**LEASE OF FACTORY PREMISES UNDER CONSTRUCTION TO BE DONE THE LESSOR**

This Lease Deed is made at Madras, on this \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_, 20………

Between

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a Company incorporated in India under the Companies Act, 1956 and having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and hereinafter called the "Lessor" (which expression shall, unless the context otherwise requires, include its heirs and allowed transferees) of the One Part

And

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a Company incorporated in India under the Companies Act, 1956 and having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and hereinafter called the "Lessee" (which expression shall, unless the context otherwise requires, include its heirs and allowed transferees) of the Other Part

Whereas

1. Lessor being complete owner and seized /possessed of Industrial Plot bearing number \_\_\_\_\_\_, …………………………….. measuring \_\_\_\_\_\_ (\_\_\_\_\_\_) Square Yards, having a building, built thereon with electricity load sanctioned of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ KVA and electrical and sanitary fittings as per details fully stated in the Annexe ‘A’ annexed herewith and hereinafter referred to as "the Property".

2. The said Plot was acquired by the Lessor vide Sale Deed dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ registered with the Sub-Registrar of Land and Deeds at ………………………………. in Volume No. \_\_\_\_\_\_\_\_\_ and on page numbers running from \_\_\_\_\_\_\_ through \_\_\_\_\_\_\_\_\_ from \_\_\_\_\_\_\_\_\_\_ ("Sale Deed").

3. The Lessee has asked the Lessor in taking the Property on Lease, on terms /conditions as stated hereunder:

Now, Therefore, This Lease Deed Witnessed As Under:

1. Lease And Rent

In consideration of (i) Lessee’s paying twelve (12) months rent of [Rs. \_\_\_\_\_\_\_\_\_\_\_\_ minus applicable Tax deduction at Source ("Rent") and (ii) paying six (6) months rent of Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as security deposit "Security Deposit" by \_\_\_\_\_\_\_ and (iii) one month’s rent of Rs \_\_\_\_\_\_\_\_, (Rupees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ only) minus applied Tax deduction at Source on the date of signing of this Lease Deed, the Lessor has consented in Leasing out Property to the Lessee, and the Lessee hereby consents in taking on Lease the Property and paying Rent payable under this Lease in according to terms /conditions of this Lease as per rates and per area marked in red and green in Annex "A". The period of twelve (12) months beginning on the Effective Date (the "Initial Term"). ("Effective Date" shall mean the date on which the Property is handed over by the Lessor to the Lessee after Property is complete in all respects after repairs and construction as per Annexe B and documents stated therein have been supplied). The Lessee shall have the option but not the obligation to renew the Lease at same terms excepting that monthly rent shall increase by 15% of the existing rent per month that is Rupees \_\_\_\_\_\_ (Rs. \_\_\_\_\_\_\_\_\_\_) per month for an additional period of twelve (12) months from the expiry of the Initial Term by giving three (3) months advance notice to the said effect to the Lessor ("Subsequent Term").

2. Liabilities of Lessee

2.1 The Lessee shall pay, after the Effective Date, all charges for consuming of electricity and water incurred during the Lease period relating to the Property, per bills received from the State Electricity board (SEB) and other authorities directly to the authorities concerned for the part occupied by the Lessee and as computed in the sub-meters, installed by the Lessor and give the photocopy of the same to Lessor along with the monthly rent.

2.2 (a) The Lessee shall keep the inner of the Property in good condition (excepting reasoned wear and tear).

(b) All electrical, lighting, fittings and fixtures, fire fighting equipment system, fire extinguishers, [\_\_\_\_\_] KVA Generator set (laid by Lessor) and other benefiting equipment used by Lessee shall be maintained and run by the Lessee at its own cost and shall be returned to Lessor in its original condition (excepting reasoned wear and tear), on taking possession by the Lessee.
(c) If lessee negligence in causes damage to the Property and equipment than he, will be responsible. Lessee shall way the Urban Development Authority (UDA) building by laws and other state and central governmental rules; and not construct any things which may endanger the structural stability of the building or attract any penalty from the above named Authorities.

2.3 The Lessee shall not demolish or remove any permanent structure, i.e load bearing walls, columns and beams without the previous express approval of the Lessor. The Lessee can make any other alterations or reforming the Property with previous express consent of the Lessor, which shall not be unreasonably withheld. In no case shall Lessee be required restore alterations or reforms to the Property hereunder to their original condition. Which Lessor shall accept all such alterations and reforms as is.

2.4 The Lessee shall allow the Lessor or its agents, surveyors and workmen to enter into the Property at all reasonable times with previous written notice for the purposes either for inspection or repair of the Property, except in an emergency.

2.5 The Lessee shall give the Property to the Lessor on the ending of Lease Term, as increased from time to time, or on its termination, along with the Lessor’s fittings, fixtures and equipment per Annexe "A" and any improvements done per Annexure ‘B’ and ‘C’ (excepting normal wear and tear).

2.6 The Lessee shall pay stamp duty with registration charges covering the Lease Deed and get registration done by paying the same and keep the Lessor compensated for such costs.

2.7 The Lessor or its authorized agent by give legal stamped for each and every payment made by Lessee which receipts shall proof finally such payments except clearance of cheques.

2.8 on ending /or termination of the Lease, the Lessee shall make all mandatory payments and give documentary evidence concerning that along with giving undertaking covering any unpaid dues, charges like Water, Electricity charges payable by the Lessee during the period of Lease.

2.9 The Lessee shall not sublet the Property or any part thereof without previous consents of the Lessor and UDA. Except Lessee may sub-lease the property to any division of Lessee or any of its subsidiaries, but lessee will bear such cost (inclusive of paying to UDA or SEB, which lessee shall bear.

2.10 Lessee shall per right in conduct in the Property the manufacturing, , assembling ,testing and trading of \_\_\_\_\_\_\_ including but not limited to \_\_\_\_\_\_\_\_\_\_\_\_\_ and other related activities.

2.11 The Lessee shall do the following constructions in the building:

(a) constructing a canteen on the first floor of the building.
(b) providing doors on the first floor of the building per security purpose .
(c) providing doors to the garage.
(d) requirements, if any.

3. Liabilities of The Lessor

3.1 In the Lease Term, Lessor shall protect Lessee’s right to use of Property and shall not again Lease the Property to any third person.

3.2 The Lessor shall pay all rates, taxes, ground rent, house tax, or any character, assessment and outgoing assessed, charged, imposed by or payable concerning the Property (excepting those relating to misusing of the Property) to any State Government, Department or any Authority concerning the Property.

3.3 On payment of rent hereunder and observing and performing of the agreement on its part, the Lessee shall peacefully and quietly hold /enjoy the Property during Lease Term, as enlarged from time to time, without any disturbance or intervention by the Lessor or any person claiming under or in trust for it or any other person whatever.

3.4 The Lessor shall provide \_% of the sanctioned electricity load of \_ (\_) KVA and ensure that connections are provided to the Property for regularly supplying water and electricity for the needs of the Lessee. The Lessee can get enhanced load per its own name directly.

3.5 The Lessor shall ensure that repairing and changing in the Property per Annexe B and C unclosed hereto latest by \_\_\_\_\_. The Lessor shall do major repairs in structure of the Property caused for normal use of property timely and with best efforts repair /remedy such defect in it on intimation of deeds defect by Lessee within \_\_\_\_\_ (\_\_\_) days after being so intimated , otherwise the Lessee can do the repair work himself if above repair is not done at reasoned cost and deduct the cost of such repair against future rents.

3.6. (a) The Lessor shall opt, get and in force in the Lease Term at his sole cost and expense an "All Risks" insurance policy /policies concerning loss or damage to the Property, valuing the current construction cost thereto, against all dangers including per classification of fire, enlarged coverage, damages, malicious, flood, earthquake and special extended dangers. This insurance shall be relating to physical structure of the Property, inclusive any additional construction made thereon and all property, which would form portion of the immovable property at the Property or any fitting, fixtures or equipment included in Property. The Lessee shall get insurance for its plant and machinery.
(b) Indian Insurance Companies will us issue Insurance policies alone .
(c) Lessor on request by Lessee shall provide a certificate evidencing such coverage. Such insurance policies shall provide for nil cancellation or material alteration without thirty (30) day’s before express notice to Lessee.

3.7 The Lessor assures the Lessee that they have good and legal title to Property and they can rent out the Property. Lessor holding Property free from all encumbrances and liens . No claims are pending, enforcing which resulting in creating any lien against the Property including, without limitation, liens for water, sewer, street or electrical power improvements in progress or anticipated. The Property is under obedience with any /all applicable laws, regulation, standards and government needs. The Lessee is conversant with original title deeds to the property.

3.8  (a) Lessor states that Property is situated in an industrial area regulated by mandatory authorities and as such all surrounding laws, rules, regulation, notifications and surrounding assessments are fully done concerning Property witch was constructed according to related and applicable rules and regulations and that there are no surrounding conditions of any type whatever including but not restricted to releases of any pollution into the soils, surface waters or ground water which could adversely effect public health or the surrounding. It is expressly consented that Lessor will be himself responsible per regulations, standards or government requirements for any and all surrounding conditions on the Property before the Effective Date.

(b) Subject to clause 3.8 (a), Lessor shall be fully responsible for any action undertaking to carry out such remedial actions and for all damages, costs and expenses resulting from said works excepting conditions caused only by Lessee’s operations on Property.

3.9 In the eventuality Lessor do not comply with any of its obligations per this Lease in concerning the Property and the Property is hence become unfit commercially use or not approachable, Lessee may serve notice to lessor. Lessee shall not pay in fixture rent or other charges until the Lessor has remedied the breach of its obligations hereunder by thirty (30) days . In such condition the Lessee shall be obliged to quit, vacate and hand over, vacant possession to the Lessor, subject to paying all unpaid dues including the Security Deposit.

3.10 The Lessor states and guarantees that no additional payments have to be made to the Authorities under the Sale Deed by which the Lessee shall not be paying any sum as balance for the Property to the Authorities.

3.11 Lessor will hold compensate lessee for any claims, administrative action, governmental action, damage, awards or losses, including but not restricted in cleaning up or remedial costs, suffered by Lessee resulting on any action,/inaction or breach by Lessor of the agreement, guaranties, or undertaking of the Lessor stated in this Lease or any covenants concerning thereto. Provided that Lessee always do its activities according to the rules and no costs are spaned for cleaning up or remedying without prior approval of the Lessor.

3.12 The Lessor consents for appearance himself or its duly authorized attorney before any mandatory authority, where its appearance as owner of Property is compulsory law full requirement, such as getting ‘No Objection Certificate’ (NOC) from SIDC for the Lessee to get regulatory clearances, as needed. The Lessee will ensure sufficient notice is served to the Lessor. The Lessor also consents for presenting the principal allotment letter from SIDC, if the same is needed to be submitted to any authority for getting regulatory clearance, notably the SIDC for getting NOC. The Lessee to ensure that this or any other document in original got from the Lessor is not lost, misplaced, modified, damaged or destroyed.

3.13 The Lessor consents for signing any document, where its signature as owner of Property being compulsory requirement for presentation by Lessee to several authorities in getting regulatory or other clearances for commencing the factory and conducting production operations, but lessee will bear all cost relating it. The Lessor too undertakes in executing a Special Power of Attorney in a kind acceptable to the Lessor favouring named person of Lessee in processing routine sanctions/ clearances where signatures of Lessor’s Attorney are enough or when Lessor /his attorney is not available for signatures.

4. Termination

4.1 The Lessee opt, but not obligated for terminating this Lease on the occurrence of following events by paying one months rent in addition to rent following the date of notice of termination:

(i) Structural surveyor report of Lessee’s If surveyor not favourable;
(ii) Lessee not receiving the factory licence within 45 days from date of lease stated hearing .
(iii) Building Completion Certificate from UDA authorities not received within 14 (fourteen)-calendar days from the date of execution of this Lease Deed first stated herein;
(iv) Both Availability of [\_] [(\_\_\_\_)] KVA of electric load from SEB and physical electricity not available within sixty (60) calendar days from the date of this Lease first stated herein ;
(v) non-completing repairs/constructions per Annex ‘B’ and ‘C’ satisfacting Lessee’s architect within \_\_\_\_ (\_) days of signing of this Lease Deed.

4.2 Lessee may terminate the Lease as follow :

(a) by three (3) months express notice when Lessor do not comply any of its obligations hereunder, where Lessor has not cured such breach by one (1) month of being asked in writing to for do so by the Lessee;
(b) by three (3) months express notice or rent its place.

4.3 Lessor may terminate the as follow:

(a) by three (3) months notice on a serious breach by Lessee of its obligations hereunder, when Lessee do not cure such breach by one (1) month of being asked writing to do so by the Lessor;
(b) if lessee does not pay rent for two months then one (1) month notice in writing . Lessor is obliged to pay rent on due date without any demand from the Lessor.

4.4 This Lease shall and on expiry or Lease Term or any Future Term, if any, as the case may be.

4.5 On ending of the Lease, before the date of termination, hand over Lessor vacant and peaceable possession of the Property against simultaneous refund of the Advance Rent, not applied against Lessee’s monthly rent payments per Section 1.1 herein. Termination hereunder shall be without prejudice to any claim, right or action or remedy, which either of the parties hereto may have against the other.

5. Controversy resolution. If the parties controvert and hold difference, concerning this Lease deed or any portion thereto, same shall be referred to a tribunal of three arbitrators, one Arbitrator each to be appointed by the Lessor and the Lessee and the two arbitrators so appointed shall appoint an umpire. The award of the Umpire, shall be final and binding on the parties. The place of the arbitration shall be at ………………... The arbitration shall be ruled by the Arbitration and Conciliation Act, 1996.

6. Force Majure

"Force Majure" means an event beyond the control of a party, result of which the party cannot perform its duties under this Lease. Force Majure includes, but is not restricted to prohibition or acts by government or public agency, riot, war, hostility, public disturbance, strikes, other labour disputes and work stoppages, lack of regular transportation or other utilities, epidemic, fire, flood, earthquake, storm, or other acts of nature. If one party has been stopped from doing duties given in this Lease due to Force Majure, it shall notify the other party in writing within fourteen (14) days after the occurrence of such Event of Force Majure. Both parties shall try reasonable to remove damages, within therereach.. If Force Majure occurs, no party shall be responsible for any damage, enhanced costs or loss which the other party may suffer due to such a delay of performance, which failure or delay shall not be caused a breach of this Lease. If A party cannot perform owing to an Event of Force Majeure shall take proper means to curtail or remove an Event of Force Majeure and, within the shortest possible time, attempt to resume performance of the obligation affected by the Event of Force Majeure.

7. General

7.1. Not/delay exercise any right, power or privilege per this Lease by any party shall not operate as a waiver there to.Nor shall any single or partial exercise of any right, power or privilege exclude any other future exercise thereto.

7.2 Any Party governing Notices/other communications per this Agreements shall be given in English and may be delivered personally, with letter form sent under registered mail with prepaid postage or by facsimile transmission, addressed to other party given below or to such other address from time to time be given by any party through notification to the other party. The dates on which notices as effectively given shall be determined as follows:

(a) Notices given by personal delivery shall be deemed effectively given on the date of personal delivery;
(b) Notices given in letter form will be deemed effected as given on seventh day after the date on which they were mailed (as indicated by the postmark) by registered airmail, postage prepaid, or on the third day after they were sent by recognized courier service.
(c) Notices given by facsimile shall be deemed effectively given on the first business day following the date of transmission.

Lessor: Attention:

Lessee: Attention:

In Witness Whereof, the parties hereto have executed this presents on the day, month and year above written.

Signed And Delivered by the Lessor

For \_\_\_\_\_\_\_\_\_\_\_

Director

Signed and Delivered by the Lessee

For \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Director

Witnesses:

1.

2.