

## DRAFT LEASE AGREEMENT FOR SHED

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

### **-BETWEEN-**

(AIDC Ltd./AIIDC Ltd. /ASIDC Ltd).....) A Govt. of Assam Undertaking, established Under .....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 ..... represented by authorized representative..... Son of Sri/ Smti ..... 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 SECOND PARTY/LESSEE/ SECOND PARTY has applied to the AIDC Ltd/ AIIDC/ASIDC Ltd/..... for grant on lease a factory shed or building or part of building or plot of land for starting an industry under the name and style of M/s ..... for manufacturing /processing / servicing / repairing of .....etc.

### **-AND-**

**WHEREAS**, the (AIDC Ltd/AIIDC/ ASIDC Ltd/ ..... ) on the application made by the LESSEE/ SECOND PARTY, and in the light of the Laws/Rules/Regulation applicable herein this case, agreed to grant him on lease for occupation of a Shed in Industrial Estate/Industrial Area/Growth Centre/ Commercial Estate ..... etc. as described in the schedule hereunder and under the terms and conditions hereinafter set forth.

**WHEREAS**, In pursuant to the Law / Rules and Regulation applicable for entering into the Lease agreement / allotment of land etc. for the Lessor / First party or any other statue applicable herein, this instant Lease agreement has been enter 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 agreements/ Deeds, if so executed between the parties, would be considered as invalid and non operational in law for all purposes .

### **NOW THIS LEASE AGREEMENT WITNESSETH AS FOLLOWS:**

1. In consideration of the rent here-in-after reserved and of the Lessee/ Second Party 's covenants and the conditions to be performed and observed by him as here-in-after contained, the Lessor/ First Party do hereby demise the property described in the schedule by way of lease unto the Lessee/ Second Party for the purpose of manufacturing /processing/servicing/repairing/..... in his venture under the name and style of M/s .....and having SSI Registration /IEM No.....dated .....for a period of 10 (ten) years from the date of execution of this Lease Deed. The gestation period will be 6 (six) months from the date of execution of this lease deed for shed and 18 months for open space ; the gestation period will be extendable by another 6 months in both the cases subject to the satisfaction to the Lessor/ First party, within which time the

unit should go into commercial production failing which the allotment will automatically stand cancelled.

2.

- a. The Lessee/ Second Party undertakes to pay rent to the Lessor/ First Party in respect of the demised property regularly at a monthly rate of Rs. ....(Rupees ..... ) only per sq.ft per month for shed and Rs..... (Rupees.....) only per square feet per month for open space. The rent for each month shall be paid on or before the seventh day of the subsequent English month. The Lessee/ Second Party also undertakes to pay rent at revised rates to be fixed by the Lessor/ First Party from time to time.
- b. The Lessee/ Second Party shall pay the monthly lease rent and Service Charges including Service tax and any other payment to the Lessor/ First Party within 7(seven) days of the subsequent English month. For any default in payment of dues on account of lease rent, Service tax, Service Charge and any other payment, the recovery of dues shall be charged @ 18% interest per annum for the default period.

3.

- a. 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, permission will be given by the Lessor/ First Party to this effect provided such mortgage doesn't affect the rights and powers of the Lessor/ First Party under this Deed.
- b. In case of mortgage of such land to the Bank/Financial Institutions by the Entrepreneurs/Industrial houses (i.e. Lessee/ Second party) with prior permission of the concerned authority under Industries & Commerce Department (i.e. Lessor / First Party) for purpose of taking loan/Financial Assistance etc, the bank/Financial Institutions will have a limited right to utilize the land till expiry of the lease period on failure of the Entrepreneurs/Industrial houses to settle the loan/Financial Assistance.
- c. ***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.***
- d. ***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.***
- e. ***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.***
- f. ***In the event Lessee defaults on repayment of loan and the loan is identified as NPA by Bank/ Financial.***
- g. ***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.***

- h. The land so leased should be used only for industrial purposes. In case of transfer of ownership of the Industrial Unit or taking over the Industrial unit by Bank/Financial Institutions also for remaining period of lease, the land can be used only for Industrial purposes.
  - i. Under no circumstances ownership of the land will be transferred to any party without approval of the Government in Revenue & DM.
  - j. The period of lease is renewable on expiry of 10 (ten) years on Satisfaction / payment of lease rent, lease premium and any other charges as applicable at the time of renewal.
  - k. Letter of Allotment issued to the industrial unit/ Lessee/ Second Party for allotment of the land/shed is a part of the agreement.
  - l. NOC issued to the Lessee/ Second Party in regard to obtaining Electric Power connection will be withdrawn if Lessee/ Second party fails to pay lease rent and other dues regularly.
  - m. The Lessee/ Second party has to deposit a security deposit amounting to 12 months lease rent prior to handing over the allotted land/shed.
  - n. The Security Deposit will be refunded subject to payment of all dues. The Security deposit shall be adjusted against the shed/Open space if the unit fails to pay his/her dues in time. In the event of full adjustment of the security deposit the lessor/allottee shall redeposit the said Security Deposit amount within 15 days from the receipt of the notice issued by the LESSOR.
  - o. Lessee/ Second party is not permissible to sublet their allotted industrial shed to any other party.
  - p. All legal proceeding for breach of the conditions aforesaid shall be lodged in courts, situated at Guwahati and not elsewhere.
4. In case of violation of terms and conditions, rules regulation of the Lessor/ First Party and Orders that may be passed by the Lessor/ First Party or State Government from time to time with regard to the Industrial Estate/Industrial Area /Growth Center/Commercial e State.....etc. generally and to the property hereby leased in particular, this lease agreement stand terminated automatically at once and Lessor/ First party shall have undisputed right to take over the possession of the property without the intervention of the Court of Law and without being any way liable for any loss that may be caused to the Lessee/ Second Party thereby.
5. In the event of death, insolvency or incapacity etc. of the lessee/ Second party, the person on whom the title is to be developed shall within one month of the death, insolvency or capacity as the case may give notice of such devolution to the Lessor/ First party.
6. The Lessee/ Second Party will take possession of the property as is no further demand for any development such as earth filling, raising the levels, electricity and water supply etc. shall be entertained. Any other improvement or development shall be done by the Lessee/ Second Party at his own cost and initiative after obtaining prior written permission from the Lessor/ First Party.
7. In the event of cancellation of the amount of the lease hold property, the Lessee/ Second Party shall be bound and liable to vacate the lease hold property and deliver the lease hold property to the Lessor/ First Party free from all encumbrances failing which the Lessee/ Second Party shall be liable to pay the Lessor/ First Party damages at the rate of Rs. 500 (Rs. Five Hundred) only per day for unauthorized use and occupation of the property besides other liabilities provided for in this agreement and other laws for the time being in force.
8. The Lessor/ First Party shall not be responsible for any damage if caused to the lease-hold property by explosion, fire, riot and natural calamities like flood, earthquake, cyclone, etc. which are not within the power and control of the Corporation.

9. The Lessee/ Second Party shall not at any time during the tenure of the Lease acquire an absolute or exclusive ownership right over the property or claim any such right whatsoever, excepting the right to use the property in the manner prescribed herein.
10. The Lessee/ Second Party shall duly comply with the provisions of all the relevant Acts and rules made there under or any other laws of the land in force. The Lessee/ Second Party also undertake to comply with the obligations whatsoever, imposed by such laws in regard to the activities carried on in the premises leased.
11. Should the demised property or any part thereof be at any time required by the Corporation/State Government for any purpose, declared by it to be a public purpose, the Corporation/State Government shall be entitled to acquire the demised property or any part thereof giving 3 (three) months Notice in writing or on expiry of the said period whichever is earlier, the Lessor/ First Party or the State Government as the case may be, may through officer or person authorized by or in its behalf, re-enter and shall take possession of the said demised property to part thereof and all buildings and structures thereon, and compensation as may be determined by the Lessor/ First Party / State Government will be paid to the Lessee/ Second Party .
12.
  - a. On the expiry of the leased period or on termination of lease due to the breach of any of the conditions of the Deed by the Lessee/ Second party, the Lessor/ First Party shall have the right of re-entry over the property and to take over the possession, if the Lessee/ Second Party has made any additional construction with prior written permission of the Lessor/ First Party may also pay the Lessee/ Second Party the cost actually incurred by him for any such additional construction or their depreciated value as determined by such authority as may be decided by the Lessor/ First Party or the market value thereof on the date of the re-entry as may be estimated by such authority whichever is less. Otherwise, if Lessor/ First Party doesn't wish to take over the additional construction, the same shall lapse to the Lessor/ First Party and no compensation whatsoever on this account will be payable to the Lessee/ Second Party by the Corporation. The Lessee/ Second Party shall also be liable to pay compensation for the damage done, if any to the leased property or any part of the Industrial Estate/Industrial Area/Growth/ Centre/Commercial Estate..... etc. or any sewerage, drain, road, path etc. as may be fixed by the Corporation.
  - b. The Lessee/ Second Party shall continue his activities in the premises for which the property is leased. Stoppage of said activities in the leased premises temporarily or permanently the allottee shall be bound to intimate the reason of stoppage to the Lessaor/First Party, within seven days from stoppage or close down. 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 three months period from the date of initial stoppage or close down of activity. The arrear dues, if any, will be realized within three months from the date of such taking over.
  - c. The Lessor/ First Party shall have the unfettered right to inspect the documents justifying the utilization of assets during the leased period and the Lessor/ First Party shall have the right to get authenticated copies of such documents as and when necessary.
  - d. The Lessor/ First Party shall have the right to re-entry over the property and take over its possession, if the Lessee/ second Party has made any additional construction without prior permission of the authority; the Lessor/ First Party will not pay any compensation to the Lessee/ Second Party for this type of additional construction.
13. Notwithstanding anything contained in these presents the Lessor/ First Party may, or 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.

14. The Lessor/ First Party reserves the right to impose any further conditions, stipulations or alteration in the convent herein at any time which in the opinion of the Corporation/Government is necessary in the public interest.
15. The Lessee/ Second Party shall recruit the requisite manpower for his venture as per the Industrial policy of the Government of Assam.
16. All cost and expenses for preparation, execution and the registration of this Lease deed will be borne and paid by the Lessee/ Second party.
17. Without the consent of the Lessor/ First Party in writing, the Lessee/ Second Party shall not assign or part with his lease-hold property or interest in the said premises created under these presents, nor shall he/she sublet the same or any part thereof to any person or persons whomsoever.
18. 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 the Estate Officer authorized under Premises (Eviction of Unauthorized Occupants) Act, 1971.
19. The Lessee/ Second Party shall pay the charges for consumption of electricity and water supplied to him/her directly to the concerned authorities regularly without default within the due date in additions to the aforesaid rent.
20. 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 be referred to the head of the Lessor / First party /First Party and failure to get a dissatisfactory order from the Lessor / First party /First Party, the Lessee only deserves the right to refer the said dispute / differences to the Competent Court of Law as applicable thereto. Any dispute arising out of this agreement shall be subject to jurisdiction of Guwahati only.
21. The demised property shall be used by the Lessee/ Second Party only for whom it has been leased. In particular and without prejudice to the said generally, the Lessee/ Second Party **shall not:**
  - i) Carry on any business or trade except the particular activity/activities for which the property has been leased.
  - ii) Use the leased property or part thereof for the purpose of a club, dwelling house, place of amusement, theatre or carrying on of motor transport business or any retail business or for any offensive trade or business or for any purpose which may in the opinion of the Lessor/ First Party cause nuisance or inconvenience to the Corporation, the public, or any other Lessee/ Second Party or to any occupier or premises in the neighborhood.
  - iii) Do anything which shall cause excessive wear and tear to the roads and accesses to the other land, building and factory sheds belonging to the Lessor/ First Party or leased out to other tenants.
  - iv) Dump any garbage, sewage etc. within the lease-hold premises and on any place of the Industrial Estate/Industrial Area/Growth center/ Commercial Estate....etc.
  - v) Permit any sale by auction to be held upon the leased land.
  - vi) Permit oil, grease or other deleterious matters to enter the drains, gutters, roads of the Industrial Estate/Industrial Area/Growth Centre/ Commercial Estate....etc.
22. The Lessor/ First Party or any person authorized by the Government shall have the right to lay down, place, maintain, alter, remove or repair any pipes, pipelines, conduits supply or service lines, post or other appliances or apparatus in, under over, along or across any land within Industrial Area, Growth Centre taken up for development for the purpose of carrying gas, water or electricity from a source of supply or constructing any sewerage or drains

necessary for carrying off the working and the waste liquids of an industrial process through any interviewing area .

23. Any officer of the State Government, any member of the Lessor/ First Party and any person either generally or specially authorized by the Lessor/ First Party on its behalf may enter into or upon the leased property with or without assistance of workmen for the purpose of: -
  - (a) Making any inspection, survey, measurement, valuation, or enquiry or taking levels of the lease-hold property.
  - (b) Examining works under construction and ascertaining the course of sewerage and drains.
  - (c) Digging or boring into the sub-soil.
  - (d) Setting out boundaries and intended line of work.
  - (e) Making such levels, boundaries and lines by placing marks and cutting trenches.
24. In case of commission of an offence under the Act by the Lessee/ Second Party, every person who at the time of commission of such offence was in charge of, or was responsible to the Lessee/ Second Party, shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly as per provisions of and other relevant laws of the land.
25. Any person who obstructs the entry of a person authorized to enter into or upon any leased land or building or molests such authorized person after such entry or obstructs the lawful exercise by him or any power conferred by or under the Act in addition to other relevant laws of the land.
26. Any money payable to the Lessor/ First Party by the Lessee/ Second Party shall be recovered as per law applicable thereto.
27. The Lessee/ Second Party shall not claim any facility etc. over and above the existing ones under the Assam Town & Country Planning Act, 1959 and Assam Municipal Act, 1956, in respect of the premises leased.
28. If during the tenure of this lease, any rules & regulation if so newly framed, modified or altered by or for the Lessor / First party, the terms and conditions of the same would also applicable for this instant lease Deed.
29. The Lessor/ First Party shall serve a Notice, upon the Lessee/ Second Party requiring him/her to carry out any development in relation to the schedule property which, in opinion of the Lessor/ First Party ought to be carried out within a reasonable time.
30. For erection of any structure or building in the Industrial Estate/Industrial Area/Growth Centre/Commercial Estate, Industrial Area, Rani and carrying out alteration to any existing building by the Lessee/ Second Party prior written permission must be obtained from the Lessor / First party. Any contravention to this condition shall attract the penalty provision as laid down under the Act/ Rules and Regulations applicable thereto.
31. In case the allottee wants to terminate the lease on his/her own accord before its expiry he/she shall give three (3) months Notice to the Lessor/ First Party in prior. The Lessee/ Second Party shall also be liable to pay Lessor/ First Party such amount by way of damages as may be determined by the Lessor/ First Party.
32. The allotment shall be liable for cancellation in case of breach of any of the terms and conditions of this Lease Deed or any other agreement, rules, regulations and orders as applicable in that case and also that may be passed by the Lessor/ First Party or State Govt. from time to time, by the Lessee/ Second Party with regard to the Industrial Estate/Industrial Area/Growth Centre/Commercial Estate generally and to the property allotted, in particular.

**SCHEDULE OF THE DEMISED PROPERTY:**

Factory shed or building or part of building or land measuring: Shed No/ open space.....

Length : ..... Ft.  
Breath : ..... Ft.  
Total : ..... Sq.Ft.  
Open space : ..... Sq.ft.

At Industrial Area/Industrial Estate/..... at ..... Covered by land bearing Dag No. .... Patta No. .... Grant No..... at ..... Mouza : ..... P.S. .... in the ..... District of Assam.

The property is bounded by –  
i. In the North :  
ii. In the South :  
iii. In the East :  
iv. In the West :

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

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

(For and on behalf of the AIDC ltd./ AIIDC Ltd./ ASIDC Ltd./ ..... )

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

For M/s .....

**Signature of witness No.(1):**

Name.....  
(In capital letters)

Address.....

**Signature of witness No. (2) :**

Name.....  
(In capital letters)

Address.....