



UTTAR PRADESH DRUGS & PHARMACEUTICALS CO. LTD.
(A Government of Uttar Pradesh Undertaking)

**REQUEST FOR QUALIFICATION (RFQ) CUM REQUEST FOR PROPOSAL
(RFP) BID DOCUMENT**

**HIRING OF OFFICE SPACE FOR UPDPL ON LEASE RENTAL BASIS AT
LUCKNOW**

PART II – DRAFT LEASE AGREEMENT

RFP Reference: <TO BE UPDATED>

UTTAR PRADESH DRUGS & PHARMACEUTICALS CO. LTD.

Managing Director, UPDPL

Regd. Office & Factory: A-5, Industrial Area, Kanpur Road,
Lucknow – 226008, Uttar Pradesh, India

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4th January, 2017

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Table of Contents

TABLE OF CONTENTS	3
LEASE AGREEMENT	4
1. LESSOR'S RIGHTS AND OBLIGATIONS.....	5
2. LESSEE'S RIGHTS AND OBLIGATIONS.....	10
3. OTHER PROVISIONS.....	11

LEASE AGREEMENT

This AGREEMENT OF LEASE is executed in Lucknow on this <enter date> day of <enter Month> 2017

BETWEEN

<enter details of Lessor> hereinafter referred to as “LESSOR” (which expression shall, unless contrary or repugnant to the context or meaning thereof, be deemed to mean and include its legal representatives, successors, nominees and permitted assigns).

AND

Uttar Pradesh Drugs & Pharmaceuticals Co. Ltd. (UPDPL), a Government of Uttar Pradesh Undertaking and having its Registered Office at A-5, Industrial Area, Kanpur Road, Lucknow – 226008, Uttar Pradesh, India, through its Authorized Signatory <enter details of authorized signatory>, hereinafter referred to as the “LESSEE” (which expression shall, unless contrary or repugnant to the context or meaning thereof, be deemed to mean and include its legal representatives, successors, nominees and permitted assigns) of the Third Part.

WHEREAS the Lessor represents that the **Lessor lawfully owns the <enter details of the Premises offered> admeasuring <enter area of the premises> sq.ft. and is in absolute possession of the office space <enter details of the Premises offered>admeasuring <enter area of the premises> of the <enter address of the Premises offered>** hereinafter referred to as “the Premises” with all other rights, easements, liberties, privileges and appurtenances including the common areas with parking space for <enter number of cars for which parking space is offered> cars and <enter number of two wheelers for which parking space is offered> two-wheelers.

WHEREAS the Lessor also represent that he has a clear, absolute, unrestricted and marketable title and all easement rights and other appurtenances including the common areas with respect to the premises, which is fully free from any sort of lies pendense, prior agreements/ contracts, charges, any sort of defects and deficiencies pertaining to the title and unauthorized occupations and that the premises has been constructed in conformity and in accordance with the sanctioned plan as per law by Regional Development Authority.

WHEREAS the Lessor is interested in giving the said <enter details of the Premises offered> admeasuring <enter area of the premises> on lease and the Lessee was in search for a suitable place for operating its office.

WHEREAS the Lessor and Lessee discussed and negotiated the terms and conditions regarding lease in respect of the said premises and the Lessor hereby agrees to give on lease the said premises to the Lessee.

NOW IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS CONTAINED HEREIN THIS AGREEMENT WITNESSETH AS UNDER:

1. LESSOR'S RIGHTS AND OBLIGATIONS

- 1.1 The Lessor is fully seized and possessed of and otherwise well and sufficiently entitled to the premises with full and unrestricted rights to let the premises on lease or otherwise deal in or dispose of the premises.
- 1.2 The Lessor confirms that the premises offered on lease/ rental basis is free from litigation including disputes in regard to ownership, pending taxes, electricity bills, water bills and other dues.
- 1.3 The said premises is vacant as of date and the Lessor does hereby allow and permit the Lessee subject to the terms and conditions herein contained, to enter upon and use the said premises along with the beneficial use of all appurtenances, privileges, servitudes and easements thereto admeasuring <enter area of the premises> constructed as per Municipal Corporation Approved Plan and marked in red ink in the Floor plan annexed hereto, on "Lease basis" for a period of 10(ten) years commencing from <enter date>.
- 1.4 It is agreed between the parties that the initial Lock in Period is 3 Years from the commencement of Lease where neither party shall be entitled to terminate this Agreement, save and except for the reason of breach of any of the terms of this agreement by either party. However it is agreed that the Lessor is bound by the Lock In Period for entire duration of TEN years of the Lease Agreement, save and except for the reason of breach of any of the terms of this agreement by the Lessee. If the Lessee terminates this Lease Agreement before the initial Lock in Period of 3 years for any reason except Force majeure, Lessee shall be responsible to pay the rent for remaining part of the initial lock in period of 3 Years.
- 1.5 **CONSIDERATION.** The Lessee shall be obligated to pay the following as a consideration thereof and the Lessor acknowledges the same;
 - 1.5.1 Monthly Rental shall be Rs. <enter rental per sq ft> per sq. ft amounting to <enter amount of monthly rent>, inclusive of all the applicable taxes & maintenance charges, but exclusive of applicable Service Tax, during the initial 3 years of the lease with an increase of **15%** at the end of THIRD, SIXTH & NINTH year. For eg:
 - 1.5.1.1 Rental Rate during the Fourth, Fifth & Sixth year will be equal to:
(Rental Rate during the first THREE year period) x (1.15)
 - 1.5.1.2 Rental Rate during the SEVENTH, EIGHTH & NINTH year will be equal to:
(Rental Rate during the first THREE year period) x 1.15x 1.15
 - 1.5.1.3 Rental Rate during the TENTH year will be equal to:
(Rental Rate during the first THREE year period) x 1.15x 1.15x 1.15.

- 1.5.2 The Lessee shall also pay Service Tax, as applicable from time to time, to the Lessors subject to submission of bills.
- 1.5.3 The monthly Rental shall be due after one month of Rent Free period from <enter date>
- 1.5.4 In the event any statutory authority demands the Lessee to make payments of the rent directly to it on account of any act or omission of the Lessor, the Lessee may obey such order and make payments directly to such authority but only after prior written consent of the Lessor. Such payment shall amount to valid discharge of rent payment obligations of the Lessee hereunder, provided always that such payment to any statutory authority shall not obligate the Lessee to continue making such payments after the expiry/termination of this Lease Agreement.
- 1.5.5 **Maintenance Charges:-** The Maintenance Charges are included as a part of the monthly rent payable and include common area maintenance, electrical charges for common area & Lift along with the upkeep of aesthetics and painting of the Building Façade & Common Areas like stairs etc. Further usage and maintenance of common facilities such as lifts, Genset, Transformer, Pumps(for Water) etc. for the entire period of the lease is also included in the maintenance. Lessor will provide space for Vsat on the roof without any additional cost to Lessee, as long as this Lease Subsists.
- 1.5.6 **Charges for electricity, water and power backup to be extra and to be paid on actuals**
- 1.6 The Lessor expressly affirms that the Lessor shall not claim the right to terminate the Agreement during the term (TEN Years) of this lease, subject to the terms of this agreement, and after the said period the Lessor shall be, in the event the Lessee is in breach of any terms of this Agreement and which breach has remained unresolved even after 60 days of the Lessor serving a notice upon the Lessee in this regard, entitled to terminate this Agreement by serving 1 (one) months prior notice on the Lessee.
- 1.7 The Lessor shall during the term of the lease be entitled to create any mortgage, charge, or otherwise offer as security the said Premises for the purpose of any loan or obtaining any financial facility from any party including bank, financial institution or finance company without obtaining the prior written consent of Lessee. The Lessor shall however indemnify the Lessee in case of any loss suffered by the Lessee in the Case of any loss or liability arises. This lease deed shall prevail over any mortgage agreement entered by the Lessor.

- 1.8 The Lessor shall provide electricity connection of <enter sanctioned load> sanctioned electric load with electric panel within 30 days from the signing of this Lease. In case it is the requirement of the statutory authority to install the transformer for the said load it would be provided and maintained by the Lessor at his own cost. 100% Power Back Up facility for Premises will be provided by a Separate Service Provider and separate Agreement will be made with service provider by the Lessee for the Power Back Up as well as for the cost of running of Power Back Up
- 1.9 That the Lessee shall be responsible, liable to pay Electricity Bills on the due date to the concerned authority and shall provide the attested Photostat copy of the paid Bills to the Lessor on monthly basis. If bill not paid on time then Lessee is liable to pay the late fees of arising thereon.
- 1.10 The Lessor affirms that the Lessee shall be at liberty to publish or cause to be published any advertisement or any other literature (trade or otherwise) or print any stationery showing the address of the said premises. The Lessee is hereby expressly permitted to exhibit their name and install signs/hoardings on the façade of the PREMISES and other places in/of the premises (as determined by the mutual settlement between Lessor and lessee) at its own cost subject to taking consent with the maintenance agency. However, any taxes that may be levied by any Authority on such display shall be borne by the Lessee. The Lessee, however, need not pay any additional rent or any other payment to the Lessor on account of installing such signage or name boards or hoardings and by executing these presents, the Lessor irrevocably agrees to the Lessee erecting up such signage and hoardings.
- 1.11 The Lessee shall maintain the premises in wind and water tight conditions and take all preventive and curative steps to effect all repairs thereto including prevention of any leakage and also carry out pest control and termite treatment in the exterior of the said premises. The Lessee, however, accepts that during the term of the lease, the Lessee shall be obligated to maintain the premises in the state in which the Lessee received the premises from the Lessor, reasonable and usual, wear and tear excepted.
- 1.12 The Lessor shall however carry out at no extra costs to the Lessee, all major structural repairs, including leakage cracks and maintains its structural identity and safety, provided however, such major repairs have not occurred due to the negligence on the part of the Lessee.
- 1.13 The Lessee shall pay for applicable non-occupancy charges, sewerage & water charges, electricity charges and power backup charges in respect of the premises as is applicable at present or any enhancement if made on the existing rates.

However, the Lessor shall be liable and pay for the House Tax or any other taxes/charges/levies imposed or payable to the concerned Municipal Corporation or any other Statutory/Government Department / authority for the said premises.

1.14 The Lessor shall have no objection to the Lessee applying for and keeping such electronic equipment as telephone /telex/email/fax connections in the name of the Lessee at the premises.

1.15 That the Lessor shall have unfettered rights to sell and transfer the Premises subject to the terms of this Agreement and Lessee shall have no objection or claim whatsoever. Notwithstanding anything contained herein the Lessor hereby agrees and confirms that it will not sell and transfer the Premises to any competitor of the Lessee.

However the terms and conditions of this lease agreement shall be binding on purchaser of the Premises and such prospective purchaser will execute a Deed of Adherence accepting all the terms and conditions of this agreement.

1.16 That the Lessee shall use the Premises for only legitimate purpose and shall be bound to follow all The Rules and Regulations of the Local Authority as well as the laws concerned and shall not cause or cause to do anything which is prohibited by law or of hazardous nature and may annoyance to the Lessors or occupiers of the said building. It is further agreed that the premises hereby leased shall be used only for office purpose and not for shop, godown, showroom etc.

1.17 The Lessor shall ensure that they shall observe and perform all terms, conditions, rules, regulations and by laws in connection with the leased premises and their ownership thereof so as to not jeopardize the interest of the Lessee to use the leased premises on the terms herein and further keep indemnified the Lessee against any costs, expenses, damages or loss due to any breach or non-observance by the Lessors as aforesaid.

1.18 Either of the parties shall fully indemnify each other from all and every acts, causing any damage, injury or harm, physical or legal caused or incurred, by any acts of any of its employees, agents or persons connected with them.

1.19 The Lessor / society shall keep and/or cause to keep the common passages, lifts, corridors in the premises aesthetically maintained befitting the corporate status of the Lessee and convenience of the customers.

- 1.20 The Lessee shall not sub-let the Demised Premises or any part thereof without the written approval of the Lessor. However use of the Premises by the Lessee's subsidiary, holding company or Group Company as defined under The Competition Act 2000, shall not amount to sub-letting of the Demised Premises by the Lessee.
- 1.21 Upon the occurrence of any event beyond the control of the parties including fire, accident, riots, flood, earthquake, storm, or any other natural calamity, terrorist activities, war, insurgency activities, any governmental or municipal action, prohibition or restriction which in any way adversely affects the right of the Lessee to peacefully enjoy or use the Demised Premises (hereinbefore and hereinafter "Force Majeure"), the payment of Rent from the Lessee to the Lessors shall stand suspended during the subsistence of such Force Majeure. The Lessee as the party affected by the Force Majeure, must notify the Lessors in writing, upon which the Force Majeure suspension would be deemed to have commenced. If such Force Majeure continues to operate for a period exceeding 60 (sixty) days, the Lease may be continued or terminated with immediate effect at the sole option of the Lessee.
- 1.22 The Lessor agrees that in case it fails to provide any of its obligations as agreed to be provided by the Lessors under this agreement, the Lessee shall give the Lessor 30 days prior notice in writing of its intention .If the Lessor fails, or otherwise unable to rectify it and the Lessee fulfills the Lessor's part of obligation by bearing the expenses on its own, the Lessee shall be authorize to deduct such amount/expenses (expenses to be verified by the Lessor) from the rent for the coming months till the full value is realized by Lessee.

2. LESSEE'S RIGHTS AND OBLIGATIONS

- 2.1 The Lease hereby granted to the Lessee is personal to the Lessee who shall not at any time assign the same and/or transfer the benefit of this agreement to any person or party or company.
- 2.2 The Lessee shall pay the monthly rent in advance before the 7th day of every month for the particular month after deducting TDS at the applicable rate under the Income Tax Act, 1961. The Lessee shall apply such amounts deducted at source in compliance with provisions of the said Act and rules framed thereunder and provide the Lessee TDS Certificates granted/provided by the Income Tax Department within the reasonable time.
- 2.3 If the lessee fails to pay the rent on time i.e 7th of every month, then he will be liable to pay the interest of 2% per month.
- 2.4 The Lessee shall keep the interior of the premises in proper condition and preserve in good conditions. The Lessee shall keep all the internal sanitary fittings and water connections in the leased premises in good order and repair, reasonable wear and tear excepted. However, it is specifically agreed by the Lessor that the Lessor shall not be required to pay for any cosmetic repairs including painting at any time.
- 2.5 The Lessee shall observe as regards the use of the premises the bylaws and regulations of the municipal corporation, land and development office, and/or other government authorities, applicable to the leased premises and to carry out all directions or order which may be issued by the Municipal Corporation or other local body or Government authorities in respect of the premises from time to time.
- 2.6 The Lessee shall not do, permit, or suffer any thing upon the leased premises or any part thereof which may be or may become a nuisance, annoyance, damage or inconvenience to the Lessors or the occupants of the other users of the remaining premises and the neighbors.
- 2.7 The Lessee shall be entitled to bring in their own furniture and fittings, including electronic equipment's such as computers, data entry machines, photocopying machines, printers, air-conditioners etc. and all other equipment's required for the business purposes of the Lessee and shall be entitled to remove them and take them away upon the expiry/termination of this Agreement or at any other time.

- 2.8 The Lessee shall carry out at their own cost without in any way endangering the soundness of the entire building or any part, thereof, the necessary alteration and renovation of the leased premises so as to suit the temporary requirements of the Lessee by erecting constructing and dismantling, within the Leased area, false ceiling, internal electrification for lighting, fans, power points air-conditioning systems of all types, cabling for telecom, intercom and computer system, storage systems including compactors, toilet facilities, kitchen and canteen facilities, channel music, modern office automation systems etc. and to display the name boards. Where any approval of local authorities shall be required for effecting the necessary adaptation the Lessors shall extend all possible assistance there for, the cost and expense for obtaining the same being borne by the Lessee.
- 2.9 On the expiry or termination of the Lease as herein provided, the Lessee shall forthwith vacate and remove itself and its employees from the premises.
- 2.10 Upon determination of this Agreement, by efflux of time, or as otherwise provided herein, the Lessee shall be entitled to dismantle, remove and take away all the items of work, things, articles, equipment's installation, etc. pursuant to the renovation work done by the Lessee on the Leased premises and hand over the same to the Lessors in good order and tenantable conditions excepting reasonable wear and tear.

3. OTHER PROVISIONS

- 3.1 Any notice, request, demand, letter required to be served by one party to another in pursuance of this Agreement shall be served upon the other at the respective address mentioned in the Preamble of the Agreement.

All such notices, requests and demands shall be delivered personally, or transmitted by either (a) prepaid registered mail; (b) tele fax (acknowledgement of receipt requested) or (c) through reputed courier service. Any notice so given shall be deemed to have been given on the date of delivery. Any change in address shall be notified to the other party within seven days of such change.

- 3.2 The parties declare and confirm that the agreement of lease herein contained shall be conclusive evidence of the facts mentioned herein. The Lessors and the Lessee hereto acknowledge that this Agreement supersedes all prior communications between them including all written or oral proposals.

- 3.3 The Lessee shall within the time prescribed by the Registration Act 1908 present this agreement for registration, all registration charges, stamp duty payable thereon shall be payable by the Lessee. Any prospective charges on this count shall also be payable by the Lessee. The Lessor shall (at the cost of the Lessor) attend the registration office for ensuring registration when notified by the Lessee. If in any case there is delay in registration of this agreement, then in that case all penalties and charges imposed by the law/ court will be in sole borne by the lessee
- 3.4 The party affected by Force Majeure condition shall forthwith notify the other party of the nature and extent thereof and shall make best efforts to mitigate such condition. If the condition in question prevails for a continuous period in excess of 15 days, the parties shall enter into bona fide discussion with a view to alleviating its effect or to agreeing upon such alternative arrangement as may be fair and reasonable.
- 3.5 If any part, term or provision of this Agreement not being of a fundamental nature, be held illegal or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be affected, if such part, term or provision is separable from the rest of this agreement, without altering the essence of this Agreement. If such part, term or provision is not so separable, then the parties shall negotiate in good faith in order to agree to the terms of a mutually satisfactory provision, achieving as nearly as possible the same commercial effect, to be substituted for the provision so found to be invalid, illegal or unenforceable.
- 3.6 This Agreement shall not be amended, altered or modified or any provision herein shall not be waived except by an instrument in writing expressly referring to this Agreement and signed by the duly authorized representative of both the parties and no verbal agreement or conduct of any nature relating to the subject matter hereof or to the relationship between the parties will be considered valid and enforceable.
- 3.7 The failure of either party to exercise any right or to insist upon strict compliance by the other of any obligation/condition of this Agreement and any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver of them at any time subsequently to enforce any /all the terms and conditions of this Agreement.

- 3.8 In the event of any dispute or difference arising between the Lessor and the Lessee hereto concerning or relating to the liability or obligation on the part of any of the parties hereto, they shall resolve the same by negotiations. In the event that no resolutions are reached by negotiation the same shall be referred to arbitration panel of three arbitrators of whom one shall be appointed by each party and the third appointed by the two arbitrators who shall then act as the presiding arbitrator. The award passed by them shall be final and binding on both the parties. All provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications thereof for the time being in force shall apply accordingly. The arbitration shall be conducted in Lucknow.
- 3.9 The Jurisdiction of courts shall be invoked only in the events that all negotiations and arbitration attempts fail. The jurisdiction of the courts shall be at Lucknow in those circumstances.
- 3.10 All notices required to be served by Lessee hereto upon the Lessor hereto, under this Lease Deed shall be in writing and shall be deemed to be properly sufficiently and effectually served if dispatched by pre-paid registered post acknowledgement due or by any other means of recorded delivered, or delivered by hand delivery and acknowledgement obtained to the following addresses of the Lessor authorized representative hereto:

<enter name & address>

IN WITNESS WHERE OF THE PARTIES HEREBY HAVE HEREUNTO AFFIXED RESPECTIVE SIGNATURES

THE DAY AND YEAR FIRST HERE IN ABOVE WRITTEN

SIGNED AND DELIVERED BY

1.

2.

3.

4.

5.

LESSOR

IN PRESENCE OF WITNESS;

1. _____

2. _____

AND

AUTHORISED SIGNATORY OF **LESSEE**

IN PRESENCE OF WITNESS;

1. _____

2. _____