

DRAFT LEASE DEED

MEMORANDUM OF Lease Deed entered into at Chennai on this day of 2009 BETWEEN Electronics Corporation of Tamil Nadu Limited, (ELCOT), a Company incorporated under the Companies Act, 1956 and having its Registered Office at No.692 Anna Salai, Nandanam, Chennai, represented by Dr. Santhosh Babu, I.A.S., Managing Director (hereinafter referred to as the LESSOR (which term shall, unless the context otherwise requires, mean and include its successors in interest and assigns) of the One Part.

and

..... a Company registered under the Companies Act, 1956 and having its Registered Office at represented by Thiru Managing Director, and hereinafter referred to as the LESSEE which term shall, unless the context otherwise requires mean and include its representatives, administrators, successors and assigns on the Other Part witnesseth.

WHEREAS the Lessor incorporated as a Limited Company is engaged, interalia, in the development of Information Technology (IT) / Information Technology Enabled Services (ITES), Training and Electronic Hardware (HW) Special Economic Zones (SEZ)s / Non-SEZs (STPI Registered Units) with basic infrastructural facilities and maintenance of such Promoted SEZ at in Tamil Nadu.

WHEREAS the Lessor has acquired the property more fully described in the Schedule 'A' hereunder and hereinafter referred to as the said property.

WHEREAS for the due fulfillment of its principal object, Lessor has laid out the said property into various plots, besides setting apart land for the purpose of laying roads, drains and for other common works for the benefit of the occupants of the plots so laid out and WHEREAS it also proposes to effect improvements and betterment schemes for the benefit of all the units of the Promoted SEZ/Non-SEZ at in Tamil Nadu.

WHEREAS the Lessor proposes to allot the land on a long lease of 99 years in as much as it is felt that the characteristics and homogeneity of the SEZ/Non-SEZ should not be destroyed and

WHEREAS the Lessor should have control over the amenities such as Water, Road, Street lights, Drainage, so that these facilities should be made available to the Industries in a reasonable and equitable manner.

WHEREAS the Lessor has decided to make available to entrepreneurs plots in the said property on terms and conditions mentioned hereunder, for the purpose of their locating any IT/ITES, HW, Training activity in the plots in the said property under the

terms of the Lease Deed;

WHEREAS the Lessee made an application to the Lessor for allotment of a plot in the _____ for the purpose of developing IT/ITES, HW, Training industries.

WHEREAS the Lessor allotted Plot No. (s) _____ (total _____ acres) in the said IT / ITES , Training and HW SEZs more fully described in Schedule 'B' hereunder and shown distinctly in the plan attached hereto and hereunder referred to as the allotted plot by the Order of Allotment No.....dated _____ subject to the terms and conditions contained therein. Lessee has accepted the Terms of Allotment.

WHEREAS the property described in the Schedule 'A' is intended to be utilized only for the purpose of locating an IT/ITES, HW, Training Unit and the restrictions and conditions stipulated in this deed are intended only to preserve the character of the said property and for the benefit of the other plots of land held by the Lessor or allotted or intended to be allotted by it to other parties similarly situated as the Lessee.

1. The Lessor represents that it has been vested by the Government of Tamil Nadu with possession of and powers to lease the Schedule property to the Lessee for a period of 99 (Ninety) years at a total lease rent and service charges of Rs. _____ to be collected over the lease period of 99 years at the rate of Re. 1/-per year. The Lessee has paid a land lease deposit of Rs. _____ (Rupees _____ only) as advance land lease deposit and Rs. _____ (Rupees _____ only) to Lessor towards Service and pro-rata development charges.
2. In consideration of the lease of the schedule property by the Lessor, the Lessee has paid a sum of Rs. _____ (Rupees _____ only) to the Lessor by Cheques/Bank Drafts Nos..... dated..... drawn on _____, being the land lease deposit, Service charges referred to in Clause 1 above. The land lease deposit of Rs. _____ (Rupees _____ only) alone shall be refundable on the expiry of the lease period of 99 years simultaneously with the Lessee handing over vacant possession of the Schedule property to the Lessor. The land lease deposit shall not carry any interest.
3. The Lessor has today handed over and delivered vacant possession of the Schedule property to the Lessee which the Lessee acknowledges. The Lessee confirms that it shall use the schedule property only for setting up of its IT/ITES, HW, Training Industries.
4. a) The Lessee shall pay a sum of Rs. _____ per year throughout the lease period of 99 years to the Lessor as rent and service charges at the end of each year, such period commencing from the date of this deed.

b) The Lessee shall also pay from time to time to the Lessor proportionate share of the Common Infrastructure Development expenses (such as water supply/electricity/sewerage treatment / internet and such other facilities as insisted by statutory agencies from time time) incurred for the ----- SEZ/Non-SEZ at..... of which Schedule property is a part.

That in consideration of the allotment of plot, the Lessee has paid the Land Lease Deposit of Rs. (Rupees only) refundable on the expiry of the lease period of 99 years.

5. The Lessor allots the property on lease bearing Plot Nos. mentioned above and more fully described in Schedule 'B' to the Lessee and the Lessee takes the property aforesaid on lease for a period of 99 (Ninety Nine) years, AND the Lessee also agrees to strictly abide by the conditions stipulated in the Lease Deed and also the terms of Allotment, a copy of which is enclosed with this deed.

The Lessee enters upon and takes possession as Lessee of the said allotted plots as it is, in consideration whereof the Lessee has paid 100% of land lease deposit.

The Lessee should take possession of the leased property within 120 days from the date of allotment order. Failure to do so will entitle the Party of the First Part to cancel the allotment and the lease.

6. There shall be a lock in period of 3 (Three) years reckoned from the date of signing of the Lease Deed between the Lessor and the Lessee, during which period the Lessee cannot exit/surrender the land. After 3 years, if no construction has been made in the scheduled property by the Lessee, the Lessee shall be entitled to surrender the land in lieu of the land lease deposit less 15% of the land lease deposit which shall be forfeited by the Lessor.

In case the Lessee has made any construction in the land leased out by Lessor and would like to surrender the land with the building to the Lessor, the Lessor would have the option to demand the demolition of the building so constructed and demand vacant possession of the land. Even if Lessor decides to accept the land with the building no compensation whatsoever shall be paid by Lessor to the Lessee for the building. The land lease deposit refunded shall not carry any interest.

7. The Lessee has taken possession of the 'B' Schedule property in "as is where is" condition and no further demand for any development, such as

earth filling, raising the level etc. shall be entertained. Any further improvement or developments in the schedule 'B' property shall be at the cost and the discretion of the Lessee.

8. a) The Lease of the land for 99 years shall not be revoked before the expiry of the lease period of 99 years so long as the land is put to use for the purpose for which it was intended i.e., setting up Information Technology Park and in any event after following the procedure prescribed in Clause 5.
 - b) The Lessor may, at the request and cost of the Lessee, renew the lease of the Schedule property for a further period of 99 years on such terms and conditions as may be mutually agreed, provided the lessor has conveyed its intention to renew the lease, atleast 3 months prior to the expiry of the period of the lease.
9. No compensation shall be payable by the Lessor for any improvements that may have been effected or for works that may have been executed in and upon the schedule property by the Lessee under any circumstances, unless the Lessor terminates or cancels this lease in violation of clause 5 and/or 8a.

The Party of the First Part reserves the right to cancel the lease, disconnect the water supply and forfeit the land lease deposit and other amounts remitted by the Lessee for the plot leased, for the following reasons.

Non compliance of the terms and conditions of the allotment order and/ or of this Lease Deed including non-payment of dues. On such cancellation, the Lessee shall have no right to claim the amount paid towards the land lease deposit and other amounts paid by the Lessee or the interest thereon.

10. The Lessee shall utilise the schedule 'B' property only for the purpose for which it has been leased and all buildings to be constructed thereon shall be in conformity with the bye laws of the local body and regulations in force from time to time as well as any other applicable laws, rules and regulations in force relating to the construction and use of premises. No construction work shall be commenced until the building plans and elevations are approved by the various authorities like Chennai Metropolitan Development Authority, Directorate of Town and Country Planning, the Local Authority, Public Health Authorities, Inspectorate of Factories, and such other statutory agencies whose clearances may be required under any law or procedure in force from time to time.

The land lease deposit and the development charges prescribed in the

allotment order is only tentative. The Party of the First Part reserves the right to revise the amount payable for the plots as fixed in the allotment order, in the event of the Party of the First Part having to pay enhanced compensation for the plots acquired or for any other reasons such as escalation in the cost of development works or for additional works undertaken and such revised land lease deposit and development charges shall be paid by the Party of the Second Part. The Party of the Second Part shall also pay the cost of trees, wells and structures, if any, as prescribed by the Party of the First Part and this amount is not refundable by the Party of the First Part, at any time for any reason.

11. The Lessee shall keep the Lessor indemnified against any and all claims for damages, losses, expenses, which may be caused to the Lessor by any act or omission by the Lessee in connection with the schedule property. The Lessee shall also keep the Lessor indemnified against any and all payments which may become payable to the Local Authority in respect of the schedule 'B' property for the period under lease with the Lessee, provided such amounts are legally payable by and recoverable from the Lessee.

Annual maintenance charges for the common amenities and facilities like roads, street lighting, sanitation, drainage, sewerage, common buildings, gardens, avenue plants, parks. etc. will from time to time be apportioned among the allottees in theSEZ/Non-SEZ at..... in which the above plots are situated. The Lessee shall pay the same without any demur within the period prescribed. Non payment on due date will automatically entail an interest of 15.5% per annum or such other rate as may be prescribed from time to time.

12. The Lessee shall not, at any time during the currency of the lease, cause or permit any nuisance in or upon the schedule property and in particular shall not use or permit the schedule property to be used for any purpose, which may be obnoxious or injurious or offensive by reason of odor, liquid, dust smoke, gas, noise vibration or fire hazards or which may cause permanent damage to the schedule property. The Lessor shall have full right to prohibit or regulate these matters at all times. The installation and use of a captive power generating equipment, air-conditioning plants, catering facilities and provision of similar amenities shall however be exempt and the provisions of this clause shall not apply thereto.
13. The Lessee shall not directly or indirectly transfer, assign, sell, sublet, encumber or part with its interest, in the schedule property, either in part or in whole, in any manner whatsoever without the prior consent of the Lessor.
14. The Lessor or any person duly authorised by it shall have the right to enter

upon and inspect the schedule property during the currency of the lease at all times, provided adequate notice, and in any event a minimum of 24 hours, is issued to by the Lessor to the Lessee. Such inspection shall always be subject to compliance with security procedures that may be prevalent in the establishment of the Lessee.

15. The Party of the Second Part will take possession of the plot in "as is where is" condition and no further demand for any development, such as earth filling, raising the level etc., shall be entertained. Any other improvement or developments inside the allotted plots is purely at the discretion of the party of the Second Part.
16. The Lessor shall have, subject to such conditions as may be imposed, the power to grant extension of time to the Lessee in all matters which are required to be done or completed within a prescribed time under this deed.
17. Any change in the constitution of the Lessee shall be intimated to the Lessor.
18. Any change in the name or the address of the Registered Office or Administrative Office of the Lessee should be intimated to the Lessor within 30 days.
19. Any dispute arising out of or connected with this lease shall be referred to arbitration under the provisions of the Arbitration and Conciliation Act, 1996. The place of conciliation shall be at Chennai and cost of such arbitration shall be borne equally by both parties.
20. Only the courts situated in the City of Chennai shall have jurisdiction to decide upon any dispute or litigation between the parties to this lease deed.
21. The Lessee shall implement and conform to the various conditions in this deed in relation to the schedule property at all times.
22. During the currency of the lease, the ownership of the schedule property which is vested in the Lessor shall not be questioned in any manner and if at all any such question is raised willfully or without bonafides by the Lessee, the lease will be terminated forthwith and the Lessor will enter the schedule property including the buildings and other appurtenances situated thereon and resume possession of the schedule property at any time, subject to the provisions of clause 5 relating to refund of the land lease deposit herein before referred.
23. Notwithstanding anything herein before contained, the Lessee shall be entitled to the following:

- a) to erect signboards, name boards of such size, proportion, at or upon or in the vicinity of the schedule property without any prior approval or consent;
 - b) to construct, establish, run and maintain all facilities and amenities relating to or connected with employees welfare, health and recreation in and upon the Schedule property.
 - c) to install a captive power generating plant/equipments/generators, air-conditioning plants and other similar equipment that may be necessary for the purposes of its business activities.
24. It shall be open to the Lessor to initiate proceedings under the provisions of the Tamil Nadu Public Premises (Eviction of Unauthorised Occupants) Act, 1975 or under any statute for the time being in force for eviction as well as for the recovery of the amount due under this deed from the Lessee without prejudice to resort to any other mode of recovery that may be available.
25. It shall be open to the Lessor to deal with the Property taken by it under the rights conferred by this Lease Deed in any manner it likes either by retaining or by leasing it to any other person, without any let or any hindrance or claim whatsoever to the Lessee to compensation and the Lessee has no right to interdict the same.
26. If, in the opinion of the Lessor, it is found that the land allotted to the Lessee is not put to use for the purpose for which it was allotted or is in excess of the actual requirements of the Lessee for the purpose for which it was allotted, the Lessor shall at any time have the right to cancel the allotment in respect of such land or excess land, as the case may be and resume the same under the provision of TNPPE Act. In the event of resuming excess land by the Lessor, the land lease deposit and development charges and additional development charges collected from the Lessee will be suitably modified and the refund of land lease deposit alone if any due to the party of the second part will be made. Development charges, additional development charges, Lease rent, interest and enhanced interest, if any already paid or due will not be subject to any refund or modification in such an event.
27. Providing of infrastructural facilities by the Lessor, is an ongoing scheme for the overall development of the Park and the expenditure thereon would be incurred over a period of time till the completion of the Park. The development charges and any additional development charges collected during the period of lease from allottees will be adjusted towards development expenditure incurred and or to be incurred for the infrastructure development of the property herein leased. The Lessee shall not have any right to claim for infrastructural facilities or claim over such development charges paid to the Lessor.

28. The Lessee shall commence construction of the building within 12 months from the date of this Lease Deed and shall commence the commercial operations within 36 months from the date of this Lease Deed. Failure will entail termination of the Lease by the Lessor and forfeiture of 15% of the land lease deposit paid by the Lessee and the total amount of the service and development charges.
29. All survey and other marks demarcating the boundaries of the plots, structures and installations shall be properly preserved and kept in good condition by the Lessee, at all times. Where more than one allottee is concerned with the same boundary marks and structures the Lessor shall allocate this obligation suitably.
30. a) No temporary or semi-permanent structure shall be built on the plot except during the period of construction or reconstruction in future.
- b) No construction with Katcha or inflammable materials will be permitted on the site allotted.
- c) A strip of not less than five metres shall be left open to the sky, within the periphery of the plot on all sides.
- d) Before obtaining any plan sanction from concerned authorities consent should be obtained from Managing Director of the Lessor for the building plan and plans for all structures to be constructed on the plot for the limited purpose of ensuring that a strip of not less than 5 meters is left open to the sky within the periphery of the plot on all the sides.
- e) The provision of any culvert across common drains must be got approved by the Lessor.
- f) Sewer lines and water lines should be designed in such a way that they are connected to the Common lines of the Lessor which will serve the plot.
- g) The Lessee should make its own arrangements to drain the rain water from its plot into the common road drain provided by the Lessor.
- h) The Lessee has to make its own arrangements to treat the effluents solid/liquid to the required standards of the Tamil Nadu Pollution Control Board and to regulate dust, smoke, gas, noise, vibrations and prevent fire hazards and comply with the regulations in this regard.
- l) The Lessee shall treat the Industrial effluents to relevant ISI/BIS specifications as applicable to the area/Inland water ways and start

construction only after obtaining clearance from the Tamil Nadu Pollution Control Board.

- j) The Lessor will permit the units to connect the collecting system of the Lessor only for the effluents treated to the standard of Inland water ways as prescribed by the Pollution Control Board. Before application for the connection is made, the Lessee shall produce such clearance from the Pollution Control Board.
- k) The Lessee shall preserve the manholes constructed if any in the 5 metre corridor and raise the same atleast 45 cm above the formation level in case the natural ground level is raised by the formation at their own cost with prior intimation and approval from the Lessor.

31. The Lessee shall insure all the fixed assets in the plots and renew the insurance periodically.

32. The Lessee shall keep the Lessor indemnified against any and all claims for damages which may be caused to any adjoining buildings or other premises as a consequence of the erection of the buildings and Industrial installations by the Lessee, The Lessee shall also keep the Lessor indemnified against all payments whatsoever which, during the progress of work, may become payable or be demanded by the Local Authority in respect of the said works, or of anything done under the authority herein contained.

33. With the consent of the Lessee, the Lessor shall have the right of access into and utilising any portion of the allotted plot, as required at all times, for the purpose of laying pipe lines, cables, underground drainages, channels, or providing such other common facility. The Lessor shall have further right within the area of the allotted plot including the building standing thereon as and when felt necessary by the Lessor, to lay down, place, maintain, alter remove or repair any pipes, pipe lines, conduits for service lines, posts, or other appliances or apparatus in, on under, over along or across the land in such area for the purposes of providing any common amenities or services for theSEZ/Non-SEz at..... and the same may be done either directly by any person either generally or specially authorised by the Lessor in this behalf and the Lessee agrees for the same.

34. During the period of lease and thereafter Lessee at its expense will keep the buildings, premises and other structures clean, free from defect and in good condition.

35.a) The Lessee shall pay all existing and future rates and taxes, charges, claims, assessment and out going of every description, chargeable

against the owner or occupier in respect of the allotted plot and any building erected thereon or services received.

- b) The Lessee shall bear all expenses in connection with the drawing of power from the main lines to the plot and for the supply of electricity.
- c) The Lessee shall execute an agreement for water supply at the time of taking possession of the plot and comply with all terms and conditions of the agreement.
- d) The Lessee along with the allottees of the other plot shall bear the maintenance charges for the common amenities and facilities like roads, drainage, sewerage, street lighting etc. at the rates which may be fixed by the Lessor from time to time.

36. The Lessor shall have the powers to direct removal or alteration of any building or structure erected or used contrary to the conditions of the plan or cause the same to be carried out at the cost of the Lessee.

- 37.a) The Lessee shall not sink any well, bore well or tube well within the site allotted except with the prior permission of , subject to the conditions as applicable. If any such well exists already in the plot it shall be closed when the Lessor supplies water from a common source. If any bore well exists already it shall be kept under the control of the Lessor.
- b) The Lessor shall have the right to lay pipe lines, sink bore wells or put up any facilities for common use within a strip of 5 meters left open on all sides within the periphery of the plot on the land allotted to the Lessee without payment of any compensation or rental etc., to the Lessee.
- c) The Lessee shall not draw water from their own Bore well/Open well/tube well sunk in private lands adjacent toSEZ/Non-SEZ at through pipeline unauthorisedly trespassing into SEZ premises. If at any time, such trespass is found by, water supply will be disconnected besides severing the trespassed water line.

38. Ten percent of the jobs in the Industrial units coming up in theSEZ/Non-SEZ at,,,,,, shall be reserved to the members of the families of Land owners whose lands have been acquired for theSEZ/Non-SEZ at, subject to eligibility as per qualifications prescribed for the jobs.

39. The Lessor shall have the power to grant extension of time, subject to such conditions as may be imposed to the Lessee in all matters which are required to be done or completed within the prescribed time, under this deed.

40. The Lessor reserves the right to impose any further conditions and stipulations, or alterations in the regulations, which are reasonable, justified and necessary at any time for the establishment of SEZ/Non-SEZ at to implement the conditions of this deed and for the benefit of theSEZ/Non-SEZ at..... as a whole.
41. The Lessor reserves to itself the right to sell, lease or otherwise deal with any land unleased or unsold, in any manner it deems suitable. It reserves the right to release, waive, modify either wholly or in part, alter any stipulations, obligations and restrictions contained in this deed regarding any plot or other area in the property. The exercise of this right by the Lessor in relation to any such plot or area shall not release the lessee or/purchaser(s) of any other plot in this property from any of the stipulations, obligations and restrictions, affecting and imposed upon the said allotted plot, nor give rise in favour of any lessee or purchaser to any right of action against the party.
42. The Lessee shall implement and conform to the various conditions in this deed in relation to the allotted plot at all times.
43. It shall be open to the Lessee to ask for in writing and the Lessor to grant a "No Objection Certificate", with or without conditions, to enable the Lessee to mortgage its interest in the said allotted plot, at any time after taking possession for obtaining financial assistance from financial institutions and banks for implementing the project in the plot. The Lessee shall not offer this property as a collateral security to avail loan for other purposes/sister concern etc.
44. The Lessor, at the request and cost of the Lessee at the end of the said term of 99 years may execute a new lease of the schedule mentioned plot by way of renewal for a similar period of ninety years on such covenants and provisions as may be mutually agreed to.

SCHEDULE 'A'

DESCRIPTION OF THE LAND IN LEASE

All that piece and parcel of land comprising of _____ acres of land in old S.No. _____ situated at _____ within the Registration District of _____ and Sub Registration District of _____ with the following boundaries.

North by :

East by :

South by :

West by :

SCHEDULE 'B'

DESCRIPTION OF THE PLOT OF LAND VESTED WITH THE LESSEE

All that piece and parcel of land comprising acres of land
with the following boundaries.

North by :

East by :

South by :

West by :

IN WITNESSES WHEREOF the parties have signed this deed on the day, month
and year first above written in the presence of the following witnesses:

LESSOR

LESSEE

WITNESSES:

1.

2.