

## AGREEMENT FOR LEASE OF LAND

**THIS DEED OF LEASE** made at [●] on the [●] DAY OF [●] between [●], a company registered under the Indian Companies Act., 1956 and having its registered office at [●] (hereinafter referred to as the '**LESSOR**' represented by [●] aged about [●] years, [●]

which expression, unless repugnant to the context or meaning thereof, will include its successors and assigns).

**AND**

**For proprietary concern**

i) Shri [●] Son of / wife of [●] aged about [●] R/o [●] carrying the business as proprietor under the name of the style of M/s. [●] at [●]

WHEREAS upon the application of the **LESSEE**, the **LESSOR** has allotted the **Plot No. [●]** measuring [●] **Sq.mtrs (or) [●]Sq.yards** situated at [●] on long lease basis for period of 99 years, which is described in the schedule under, as per Provisional Allotment Order [●] and Final Allotment Lr.No. [●] on the terms and conditions below stated.

WHEREAS the vacant possession of the above mentioned land will be delivered to the **LESSEE** separately.

**Now these presents witnesses and it is hereby agreed as follows:**

The **LESSEE** has as a condition precedent to being placed in possession of the Plot allotted made the total payment of the tentative upfront cost of plot fixed at [●] (**Rupees [●] Only**) at the rate of [●]/- (**Rupees [●] Only**) Per Sq. Meter for [●] Sq.Mtrs. for establishment of [●].

And WHEREAS it has been agreed by and between the **LESSOR and LESSEE** hereto that the stamp duty and registration charges, if any, shall be borne and paid by the **LESSEE**.

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

1. The tentative upfront cost for the land allotted is Rs. [●] per sq.mtr. The total upfront cost of the plot/land works out to **Rs. [●] (Rupees[●] only)**.

2. The **LESSEE** should also pay the annual lease rent @ [●] per Sq.Mt, subject to a minimum of Rs. [●] /acre and a maximum of Rs [●] or as fixed/revision from time to time by the [●] and applicable taxes.
3. That the plot/land has been allotted to LESSEE by LESSOR for [●], [●], [●]. The allottee / **LESSEE** shall implement the said project and commence [●] within [●] years of handing over of possession of the land.
4. Agreement for lease” is being given to the **LESSEE** for implementation of the project. The project implementation period mentioned above shall be adhered to scrupulously, however in the event of delay beyond the control of the **LESSEE** basing on genuine reasons with recorded proof of documents submitted by the **LESSEE**, the same will be examined for extension of time and for such period and subject to such terms and conditions as fixed by the Corporation. If within the period mentioned above from the date of final allotment and taking possession of the plot/land the project is not implemented or the period of extension is not granted by the **LESSOR** the allotment made, shall stand automatically cancelled and the Corporation shall have a right to resume possession of the subject plot/land.
5. After implementation of the approved project only, ‘Lease Deed” for 99 years, will be given in favour of the **LESSEE**. Appropriate stamp duty & registration shall be borne by the **LESSEE**.
6. The lease of the plot shall at no point create any ownership rights in favour of the **LESSEE** and the ownership of the land shall remain with the **LESSOR**.
7. The Leased land / plot shall not be transferred or conveyed to any other person(s) or otherwise dealt or disposed before the implementation of the project. However, change in constitution as per the Allotment Regulations may be considered for raising of finances before implementation but with prior permission from **LESSOR**. Any change in the constitution / transfer of the lease concern/entity after the implementation can be with prior necessary approval to be obtained from the **LESSOR**, which may be considered subject to payment of process fee and also such terms and conditions as may be specified.

8. If the **LESSEE** commits breach of any conditions, the allotment of lease stands cancelled and the lease agreement will be terminated without any notice thereupon and will be treated as an encroacher and trespasser or liable for civil and criminal action.
9. The **LESSOR** has right to cancel the lease allotment whenever, it was found that the land is not utilized by the **LESSEE** for the purpose for which it was allotted. Consequent upon cancellation, **LESSOR** has a right to allot the subject land for any needy entrepreneur.
10. The **LESSEE** shall not directly or indirectly transfer, assign, sell, encumber or part with his interest in its business in leased land either in part or in whole in any manner whatsoever, or sublet, underlet or part with the possession of the leased land and buildings without obtaining prior written approval from **LESSOR** at any time during the lease period. It shall be open to the **LESSOR** to grant or refuse approval or impose any conditions, if considered necessary and desirable.
11. The **LESSEE** should abide with the [●] of **LESSOR** and also abide to any other terms & conditions as communicated by the **LESSOR** from time to time. In case any question arises on any interpretation [●], the decision of the **LESSOR** shall be final and binding on the **LESSEE**.
12.
  - a) The **LESSEE** may hypothecate and/or charge or/and or create other encumbrances and/or mortgage the assets created on the Said Land for the limited purpose of offering such assets as security in favour of the lenders for securing any amount and payable by it to such lenders which may be any banking company or a banking institution notified by the Central Government under Section 51 of the Banking Regulations Act, 1949 or a corresponding new bank as defined in clause(d) of Section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or public financial institutions which may be notified by the Central Government in this behalf in consultation with the Reserve Bank of India or any other lender in India and abroad. Provided, however, all such mortgages, charges or encumbrances shall be subject to the rights of the **LESSOR** under this LEASE DEED and any modification or amendment thereof for the time being in force.

- b) That the **LESSEE** undertakes to inform the **LESSOR** the details of finance(s) raised on the security of the property herein mentioned in the schedule from time to time till the loan(s) is/are repaid to the financial agencies.
- c) That the financial agency which finances to the **LESSEE** on the Security of the property herein mentioned in the schedule, shall inform the **LESSOR** the details of finance(s) from time to time till the loan(s) is/are repaid by the **LESSEE** and also comply the terms & conditions of NOC, issued by the **LESSOR** on the request of the **LESSEE** and the Banker / Financing agency, above stated.
13. The **LESSEE** undertake and agree to pay the **LESSOR** proportionate to the property allotted to the **LESSEE** any further amount in case the **LESSOR** is finally obliged to pay any higher sum towards development charges and enhanced compensation towards the cost of acquisition of the land / enhancement in cost of the land. This will be without prejudice to the rights of the financing agency approved by the **LESSOR** as first mortgage; however, the financing agency should have complied with the terms & condition of NOC scrupulously.
14. The **LESSEE** shall pay the charges for various servicing and common facilities and also for up-keep and maintenance of roads, water supply, drainage, sewage disposal, street lighting and the like.
15. The **LESSEE** shall pay charges/taxes for supply of water, electricity and other services to the administration or some other agency as the case may be and as determined later within stipulated time, failure in respect of which would entitle the services being disconnected.
16. The **LESSEE** shall bear pay and discharge all existing and future amounts, duties, imposing and outgoing of whatsoever taxes imposed or charged upon the premises or upon the occupier in respect thereof from the date.

That it is agreed and undertaken by the LESSEE as under:

- a) That the **LESSEE** shall use the land for setting up of an industry for \_\_\_\_\_ within the stipulated period. The **LESSEE** agree that they shall not put up any structure or building other than the factory building without the prior permission in writing of the **LESSOR**.
- b) The **LESSEE** expressly agrees and undertakes that the said land shall be utilized exclusively for the purpose set-forth in the allotment proposal and that no change shall be made without the written sanction of the **LESSOR**.
- c) The **LESSEE** shall within **(6) six months** of being put in possession of the said plot/land **commence construction of [●] after securing necessary clearances** from the competent authorities, like building plan approvals, filing application with [●], other permissions/clearances etc. The **LESSEE shall go into commercial production** duly erecting machinery and obtaining regular power supply connection within into regular commercial production within [●] months for Micro, Small and Medium, [●] months for Large and [●] months for Mega Projects, duly erecting machinery and obtaining regular power supply connection, of being put in possession of the Leased plot/land.
- d) That as and when the said plot/land/shed is no longer required by the **LESSEE** for the aforesaid purpose, the **LESSEE** shall forthwith relinquish and restore the land in favour of the **LESSOR**, provided such surrender of the property by the **LESSEE** is made before cancellation of the allotment by the **LESSOR** for breach of any of the covenants of this agreement in the event of surrender, refund of the cost of the land/shed/plot paid by him shall be made after making deductions as under:
  - i. "Amount to be deducted, cumulatively, as follows on the cost of the original allotment taking the period of occupation of the plot/land/shed/shop into account apart from the forfeiture of EMD @ [●] per acre or part thereof". Occupation period (No. of years from the date of possession) % of occupation charges to be deducted per annum or part thereof, cumulatively

Up to 1 year 1%

2 years  $1\%+1\%=2\%$

3 years  $1\%+1\%+2\%=4\%$

4 years  $1\%+1\%+2\%+3\%=7\%$

5 years  $1\%+1\%+2\%+3\%+5\%=12\%$

Above 5 years  $12\%+5\%$  for each of the additional year or part thereof

- ii. Amounts paid towards process fee, penalties and surcharges shall not be refunded.
- iii. Dues in respect of water charges will be deducted for the actual consumption as against the minimum rate as per Water supply.
- iv. In case power supply was obtained by the **LESSEE**, no dues certificate and a certificate of dismantling the service meter issued by the [●] should be submitted by the **LESSEE**.
- v. The **LESSEE** shall also clear the property taxes to the IALAs concerned / local bodies and certificate to this effect should be furnished.
- vi. However, in the event of cancellation/ resumption of the property allotted, the payments made by the **LESSEE** shall remain forfeited towards use and occupation of the premises. However, the **LESSOR** may at its option to consider refund of the amounts paid by the **LESSEE** towards the cost of the property subject to the above deductions.
- vii. No interest will be paid to the **LESSEE** in this respect and penalties and surcharges etc., not refundable. If there are any buildings on the land other than shed/land, the **LESSOR** may at its option either refund the cost as assessed by it after the assessed cost is collected from the incoming party or otherwise direct the **LESSEE** to remove the buildings at their cost within such time as may be allowed by the **LESSOR**.

- viii. No amounts will be refundable at the end of the period of lease and the ownership of the land/ plot shall vest with the **LESSOR**. On termination/surrender/expiry of the lease period, whichever is earlier and the **LESSEE** shall have no right or claim on the same.
- 6 To keep the buildings and all additions there to and boundary walls thereof and the drains, soil and other pipes and sanitary and water apparatus thereof in good condition.
- 7 Not to make or permit any alterations or additions to the approved building including digging any open wells/sinking a bore well or excavating sub-soil for any other purpose without obtaining the previous consent in writing of the **LESSOR** or cause any injury to the walls and fittings thereof.
- 8 Not to permit any lease by auction upon the premises or suffer the premises to be used in such a way as to cause nuisance or annoyance or inconvenience to the occupiers of the said area.
- 9 To permit the **LESSOR** or their agents or officers with or without workmen at all reasonable times to enter upon the premises to view the conditions thereof upon notice given by the **LESSOR** to effect repairs in accordance with such notice at the cost of the **LESSEE**.
- 10 Not to transfer or change the ownership/constitution of the business relating to the unit without obtaining specific permission in writing of the **LESSOR**.
- 11 To allow the **LESSOR** to recover the amounts in any way recoverable by it from the **LESSEE** as per law in force at the time without prejudice to the rights of the financing agency.
- 12 That the **LESSOR** is competent to enforce the compliance with all the rules, regulations and the provisions of any other Act in force in respect of the working of

the buildings as factory shed established and the company shall be responsible for complying at their costs with all instructions issued from time to time in this regard.

- 13 That the **LESSEE** or their persons engaged by them will have reasonable access to all common services and common facilities provided in the Industrial area and he/they shall make good any loss due to misuse or damage caused to the properties of the **LESSOR** and such common services and facilities by persons engaged directly or indirectly in running the unit as may be decided by the **LESSOR**.
- 14 That the ownership of the property shall vest with the **LESSOR** at all times.
- 15 Lease Deed will be issued by the **LESSOR** in favour of the **LESSEE** on payment of all the dues to the **LESSOR** with interest including penalties, maintenance charges, water charges, property taxes as stipulated from time to time by the **LESSOR** and after commencement of regular commercial production.
- 16 That if the **LESSEE** commits breach of any of the covenants herein contained, the allotment stands cancelled and this agreement shall stand determined without any notice thereupon the **LESSEE** will be treated as an encroacher and a trespasser who will have no right whatsoever in the schedule property under these present and it shall be lawful for the **LESSOR** to re-enter upon the said land and resume possession thereof and also of the buildings standing thereon, the transfer made in favour of the **LESSEE** under these presents shall become null and void and all rights of the **LESSEE** in the schedule property under this agreement and any building thereon shall at once cease and determined and the **LESSEE** authorizes irrevocably the **LESSOR** to execute and register all or any such documents as may be required / essential for perfecting the cancellation.
- 17 The **LESSOR** which is a local authority in respect of the Notified Industrial Areas has been collecting property tax, advertisement tax, granting building permits, permissions for installation of plant and machinery etc.,. And that the **LESSEE** hereby undertakes to be a member of the Service Society formed by the rate payers of the

Notified Industrial Areas which acts as a Nodal Agency for proper and better maintenance of the Notified Industrial Areas by the **LESSOR**.

18 That the **LESSEE** shall abide by any other conditions as may be imposed in course of time by the **LESSOR** provided always and it is expressly agreed.

17. All the cost and expenses of and incidental to the preparation, execution and registration of this agreement of lease shall be paid by the **LESSEE**.

18. In all the matters of doubts concerning and in respect of this indenture the decision of the **LESSOR** shall be final and binding on the **LESSEE** and any default by the **LESSEE** thereof shall be deemed to be breach of the terms of this indenture.

IN WITNESS WHEREOF the seal of **LESSOR** and **LESSEE**, both hereunto be affixed respectively and indenture executed for and on behalf of **LESSOR** represented by the [●] of [●] and **LESSEE** represented by its [●] M/s. [●] hereunto set the hand on the day and year first above written.

**SCHEDULE ABOVE REFERRED TO:**

District: Mandal:

Village: Panchayat: APIIC-IALA, \_\_\_\_\_

**Plot No.** \_\_\_\_\_ measuring \_\_\_\_\_ **Sq. Meters (or)** \_\_\_\_\_ **Sq. Yards**

**(or) Acs.** \_\_\_\_\_ situated at **Industrial Park**, \_\_\_\_\_ in Survey

**Nos.-----** is bounded by:

**NORTH :** \_\_\_\_\_

**SOUTH :** \_\_\_\_\_

**EAST :** \_\_\_\_\_

**WEST :** \_\_\_\_\_

For and on behalf of **LESSOR**

Witnesses: stamp / seal

1)

2)

For and on behalf of **LESSEE**

Witnesses: stamp / seal

1)

2)



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