be realized within 3 (three) months from the date of such taking over in due course.
- n. The **Lessor / First Party** shall have the unfettered right to inspect the documents justifying the utilization of assets during the leased period and the Corporation shall have the right to get authenticated copies of such documents as and when necessary.
- o. The **Lessor / First Party** shall have the right to re-entry over the property and take over its possession, if the **Lessee / Second Party** makes any additional construction without prior permission of the authority, the **Lessor / First Party** will not responsible to pay any compensation to the **Lessee / Second Party** for this type of additional construction.
- p. Notwithstanding anything contained in this present Lease Agreement, the **Lessor / First Party** may, on termination of this agreement, transfer or lease out the property including the additional construction and the renovation if any, to any person by private negotiation or public auction or otherwise at the option of the **Lessor / First Party** and on such terms and conditions as the **Lessor / First Party** deems fit and proper.
- q. The **Lessor / First Party** reserves the right to impose any further conditions, stipulations of alteration in the convent herein at any time which in the opinion of the **Lessor / First Party** / Government feel it necessary for the public interest.
- r. In the case of breach of any of the terms and conditions mentioned in this lease, the **Lessee / Second Party** shall cease to be entitled to the use of or occupation of the property and the **Lessee / Second Party** would be liable for summary eviction by Estate Officer authorized under Assam Public Premises (Eviction of Unauthorized Occupants) Act, 1971.
- s. In pursuance to the aforesaid Act and Rules made there under, the **Lessee / Second Party** will bound to hand over the possession of the lease land to the **Lessor / First Party** without any disputes.
- t. Any arrear amount is so required to be recovered for the lease agreement or its consequential effects arising therefrom, the same would be realized in terms of law applicable thereto.
- u. All Power exercised by the **Lessor / First Party** under this lease agreement may be exercised by Managing Director, AIDC Ltd./ AIIDC Ltd./ ASIDC Ltd./ or such other person (s) authorized in this behalf.

Provided that the expression Managing Director shall include the person who is entrusted by **Lessor / First Party** with the functions similar to those of Managing Director.

- v. Every dispute difference or questions touching or arising out or in respect of this Lease Agreement or the subject matter thereof, shall be at the first instance, invariably required to referred to the head of the **Lessor / First Party** and failure to get a dissatisfactory order from the **Lessor / First Party**, the **Lessee / Second Party** only deserves the right to refer the said dispute / difference to the Competent Court of Law as applicable thereto.
- w. The Stamp and Registration Charges on this Lease Agreement shall be borne by the **Lessee / Second Party**.
- x. The **Lessee / Second Party** agrees that if the need arise and as per Government direction, a separate Agreement may be required to be entered in to and signed with another Authority

instead of AIDC Ltd./ AIIDC Ltd./ ASIDC Ltd./ the current **Lessor / First Party** in this agreement on the same terms and conditions as contain in this agreement.

- y. If any provision of this agreement is rendered void, illegal or unenforceable under any Law, the validity, legality and enforceability of that provision under any other Law and the validity, legality and enforceability of the remaining provisions, shall not in any way be affected or impaired thereby. Should any proviso of this agreement be or become ineffective for reasons beyond the control of the Parties, the Parties shall use reasonable endeavours to agree upon a new provision which shall as nearly as possible have the same commercial effect as the ineffective provision.

IN WITNESS WHEREOF THE parties hereto have hereunto set and subscribed their respective hands this day and year first hereinabove written.

Schedule of Property

All that the plot of land numbered as situated within the IIDC/ IGC/ Park/ at under Mouza, Village, Dag No. Patta No., Revenue Circle, P S., District, Assam containing by measurement Sqm. (Square Meter)/ Bigha be the same a little more or less, bounded:

On the North by :
On the South by :
On the East by :
On the West by :

IN WITNESS HEREOF THE parties hereto have set their hands this day of the month of in the year

Signature for and on behalf **Lessor / First Party**

Signature for and on behalf of **Lessee / Second Party**

Signature of witness no. (1):

Name

(In capital letters)

Address:

Signature of witness no. (2):

Name

(In capital letters)

Address: