

LEASE – DEED

(To be executed on a stamp paper with appropriate fees as determined by the Government of Gujarat).

This Lease is granted on this _____ day of _____ 20____ by the Development Commissioner and Chairperson cum Chief Executive officer, Kandla Special Economic Zone Authority, Government of India Ministry of Commerce and Industry (Department of Commerce), having his/her office at Gandhidham, Gujarat – 370 230 , hereinafter referred to as the GRANTOR , which term or expression unless excluded by or repugnant to the subject or context shall mean and include his successors, of the ONE PART AND M/s. _____

Company/Partnership Firm/Proprietorship/other legal entity having its principal place of business and office (Registered office in case of company registered under the companies Act,1956 at _____

/Mr/Ms _____ son/daughter of _____ by faith _____ carrying on business under the name and style of _____ as sole proprietor or any other legal entity thereof (please specify) _____ from _____ hereinafter referred to as 'The GRANTEE', which term or expression unless excluded by or repugnant to the subject or context shall mean and include its successors, her/his/their heirs, executors, administrators and permitted assigns, of the OTHER PART.

WHEREAS

With the rational nexus and discernible criteria to augment revenue earning for the country, in terms of foreign exchange, by facilitating export from India, in tune with its applicable SEZ Policy and trade policy, providing an internationally competitive duty free environment, the Government of India, in the Ministry of Commerce and Industry (Department of Commerce) established an Export Processing SEZ Zone/Free Trade Zone in an area comprising of approx. 1000 Acres of land as enclave notified as SEZ area, under the nomenclature of "Kandla Special Economic Zone" in Kandla, Gandhidham and accordingly for developing the said area constructed

buildings/industrial sheds in portions of the said notified area for setting up of export oriented industry/trading/service units in the said buildings/industrial sheds and /or the residual area of land thereat by private/public entrepreneurs, subject to Letter of permission (LOP) therefore granted by the Development Commissioner of the said SEZ.

With the advent of Special Economic Zone Scheme in tune with its Foreign Trade Policy (FTP), by publishing notification in that behalf the Central Government converted the said Kandla Free Trade Zone to 'Kandla Special Economic Zone' (KASEZ).

With the avowed object to provide for the establishment, Development and management of the Special Economic Zones for the promotion of exports and for matters connected therewith and incidental thereto, bringing the existing SEZ within the fold of the said 2005 Act, including the said KASEZ, on the Fifty-Sixth year of the Republic of India the parliament of India enacted the Special Economic Zones Act, 2005, for short, "the said 2005 Act".

In exercise of the powers conferred by clauses (zb),(zc),(zd),(ze),(zf),(zg),(zh),(zi) and (zj) of sub-section (2) of section 55 read with section 31 of the said 2005 Act, by publishing Notification being G.S.R No.811 (E) dated 11th November, 2009 in the Gazette of India extra Ordinary dated 11th November, 2009 the Government of India introduced the SEZ Authority Rules, 2009.

By the said SEZ Authority Rules, 2009 constituting the Special Economic Zone Authority and the Development Commissioner cum Chief Executive Officer of the SEZ as the Chairperson thereof the Government of India vested the incidental powers necessary for the carriage of the purposes, functions and management of the affairs and administration of the Special Economic Zones, including the matters apropos allotment of the area of land/building/industrial shed comprised in the notified area of the SEZ for setting up of Export Oriented Industry/services/trading units thereat by private/ public sector entrepreneurs, with the said SEZ Authority.

Setting up export oriented industry /services/ trading units in the Customs notified area as above and carriage of the authorised operation therefrom in compliance with the provisions of the said 2005 Act and 2006 Rules made thereunder and amendments thereafter time to time, customs Act,1962and foreign Trade (Development and Regulation) Act,1992 and the FTP made thereunder, and amendments thereafter time to time by the intending private/public sector entrepreneurs are subject to grant of Letter of permission (LOP) by the Development Commissioner of the concerned SEZ.

Corresponding to the grant of LOP as above, subject to the execution of the formal lease in respect thereof by way of grant containing the terms and conditions therefore the concerned SEZ

Authority allot demarcated area of land /building/industrial sheds/SDF unit and /or the portion/portions thereof comprised in the KASEZ to the intending public/private entrepreneurs

by issuance of the letter of Allotment (LOA) for setting up of their unit thereat and carriage of the authorised operation therefrom.

The building known as Standard Design Factory Building (SDFB)/Industrial shed constructed by the Central Government on a portion of land comprised in the said KASEZ area a piece of land meant for setting up of such export oriented industrial/service/trading units lying vacant under the control of the SEZ Authority, corresponding to the grant of LOP to the Grantee for carriage of authorised operation, on the undertaking to execute the corresponding Lease Deed allotting the demarcated area of the said SDF building /industrial shed with fixtures thereto the SEZ Authority having granted the LOA dated _____ the Grantee applying to the KASEZ Authority for grant of lease in respect thereto the KASEZ Authority do hereby and hereunder grants this lease in respect of the allotted area of land/portion of the said SDF building/fixtures, measuring an area of _____, fully described in the respective schedules below by these presents.

Under the provisions of Special Economic Zone Act, 2004 (Gujarat Act No.11 of 2004) the Government of Gujarat having exempted SEZ units in Gujarat from payment of stamp duty, this instrument is not required to be paid with stamp duty.

NOW THESE PRESENT WITNESSES:

That corresponding to the grant of LOP/LOA by the Chairperson and Chief Executive officer, KASEZ/Development commissioner, Kandla Special Economic Zone in favour of the Grantee's and in consideration of the annual/quarterly lease rental and annual user charges hereby reserved and the Grantee's covenants hereinafter contained, the Grantor do hereby and hereunder grant this lease in respect of the demarcated portion of the said SDF building/industrial Shed/Plot measuring _____ with fixtures, and measuring an area of _____ sq.mtrs. fully described in the Schedule below, hereinafter referred to as "the said area" unto and in favour of the Grantee for setting up of its unit thereat and carriage of the authorised operation there for the term of fifteen years/thirty year for plot, computed from the 1st day of the month of possession or the 16th day of the allotment whichever is earlier or co-terminus with the validity of the said LOP, And the Grantee do hereby undertakes to pay rent of the said demarcated portion of the said SDF building/industrial Shed/Plot measuring _____ with fixtures as above within the notified area of KASEZ.

During the tenure of the Lease hereby granted, the Grantee shall pay a consolidated sum of Rs. _____/- (Rupees _____) only towards lease rental and applicable taxes/including service tax if any in respect of the said area on yearly basis by bank draft/RTGS/ECS or through any other banking instrument in favour of the KASEZ Special Economic Zone Authority, Gandhidham (KASEZ) Or by any other mode as may otherwise be required by the Grantor without delay, deduction or default.

The said unit will give standing instruction to their bank for ECS of all charges including rent to be paid to KASEZ favouring Chairman, Kandla SEZ Authority bank A/C No.159800VS00000015 on yearly/quarterly basis or as and when required.

The Grantee shall pay all other charges that may be fixed/levied (user charges) by the KASEZ Authority from time to time in respect of the said area on the days and in the manner prescribed without any delay, deductions or default.

On or before the execution of these presents, the Grantee shall pay in advance the lease rental and application taxes/including service tax if any in respect of the said area for the first year calculated _____ at _____ Rs. _____/- (Rupees _____ only) clear of all deduction to the KASEZ Authority.

The Lease rental in respect of the said area for the second year onwards shall be paid on yearly/quarterly basis, in advance, on or before the 10th day of April, July, October or January, as the case may be, of every year/quarter without any delay, deduction or default whatsoever.

The Grantee has on or before the execution of the present deed deposited with the KASEZ Authority a sum of Rs. _____/- only equivalent to the annual rent in respect of the said area in advance, which the Grantor do hereby admit and acknowledge and exonerate the Grantee of and from the liability towards the said sum.

The Grantee shall be liable for payment of all charges for electricity, telephone/fax, water consumption, existing and future rates and taxes, assessments and outgoing of every description for the time being payable in respect of the said unit and anything for the time being thereon.

The grantee shall make provision for all safety and fire fighting measures and eradication of all environmental hazards and pollutants and obtain all necessary clearance from the appropriate authorities therefore and shall be liable for all damages and future contingencies on the said counts.

The KASEZ Authority or the Development Commissioner and Chairperson cum chief Executive officer of KASEZ shall not be liable for any damage by fire or accident or by omission of the Grantee or under any act of God or riots or other unforeseen incidents or any civil commotion beyond the control of the Grantee.

Immediately after the execution of these present the Grantor shall undertake the necessary work for setting up for its unit and commence the authorised operation therefrom as per the schedule appended to the LOP.

The Grantee Shall Furnish legal undertaking as may be prescribed for the fulfilment of export obligation set out in their application from for setting up industries in the KASEZ.

The Grantee Shall manufacture such products/carry out such activities from the said unit set up in the said area as may be authorised by the Development commissioner and Chairperson cum chief Executive officer, KASEZ Authority from time to time.

The Grantee Shall not undertake any activities or manufacture/process any article, thing, materials, components and instruments, which do not in any way relate to the industry other than the authorised one for which the Letter of permission has been granted.

The Grantee shall commence commercial production or service activities/trading for export within the period as specified in the letter of permission (LOP).

The Grantee shall make full utilisation of the said area within a period of one year from the date of commencement of this Grant. Provided always that in the event, for cause beyond the control of the Grantee the Grantee is unable to utilize fully the floor space as aforesaid, the chairperson and chief Executive officer, KASEZ/Development Commissioner, KASEZ may at his discretion extend such period or a further period as he considers necessary, within which extended period the lessee shall complete the work so as to fully utilize the floor space subject nevertheless that the lessee was/were not prevented from any cause beyond his/their control to utilize fully the floor space as aforesaid, within the period, as originally stipulated or within the extended period as allowed by him as aforesaid, the Grantee shall be liable to pay the rent at five times the normal rent as provided herein in respect of the area remaining unutilized.

Notwithstanding anything contained herein the yearly rental hereby reserved shall be revised at the rate of 10% p.a. over the existing rental every years with effect from 1st January of every calendar year or notification/circulars/instruction issued in this behalf whichever is earlier. The next revision of rent shall take place on _____.

The lease hereby granted shall subject to satisfactory performance of the unit which will be renewable on the expiry of every 5 years or as may be renewed by the Central Government from time to time whichever is earlier.

Notwithstanding anything contained in these, present lease in respect of the said area hereby granted will cease to exist in case of the expiry or cancellation of the Letter of Approval/permission (LOP).

In case of any delayed/late payment/default in payment of rent the Grantee shall be charged with an interest @ 12 % p.a. on quarterly basis. In addition to interest, Development Commissioner reserves the right for any penal action including cancellation of LOP/LOA, financial penalty and any other action as Development Commissioner may deem fit on case to case basis.

In case of surrender of said area, one month prior notice should be given to the Authority in writing.

The Grantee shall not create any security interest in respect of the land/building hereby granted on lease nor shall mortgage or charge the same without approval of the Development Commissioner & Chairman, KASEZ Authority.

The Grantee shall be liable to pay to the KASEZ Authority the proportionate amount of the premium/premiums in respect of the area hereby leased in the event the KASEZ Authority insures and/or keeps insured the SDF building/Industrial Shed including the said area hereby leased within fifteen day from the notice of the KASEZ Authority requiring payments on the said score without demur. Provided always in the event of any dispute arising between the KASEZ Authority and the Grantee apropos the liability of the Grantee to pay the proportionate amount of insurance premium as above, the decision of the Development commissioner and chairperson cum chief Executive officer, KASEZ Shall be final and binding upon the Grantee.

The Grantee Shall submit to the KASEZ Authority, plans and the schemes of the particular industry to be established in the said area together with such other details as may be required by the KASEZ Authority from time to time.

The Grantee Shall arrange for the forwarding/clearance of manufactured/processed good for export or import of raw materials spares and such other materials as are required for manufacture/processing by the Chairperson and chief Executive Officer, KASEZ/Development commissioner, KASEZ or agencies authorised by the Chairperson and Chief Executive Officer, KASEZ /Development Commissioner, KASEZ.

The Grantee shall not allow, in so far as it is not inconsistent with the SEZ Acts & Rules, any of the products manufacture/processed in the KASEZ by the Lessee to enter or pass into and/or sold in

any market in India or anywhere in India provided always that the Chairperson and Chief Executive officer, KASEZ/Development Commissioner, KASEZ may permit the lessee to sell and/or dispose of the products or to enter or pass into and/or be to be sold in any market in India or anywhere in India.

The Grantee Shall sell all or part of its products manufactured and processed in the KASEZ unit of the Grantee in the local market of the Domestic tariff area through the prescribed authority which may be essential for national defence or responding to natural disaster or for the national economy, in the event considering the overriding public interest. Apropos the same the development commissioner KASEZ may direct the Grantee to do so against consideration, without, however, any claim for compensation for delivering the products as aforesaid in any manner whatsoever.

The Grantee Shall carry out the activities as authorised in the letter of approval in compliance with the SEZ Act and Rules and shall not violate any of the conditions laid down in the Letter of approval.

The Grantee shall always permit the development Commissioner and Chairperson cum Chief Executive officer, KASEZ or any officer, surveyor, workmen or other persons under the employ of the said Authority authorised in that behalf from time to time at any time and without any prior notice being given, to enter into and upon the said area hereby leased and to inspect the general state thereof and also processing plant and machinery etc., and the book of account and other documents and vouchers concerning the products manufactured in the said unit.

The Grantee shall not carry out or allow carriage in the said area any unlawful or immoral activities and shall not permit anything to be done or stored (except those for production of products approved for manufacture in the demised premises) which may be a nuisance, annoyance, danger or disturbance to the other entrepreneurs in the vicinity.

The Grantee shall not assign, transfer, change or alienate interest in the said area hereby leased or any part thereof without the prior approval of the Chief Executive officer, KASEZ/Development Commissioner, KASEZ and prior consent in writing of the KASEZ Authority and subject to such terms and conditions as the KASEZ Authority may prescribe in granting the permission to assign the said area or any part thereof as herein beforementioned.

The Grantee shall not sublet/sub lease the said area or any part thereof and shall not without the consent in writing of the KASEZ Authority permit any labour or workman to reside upon the said area or unit and in the event of such consent been given shall comply strictly with the terms and conditions thereof.

The Grantee shall intimate in writing to the KASEZ Authority within a fortnight of any changes made or effected in the corporate structure or the constitution of the Lessee.

The Grantee shall allow all persons and vehicles entering into and leaving the KASEZ to be examined by the staff of the KASEZ Authority or any agency authorised by the Chief Executive officer, KASEZ/Development Commissioner, KASEZ in that behalf and prevent movement of any unauthorised person/goods/materials to and fro the KASEZ.

The Grantee shall not make any structural alteration, additions or changes of any nature whatsoever of the said area or make any addition, alterations or change of any nature whatsoever to the building so erected and shall not make any excavation upon any part of the said land hereby granted nor remove any stone, sand gravel, clay or earth there from, or for forming foundations at building, without the prior written permission of the KASEZ Authority and if permitted, to carry out the same in accordance with building bye-laws rules and regulation that may be prescribed.

The Grantee shall not cause any annoyance or hindrance to other tenants/lessees or conduct any activities which will impede the other lessees in manufacturing or processing their products or services AND in the event any other lessee of the Lessor experiences or find any difficulty in conducting its/his/their authorised operation connected therewith smoothly and efficiently by reason of the user by the grantee or if the grantee experiences or find any difficulty in conducting its/his/their authorised activities connected therewith smoothly and efficiently by reason of the user by other occupiers of any building or portions thereof in the KASEZ the same shall be referred to the Development Commissioner and Chairperson cum chief Executive officer of the KASEZ and any direction or orders issued by the said Authority in relation thereto shall be complied with by the Grantee.

The Grantee shall comply with all rules and regulation prescribed under all Labour Legislation including industrial Disputes Act, Workmen's Compensation Act, payment of Wages Act, Minimum Wages Act, Factories Act, Fatal Accidents Act or any other statues governing employer employee relationships and to obtain fire licence, approval from the Chief inspectorate of Factories and clearance from the pollution control Board.

The Grantee shall strictly comply with the conditions laid down in the agreement executed by the KASEZ Authority and the Grantee on supply of water, power, treatment of industrial and domestic effluents, including payment of all charges and other demands made there under and to comply with the parking regulations and other general instruction laid down by the KASEZ Authority from time to time and to permit construction, if necessary, of utilities such as electric

sub-station etc. In the demised premises and to allow laying of underground cables through the demised premises or as may be as directed by the chief Executive officer, KASEZ/Development commissioner, KASEZ.

The Grantee shall keep the said area clear from all sorts of wastages, garbage etc. Causing nuisance of any type and to keep the water and air free from pollution and sufficient protection and preventive measure must be taken so as to avoid accumulation of water and poisonous gases and other dangerous materials within or around the demised land/premises and also to keep adequate safety measures for prevention of fire and corrosive erosion in and around and to comply with all instructions and orders issued from time to time with regard to disposal of waste and general maintenance of the Zone and agree to pay to the KASEZ Authority the penalties as imposed and demanded for non compliance with the instructions.

The Grantee shall remove all machinery, equipments and other movable assets installed therein, leaving intact the building and other permanent structures and fitting, fixtures and erections, permanent or temporary thereat without causing any damage to or defacing the main structure at the cost of the Grantee within a period of thirty days from the termination of this grant and/or expiry or cancellation of the LOP and deliver up peaceful and vacant possession of the area hereby granted on lease to the KASEZ Authority. Provided always that in the event the Grantee fails to deliver vacant and peaceful possession of the said area as aforesaid or abandons the said area without removing the same as above on the expiry of the above mentioned period of thirty days it shall be lawful for the KASEZ Authority to re-enter into the said area and take possession of the left out articles and belongings of the Grantee which may be found lying there and forfeit the sale proceeds thereof by public auction with or without notice to the Grantee. Provided further that the Grantor shall remain liable to pay compensation for the period of unauthorised occupation of the said area till the KASEZ Authority do not get vacant possession of the said area.

The Grantee paying the rent hereby reserved and performing the covenants and obligation agreed hereinbefore and on the Grantee's part to be performed may peaceably use, occupy and possess the said area for the term of the lease hereby granted without any interruption or disturbance from or by the SEZ Authority or any person or persons lawfully claiming by, from or under the said Authority.

If the said rent hereby reserved shall be in arrears for a period of 30 days whether the same shall have been legally demanded or not, or if within a period of ONE year from the date of commencement of this Lease or the said area are not utilised for the purpose for which the same has been granted or if the Grantee ceases to carry on the manufacture of products and/or activities authorized for a period of six consecutive months for whatever cause including strike or

lockout or injunction from the court in any sort of litigation, or if and whenever there shall be a breach of any of the covenants and conditions herein set out or referred to or under any agreement entered into by the Grantee, including breach of any conditions of meeting the export obligations already undertaken by the Grantee and/or as may be notified from time to time by the KASEZ Authority or the Grantee becoming insolvent or is wound up or amalgamated or merged with other body corporate or otherwise, pursuant on the court's orders or under the provisions of the law then in force, the KASEZ Authority may re-enter upon the demised premises and every part thereof and thereupon the lease hereby granted shall stand absolutely ceased and determined. Provided always the KASEZ Authority shall in addition to the right of termination of this Lease and to effect the re-enter as mentioned aforesaid be entitled to recover as and by way of compensation such amounts as may be considered by the KASEZ Authority as appropriately recoverable from the Grantee including recalling of all those various concessions and variety of facilities granted to the Grantee. The above shall be without prejudice to the right of the KASEZ Authority to take steps to recover the arrears of rent as arrears of land revenue or invoking the provisions of the public premises (Eviction of Unauthorised Occupants) Act, 1971.

If the Grantee shall have duly performed and observed the covenants and condition on the part of the lease herein contained and is desirous of receiving a new lease of the demised premises on the expiry of the period of this lease the Grantee shall give notice in writing to the KASEZ Authority at least six month before the expiration of the period of this lease of its desire and in such an event the KASEZ Authority shall, at the cost and expense in every respects of the Grantee grant new lease in respect of the said area for a further term as per rules prevalent at that time on payment of yearly rent as may be determined by the KASEZ Authority AND WITH all the other covenants, provisions stipulations herein contained except this provision for renewal and such new lease shall contain in lieu of this clause a covenant that at the end of the said renewed term, the Grantee may, in similar manner and subject to having duly performed and observed the covenants and conditions on the part of the Grantee to be performed and observed, request for further extensions of lease and the KASEZ Authority shall in similar manner and at the cost and expense of the Lessee grant to the Lessee further renewals and that every such renewal shall be for such terms and subject to such covenants, provisions and stipulations as may be decided by the KASEZ Authority.

Notwithstanding to any of the above, failure to comply with any or all of the above clauses will be liable for eviction in terms of the public premises (Eviction of Unauthorised Occupants) Act, 1971. This will be without prejudice to any other action in terms of any other law in force.

The Chairman, KASEZ/Development Commissioner, Kandla Special Economic Zone, reserves the right to alter/amend/change/modify any of the terms and conditions envisaged/enumerated in this agreement that may become necessary due to change in laws/rules/bye-rules/taxation policy or any other levies/fees by the Government of India/state Government or any other Authority under any Rule. However, it is specifically agreed that the change referred to in this paragraph shall only be made where the applicable Rule/Taxation is altered by any Government policy and will not apply to change of covenants governing mutually reciprocal relationship.

The courts at Gandhidham shall have exclusive jurisdiction with respect to any matter or dispute arising out of or in any way touching or concerning this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed these presents on the day and year first above written.

SIGNED, SEALED AND DELIVERED

For and on behalf of M/s. _____

the Lessee aforesaid by its _____

and the **COMMON SEAL** of the above named Lessee was pursuant to a resolution of its Board Directors passed in that behalf on the day of

affixed hereto in the presence of:

1. Name: _____

S/o, _____

Address:

Signature:

2. Name: _____

S/o _____

Address

Signature:

SIGNED, SEALED AND DELIVERED

For and on behalf of KASEZ Authority

In the presence of:-

Signature :

Signature :

FIRST SCHEDULE

Description of Building

All that parcel of land and/or premises numbered as..... at Kandla Special Economic
Zone (KASEZ) within the -----

----- No Extent sq. meter containing by admeasurement
sq. meter or thereabouts and bounded as follows, with partition, fittings and fixtures hereto
hosted in Second Schedule annexed to that is to say

The said land is comprised in _____ and situated in _____

On or towards the North say --

On or towards the South say --

On or towards the East say --

On or towards the West say --

SECOND SCHEDULE

Description of partitions, Fittings & Fixtures

1.	
2.	
3.	
4.	
5.	
6.	