

LEASE DEED

This LEASE Deed is made at _____ on this _____ day of _____, 2021 between Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC), a company registered under the Indian Companies Act, 1956 and having its registered office at Parishrama Bhavan, 4th Floor, 5-9-58/B,B, Fateh Maidan Road, Basheerbagh, Hyderabad 500004 and Corporate Office at APIIC Towers, Plot No.1, IT Parks, Mangalagiri, Guntur District – 522 503, Andhra Pradesh, India (hereinafter referred to as the 'LESSOR represented by _____ aged about years, the Zonal Manager, _____ Zone, APIIC, which expression, unless repugnant to the context or meaning thereof, will include its successors and assigns.

AND

i) For Proprietary concern

Mr. _____ (Aadhar _____) Son of _____ / _____ wife of _____ aged about _____ Years and Resident of carrying the business as proprietor under the name and the style of M/s. _____ at _____ here-in-after referred to as the 'LESSEE'.

ii) For Partnership concern

M/s. _____ (PAN _____) a partnership concern as per partnership dt: _____ registered under partnership Act with the Registrar of Firms vide No. _____ carrying the business under co-partnership with the following partners.

- i. Sri. _____ (Aadhar _____) Son of wife of _____ aged about _____ R/o. _____
- ii. Sri _____ (Aadhar _____) Son of / wife of _____ aged about _____ R/o. _____

iii) For Limited Liability Partnership concern

M/s. _____ LLP (CIN _____) (PAN _____) a Limited Liability Partnership incorporated under the Limited Liability Partnerships Act 2012, and having its registered office at hereinafter referred to as the 'LESSEE' represented by its Designated Partner Mr. _____ (Aadhar _____) S/o. _____ aged about _____ years resident of _____, Authorized signatory, as per the Resolution passed by the

Meeting of Partners Dt. , (which expression unless repugnant to the context or meaning thereof, shall include its successors and assigns).

IV For Public/Private Limited companies

M/s. _____ (CIN _____) (PAN _____) a company incorporated under companies Act 1956, and having its registered office at _____ here in after referred to as the 'LESSEE' represented by its _____ (DIN _____) (Aadhar No. _____) S/o. _____ aged about ____ years resident of Flat No. _____, Authorized signatory as per the Resolution passed by the Board of Directors Dt. _____ (Which expression unless repugnant to the context or meaning thereof, shall includes its successors and assigns).

WHEREAS Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) was incorporated on 26th September, 1973 and is a wholly owned undertaking of Government of Andhra Pradesh, formed with the objective of providing industrial infrastructure through the development of Industrial areas/ Industrial Parks. The Corporation also functions as a Nodal Agency for Government Sponsored schemes like Growth Centers, Export Promotion Industrial Parks, Integrated Infrastructure Development Centers.

The LESSEE is an entrepreneur who with an intention to start a new manufacturing/processing/service unit or facility has made an application to APIIC for allotment of piece of industrial plot/ Land for the said purpose. The LESSEE has also submitted a Detailed Project Report (DPR)/Project Report along with Application. After due evaluation of the said DPR/Project Report and relying on the promise of the LESSEE to implement the project as per the DPR and in accordance with the terms and conditions stipulated, the LESSOR has agreed to allot the subject plot or land to the LESSEE subject to the terms and conditions specified.

WHEREAS, upon the application of the LESSEE, the LESSOR has allotted the industrial land / Plot bearing No. _____ admeasuring _____ Sq. Mtrs (or) _____ Sq. yards situated at Industrial Park / Industrial Development Park / Mega Industrial Park _____ on LEASE **basis** on 'as is where is basis', which land/plot is more fully described in the Schedule here in under, as per Provisional Allotment order Lr. No. _____ Dt: _____ and Final Allotment Lr. No. _____, Dt. _____ of the Zonal Manager, APIIC, _____ on the terms and conditions stipulated in the allotment letters and this deed. The LESSEE shall pay an amount equal to Rs. _____ /- @ Rs _____ per square meter totaling to Rs. _____ (Rs. In words) as the allotment price for the allotment of the subject land/ plot, **on lease** basis in the manner described here in under.

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WHEREAS the vacant possession of the above mentioned Scheduled industrial Plot / land will be handed over to the LESSEE separately.

And WHEREAS it has been agreed by and between the LESSOR and LESSEE here to, that the stamp duty and registration charges, if any, for registration of this document shall be borne and paid by the LESSEE. The GST as applicable shall be borne and paid by the LESSEE.

NOW THIS DEED **OF LEASE** WITNESSETH AS FOLLOWS:

1. That the LESSEE has paid the _____ % (either 100%, 75%, 50%, 25%) out of the allotment price of Rs. _____ for the plot/land, as advance land cost, which is totalling to Rs. _____ (Rs. _____) and the balance land cost (payable as below), for the allotment of land on LEASE basis, for a period of 33 years commencing from the date of execution of this LEASE deed and on the terms and conditions herein stipulated.

a. **For Land upto 1 acre :**

The balance land cost i.e **50%** totaling to Rs. _____ along-with **9% interest per annum** on the balance amount from the date of handing over of the possession of land, shall be paid by LESSEE to the LESSOR, after the Date of Commercial Production (DCP) or the stipulated time line for implementation of project, whichever is earlier.

b. **For Land above 1 acre :**

The balance land cost i.e **50% or 25%** totaling to Rs. _____ shall be paid by the LESSEE to the LESSOR over a period of **4/6 years** at the rate of _____ % of allotment price per year, after the Date of Commercial Production (DCP) or the stipulated time line for implementation of project whichever is earlier.

- c. That in both the above cases of allotment of Land, where the allottee belongs to SC/ST, the balance land cost i.e **75%** totaling to Rs _____ shall be paid by the LESSEE to the LESSOR in 8 equal annual installments along with **8% interest**

per annum after the Date of Commercial Production (DCP) or the stipulated time line for implementation of project whichever is earlier.

- d. **The parties to this deed expressly agreed that** the date and time is the essence of this deed.
 - e. It is agreed and understood that the LESSEE shall be bound to pay the interest as stated above and the LESSOR shall be entitled to collect/ recover the same, from the LESSEE on the entire dues i.e balance land cost un-till the amount is totally cleared. The LESSOR shall be entitled to recover the dues from the LESSOR in accordance with law.
2. That the LESSEE shall also pay to the LESSOR, an Annual LEASE Rental of Rs.1,000/- per acre or part thereof upto a maximum of Rs 10,000/- per unit along with applicable taxes thereon. The amount shall be paid at the commencement of each succeeding year, not later than **31st March** of such year. The payment of the Annual LEASE Rental shall commence from the date of execution of this LEASE deed.
 3. That the LESSEE shall also pay to the LESSOR **Annual Maintenance Charges** as follows:
 - a. maintenance charges calculated **@ Rs 1/- Per Sq. Mtr Per Annum**. This amount is to be paid at the commencement of each succeeding year not later than 31st March of such year.
 - b. PF & IC is having rights to revise the maintenance charges for industrial and commercial units keeping in view annual maintenance of the park from time to time.
 - c. Additionally, the PF&IC will also decide the charges to be levied on common facilities such as CETPs, WTPs, ETPs etc. in addition to the regular park maintenance charges paid.
 4. It is agreed and understood that the Scheduled land/plot has been allotted to the LESSEE by LESSOR for setting up of unit of _____ and the same falls in Micro / Small / Medium Enterprises, Large Projects/Mega Projects of the APIIC Allotment Regulations-2020/AP Industrial policy 2020-23. The LESSEE shall implement the project as per the DPR/Project Report and commence commercial production within **2/3 years** from the date of handing over possession of the Scheduled Plot

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/Land. On implementation of the unit and commencement of commercial production, the LESSEE should submit date of commencement of production (DCP) certificate issued by the concerned General Manager, DIC, _____, as per Clause No. 27 of Allotment Regulation 2020.

5. That this "LEASE Deed" is being given to the LESSEE for implementation of the **Industrial** project as per approved DPR/Project Report. The project implementation period mentioned above shall be adhered to **strictly and** scrupulously, however in the event of delay in completion of the project by the LESSEE, the period of implementation may be extended, where the LESSEE has complied the conditions as specified in Clause 18 of the Allotment Regulations, 2020, for such extension of time.
6. **SUPER ADDED CONDITION: The lessee do hereby agreed that** If within the period mentioned above at Clause 4 **or in accordance with** the extended time under Clause 5, from the date of taking possession of the plot/land the project is not implemented the allotment made, shall stand automatically cancelled and **the transfer of lease created herein shall cease to exist and** the Corporation shall **retain the absolute** right to resume possession of the subject plot/land without any further notice.
7. After implementation of the Project, as per the Detailed Project Report/Project Report and after 10 (Ten) years of continuous successful operation, from the Date of Commercial Production (DCP) and if the LESSEE has paid to the LESSOR, all the dues including any interest, arising out of this LEASE deed, the LESSEE may opt to :
 - a. Buy the Scheduled Property, subject to payment of an additional cost of 20% of the Allotment Price, as buy-out premium for the Scheduled Property
(or)
 - b. get extension of the LEASE period i.e. the LEASE period will be extended upto 99 (Ninety Nine) years without any additional amount, on the same terms and conditions of this LEASE Deed Commencement of the LEASE

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period for such extension will be reckoned from the date of execution of this LEASE Deed.

i. Provided in case of allotment of land made as Land Acquisition for others/ as undeveloped land, sale deed on buyout or extension of LEASE period shall be executed only subject to settlement of claims filed by Pattadars in courts for enhancement of compensation under Land Acquisition Act and after complying with conditions like payment of entire LEASE consideration along with other dues if any. These cases arise, where the corporation acquires and allots the land for large projects/developers and/or on the directions of the government.

8. Appropriate stamp duty & registration fee for the execution and registration of the necessary DEED as per Clause 6 above, on that date shall be borne by the LESSEE and the LESSEE shall also pay the applicable GST for the purpose.
9. The LEASE of the industrial plot shall at no point create any ownership rights in favor of the LESSEE and the ownership of the land shall remain with the LESSOR except for considering the buy-out in accordance with the terms and conditions prescribed herein.
10. The schedule land / plot shall not be transferred or conveyed to any other entity/ person(s) or otherwise dealt or disposed / sub-divided before or during the implementation of the Project, without prior written approval of the LESSOR, on payment of such process fees and on such terms and conditions as may be specified by the LESSOR. The decision of the LESSOR is final and binding on the LESSEE.
11. If the LESSEE commits breach of any conditions, this allotment of land on LEASE shall stand cancelled and the LEASE DEED **SHALL** be terminated without any notice there upon and in such an event the LESSEE shall be treated as an

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encroacher and trespasser and shall also be liable for civil and criminal actions in accordance with the situation and as per law and the costs and incidental there upon shall be collected from the lessee.

12. The LESSOR has a right to cancel the LEASE whenever, it is found that the land is not utilized by the LESSEE for the purpose for which it was allotted or where the LESSEE fails to implement the project within the stipulated time. Consequent upon such cancellation, LESSOR shall retain its absolute right, for which the LESSEE also agrees for re-allotment of the subject land to any needy entrepreneur.

13. The LESSEE shall not directly or indirectly transfer, assign, sell, encumber, sub-lease or part with his/its interest in its business in schedule plot/land either in part or in whole in any manner whatsoever, or subject it to, under let or part with the possession of the schedule land and buildings without obtaining prior written approval from LESSOR at any time during the LEASE period.

14. The LESSEE do hereby expressly undertake / agree to abide the Allotment Regulations 2020 and also abide to any other terms & conditions as communicated by the LESSOR from time to time. In case any question arises on any interpretation on the Allotment Regulations-2020 and aforesaid Policy, the decision of the LESSOR shall be final and binding on the LESSEE.

15. The LESSEE agrees and assures that it will not seek for buyout (or) for extension of LEASE period, until project is implementation and 10 years continuous successful operation as detailed above and more specifically in Clause 6 above. The LESSEE expressly agrees, that the LESSOR shall have the sole authority to decide the eligibility of the LESSEE for buyout option (or) extension of LEASE period up to 99 (Ninety-Nine) years and it may satisfy itself by verification or by obtaining necessary documents from the LESSEE. It is incumbent upon the LESSEE to take steps for completing the buyout procedure (or) extension of LEASE period and for registration of the required document (s), strictly within one month of such intimation of the eligibility, by the LESSOR to the LESSEE.

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16.

- a) The LESSEE, may mortgage the schedule property, only after obtaining **No Objection Certificate (NOC)** from APIIC to avail loan only for construction of factory building and for establishment of plant and machinery for the purpose of the project implementation from reputed financial institutions/scheduled banks.

Provided the lessee also do here by expressly agrees that, in case LESSEE defaults in payment to financial institutions and such financial institution intends for recovery of its dues, APIIC reserves the right to determine the LEASE, after giving notice/ may permit transfer of LEASE-hold rights in favour of the auction purchaser recommended by the financial institution(s), on payment of the balance dues along with any interest accrued to LESSOR under this LEASE deed. The plot will be available for its intended use only i.e industrial purposes and the new LESSEE can setup and run his unit after seeking all necessary approvals.

- b) Financial institutions include all banks and financial institutions approved by Govt. of India.
- c) That the LESSEE undertakes to inform the LESSOR the details of finance(s) raised from time to time (quarterly) till the loan(s) is/are repaid to the financial agencies.
- d) That the financial agency which finances to the LESSEE on the Security of the property, shall provide the loan only for the project implementation and also inform the LESSOR, the details of finance(s) from time to time at least quarterly, till the loan(s) is/are repaid by the LESSEE and also comply the terms & conditions of NOC, issued by the LESSOR on the request of the LESSEE and the concerned Financing Institution.
- e) If the LESSEE fails to comply with any of the terms and conditions of the allotment order or of this LEASE deed, the NOC issued by the LESSOR in favor

of the LESSEE for mortgaging the LEASE hold rights with the Financial Institutions/Banks shall stand cancelled and a copy of the notice **to that effect** shall be Communicated to the Financial Institutions.

17. The LESSEE undertakes and agrees to pay the LESSOR proportionate to the property allotted to the LESSEE any further amount in case the LESSOR is finally obliged to pay any higher sum towards development charges and/or enhanced compensation towards the cost of acquisition of the land /enhancement in cost of the land as result of orders of the Hon'ble Court orders.
18. The LESSEE shall pay the charges for various servicing and common facilities and also for up-keep and maintenance of roads, water supply, drainage, sewage disposal, street lighting and alike.
19. The LESSEE shall pay charges/taxes for supply of water, electricity and other services to the administration or some other agency as the case may be and as determined later within stipulated time, failure in respect of which would entitle the services being disconnected.
20. The LESSEE shall bear, pay and discharge all existing and future amounts, duties, imposing and outgoing of whatsoever taxes imposed or charged upon the premises or upon the occupier in respect thereof from the date.
21. The LESSEE shall always maintain the characteristics and homogeneity of the Industrial Park (if the land/plot is part of Industrial Park/Industrial Estate) and should not be altered with or tampered.
22. 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.

23. The LESSEE shall insure all the fixed assets in the plot and renew the insurance periodically.
24. During the period of LEASE, the LESSEE at its expense will keep the buildings, premises and other structures built on the Scheduled Property clean, free from defect and in good condition.
25. The LESSEE shall not dump debris or any waste harmful or harmless materials within Industrial Park.
26. That it is agreed and undertaken by the LESSEE as under.
- a.** That the LESSEE shall use the Scheduled land/plot only for setting up of an industry for _____, as per the DPR/ Project report within the stipulated period as specified in sub-clause (c) below and for no other purpose. The LESSEE agrees that it shall not construct or build any structure or building other than the factory building (s) without the prior permission in writing from the LESSOR.
- b.** The LESSEE expressly agrees and undertakes that the Scheduled Property shall be utilized exclusively for the purpose set-forth in the allotment proposal and as per the DPR and shall not be utilized for any other purpose. Further no change shall be made without the written approval of the LESSOR. Any such deviation of utilization of the land / plot allotted without the approval of the lessor is deemed to be violation / breach of the covenants of this deed.
- c.** The LESSEE shall within 6 (six) months of being put in possession of the said plot/land commence construction of factory buildings after securing necessary clearances and approvals from the competent authorities, like building plan approvals, filing application with APTRANSCO, other permissions/clearances etc. The LESSEE shall go in to commercial production duly erecting machinery and obtaining regular power supply connection within 24 (Twenty-Four) months for lands allotment up to 1 acre and within 36 (Thirty-Six) months where allotted land is above 1 acre, of being put in possession of the schedule plot /land.

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- d.** That as and when the schedule property i.e plot/land/shed is no longer required by the LESSEE for the aforesaid purpose for which it is allotted, the LESSEE shall forthwith relinquish and restore the land in favour of the LESSOR so as to enable utilization by allotment to needy entrepreneurs.
- e.** It is agreed and understood that in the event of cancellation of allotment and resumption of the schedule property for violation of the terms and conditions of allotment and/or the LEASE deed, the land cost will be forfeited for the units , as per the Clause 21 of APIIC Land Allotment Regulation 2020.
- f.** No interest will be paid to the LESSEE on the eligible refundable amounts, and penalties, surcharges etc., are not refundable. If there are any buildings on the Scheduled land other than shed/land, the LESSOR may at its option either refund the cost as assessed by it after the assessed cost is collected from the incoming party or otherwise direct the LESSEE to remove the buildings at their/its own cost within such time as may be allowed by the LESSOR.
- g.** No amount will be refundable on the expiry of the period of LEASE i.e LEASE period and the ownership of the land/plot shall vest with the LESSOR on expiry of the LEASE period. On the termination/surrender/expiry of the LEASE period, the LESSEE shall have no right or claim **whatsoever** on the schedule property and the LESSEE shall peacefully quit the schedule property and deliver vacant possession to the LESSOR, duly removing the factory building, structures and fixtures without damaging the common amenities within the stipulated time. The forfeiture clauses of the Allotment Regulations 2020 shall *mutatis-mutandis* be applicable to this LEASE.
- h.** To keep the buildings and all additions there to and boundary walls thereof and the drains, soil and other pipes and sanitary and water apparatus thereof in good condition.
- i.** Not to make or permit any alterations or additions to the approved building including digging any open wells/sinking a bore well or excavating sub-soil for any other purpose without obtaining the previous consent in writing of the LESSOR or cause any injury to the walls and fittings thereof.
- j.** Not to permit any LEASE by auction upon the premises or suffer the premises to be used in such a way as to cause nuisance or annoyance or inconvenience to the occupiers of the said area.

- k.** To permit the LESSOR or their agents or officers with or without workmen at all reasonable times to enter upon the premises to inspect the conditions thereof upon notice given by the LESSOR to effect repairs in accordance with such notice at the cost of the LESSEE.
- l.** Not to transfer or change the ownership/constitution of the business relating to the unit without obtaining specific permission in writing from the LESSOR.
- m.** To allow the LESSOR to recover the amounts in any way recoverable by it from the LESSEE as per law in force at that point of time.
- n.** That the LESSOR is competent to enforce the compliance with all the rules, regulations and the provisions of any other Act in force in respect of the working of the buildings as factory shed established and the LESSEE shall be responsible for complying at their costs with all instructions issued from time to time in this regard.
- o.** That the LESSEE or any persons engaged by them will have reasonable access to all common services and common facilities, if provided in the Industrial area and the LESSEE shall make good any loss due to misuse or damage caused to the properties of the LESSOR and such common services and facilities (if provided in the industrial park/estate) by persons engaged directly or indirectly in running the unit as may be decided by the LESSOR.
- p.** That if the LESSEE commits breach of any of the covenants herein contained, the allotment stands cancelled and this DEED shall stand determined without any notice thereupon and the LESSEE will be treated as an encroacher and a trespasser, who will have no right whatsoever in the Schedule Property under these presents and it shall be lawful for the LESSOR to re-enter upon the said land and resume possession thereof and also of the buildings standing thereon, in such an event the transfer made in favour of the LESSEE under these presents shall become void and all rights of the LESSEE in the Schedule Property under this DEED and any building thereon shall at once cease and determined and the LESSEE do hereby irrevocably authorize the LESSOR to execute and register/present for registration all or any such documents as may be essential for confirmation of such cancellation/determination of the lease by the LESSOR without the requirement of the presence of the LESSEE for such execution /registration of cancellation deed.
- q.** The LESSOR which is a Local Authority in respect of the Notified Industrial Areas has been collecting property tax, advertisement tax, granting building

permits, permissions for installation of plant and machinery etc.,. And that the LESSEE hereby undertakes to be a member of the service society formed by the rate payers of the Notified Industrial Areas which acts as a Nodal Agency for proper and better maintenance of the Notified Industrial Areas by the LESSOR.

r. Wherever applicable implementation of the project subject to in terms of Andhra Pradesh Pollution Control Board (APPCB) norms, and wherever the Common Effluent Treatment Plant (CETP) established by the approved Third Party or LESSOR and for the facility being utilized the LESSEE, the LESSEE shall pay the user charges /maintenance charges as fixed and communicated by the LESSOR from time to time.

s. That the LESSEE shall abide by any other terms and conditions as may be imposed in course of time by the LESSOR.

27. All the cost and expenses and incidental to the preparation, execution and registration of this DEED of LEASE shall be paid by the LESSEE.

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

29. This LEASE deed shall be subject to the applicable laws of India and the courts in the place where the Corporate Office of the LESSOR is located at the time of filing the case, shall have exclusive Jurisdiction. All the correspondence shall be made in the name of Vice Chairman and Managing Director with a copy to CGM (AM) and concerned Zonal Manager of the LESSOR.

30. The signatories to this LEASE deed personally covenant that they are duly authorized to execute this LEASE deed on behalf of the respective party whom they represent.

IN WITNESS WHEREOF the seal of LESSOR and LESSEE, both hereunto be affixed respectively and indenture executed for and on behalf of LESSOR represented by the Zonal Manager, _____ of Andhra Pradesh Industrial Infrastructure Corporation Limited

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and LESSEE represented by its _____ M/s. _____ above
written hereunto set the hand on the day and year first.

SCHEDULE ABOVE REFERRED TO

District: _____ Mandal: _____

Village: _____ Panchayat: _____

Plot No. _____ measuring _____ Sq. Meters (or) _____ Sq. Yards (or)
Acs. _____ situated at Industrial Park, _____ in Survey Nos. _____
is bounded by:

NORTH :

SOUTH :

EAST :

WEST :

For and on behalf of LESSOR

Witnesses: _____ stamp / seal

1)

2)

For and on behalf of LESSEE

Witnesses: _____ stamp / seal

1)

2)