

Draft Land Lease Agreement for
Grid Connected
Solar Photo Voltaic Projects
Of
National Solar Mission
For
Dholera SIR Ultra Mega Solar Park
(5000MW)
(PHASE I – 1000 MW)
in
Gujarat

ISSUED BY

Gujarat Power Corporation Limited
Block No. 6/8, Sixth floor, Udyog Bhavan, Sector-11, Gandhinagar, Gujarat –
382011

Date : 16-1-2019

Land Lease Agreement

By And Between

Gujarat Power Corporation Limited

And

----- **(Name of the Solar Project Developer)**

This Land Lease Agreement is executed on this the ----- day of ----- 2019 at Gandhinagar.

Between

M/s Gujarat Power Corporation Limited, a company incorporated under the Companies Act, 2013 having its registered office **Block No. 6/8, Sixth floor, Udyog Bhavan, Sector-11, Gandhinagar, Gujarat – 382011**, (CIN NO.) India, (herein after referred to as '**Lessor**'), which expression shall unless repugnant to the context or meaning thereof, includes its successors-in-office, administrators and permitted assignees of the First Part

AND

_____, a Company registered under the provisions of the Companies Act, 1956 or 2013 and having its registered office at _____ (CIN NO)__ (hereinafter referred as "**Lessee**") which expression shall unless be repugnant to the context or meaning thereof includes its successors-in-office, administrators and permitted assignees of the Other Part

GPCL and Lessee are hereinafter referred to individually as the "Party" and collectively as "Parties".

RECITALS

- a. Whereas, Gujarat Power Corporation Limited (**GPCL**) was incorporated in the year _____ under the Companies Act, 1956 with an objective to plan, develop and operate solar parks in the State of Gujarat to promote clean and renewable energy source i.e. Solar Power Generation .
- b. Whereas, GPCL has been designated as Solar Power Park Developer (SPPD) for facilitation and implementation of the Dholera SIR Ultra Mega

Solar Park (5000 MW) to be developed at Dholera SIR region Dholera/Mahadevgadh Village of Ahmedabad District of Gujarat under National Solar Mission, by MNRE vide its guidelines for Development of Solar Parks issued in June 2015. As part of its functions, GPCL facilitates setting up of power projects by public/private developers in the State of Gujarat. **“GPCL” here in after referred to as the “Lessor”**.

- c. Whereas ----- (Name of **Lessee**), a Solar Power Developer has been selected through competitive bidding vide Lr. No. ----- to develop a ----- MW Solar Power Project at Dholera SIR Ultra Mega Solar Park (Phase – I) and requested for allotment of land vide Lr. No. ----- dated -----.
- d. Whereas, **Lessor**, as part of Solar Park development, will identify and acquire land required and allot land to the private Developers as per MNRE guidelines at the rate of 1.8 Hectares per MW (4.5 acres per MW) for setting up solar power projects on lease basis for a period of 25 years. **Lessor** will also develop common infrastructure in the Solar Park like Internal Transmission System, Water Supply, Road Connectivity, Drainage System, Solar and Weather Stations, Street Lighting etc.
- e. Whereas, for the purpose of setting up Dholera SIR Ultra Mega Solar Park (Phase – I 1000 MW), **Lessor** has been allotted all pieces and parcels of land bearing Survey Nos. etc. of _____ Village of _____ Taluka _____ District -. **Lessor** as such has absolutely seized, possessed and is sufficiently entitled to the Land;
- f. Whereas, **Lessor** has allotted the land to the **Lessees** who are selected through the bidding process conducted by **GUVNL** through **RfS No. GUVNL / _____ dated _____ for Dholera SIR UMSPP in Gujarat”**. The land allotted to the **Lessee** is described in Schedule written hereunder (hereinafter referred to as the “Land”).
- g. **Lessor** and **Lessee** wish to enter into this Land Lease Agreement for the lease of the land for use by **Lessee** to build and operate a ----- MW (AC) Solar Power Project and related activities pursuant to the Power Purchase Agreement (“**PPA**”) executed between **GUVNL** and the **Lessee**----- (Company) on date -----.

NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the Parties hereby agree as follows:

1) **Extent of Land:**

Lessor hereby agrees to lease ----- Ha (approx) of land described in the Schedule to the **Lessee** for implementation of MWp SPV Power

Project at Dholera SIR Ultra Mega Solar Park (5000 MW), in Ahmedabad District of State of Gujarat

2) Lease Period

This Land Lease Agreement shall be for useful life of the plant i.e. 25 years from the date of scheduled commercial operation (SCOD) of the project with provision for further extension on terms and conditions mutually agreed upon by both the parties in writing. In case of termination of existing PPA and/ or Implementation & Support Agreement due to any reason thereof, this Agreement stands terminated automatically.

3) Handing over of Land

Lessor on execution of the agreement will deliver vacant possession of above mentioned land free from all encumbrances to the **Lessee** within 15 days from the date of signing of the agreement or signing of Implementation and Support Agreement whichever is later.

4) Payment Terms & Conditions:

- 4.1 The Lessee shall have to pay or reimburse to SPIA (GPCL) (Lessor) Annual Lease Rent of Rs.10000 (Rupees fifteen thousand only) per Ha for the year 2018-19. There shall be 15% increment in every three years, as to be decided by DSIRA, from time to time
- 4.2 Land Lease Rate mention above is basic rate and exclusive of any taxes, GST, cess or other govt. Charges.
- 4.3 Lease rent for the entire solar park shall be paid by GPCL to DSIRA. Subsequently Lease Rent Shall be levied based on pro-rata of Land Allocation , irrespective of actual utilisation of land,
- 4.4 **Lessor** shall provide for the land physically handed over to Lessee's possession free of any encumbrances, for implementation of MWp SPV based Power Project at Dholera SIR Ultra Mega Solar Park (5000 MW), in Ahmedabad District of State of .Gujarat
- 4.5 Annual lease rent for the first financial year shall be payable on prorata basis on or before signing of this agreement. For subsequent period, lease rent shall be payable on or before 30th April at the beginning of each financial year. Service tax and all other taxes, duties, cess and other Government levies applicable on such transaction shall be reimbursed to the SPPD by the SPD within 15 days from the date of issue of bill by SPPD.
- 4.6 Lease rent shall be levied from the date as mentioned in ISA
- 4.7 GPCL shall levy administrative Charges towards lease rent as mentioned in ISA executed between SPD and GPCL

4.8 Taxes & Duties

Lessee shall be responsible for payment of GST all Taxes, cess & Duties etc arising from Lessee's operation of the power plant.

4.9 Penalty for Delayed Payment

If payment of annual lease rent or any other supplementary bill in respect of tax etc is delayed beyond their due date, Lessee shall pay Delay interest and Penal Interest at the rate mentioned in SCHEDULE B of ISA .

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5) - Payment Security Mechanism for Lease Rent

- 5.1 GPCL shall levy delayed interest and penal interest as mentioned in SCHEDULE B for any delay in payment of O&M OF CIFSP and other charges
- 5.2 GPCL shall have right to recover, any due amount towards above charges or claim, from Monthly Energy Bill claimed by SPD to GUVNL
- 5.3 For the substantial Delay in payment or non payment of dues despite of all efforts, GPCL shall have right to cancel this agreement and/or ISA or any other agreement,
- 5.4 For the substantial Delay in payment or non payment of dues despite of all efforts, GPCL shall have right to recommend GUVNL to cancel the PPA.

6) Right to regulate the common facilities

In case of default of payment, in addition to above, Lessor shall have the right to regulate the common facilities offered to the Lessee by giving one month advance notice in writing, notwithstanding the rights accrued under the Land Lease Agreement.

7) Other Terms & Conditions of Lease

- 7.1 That the Lessor shall handover vacant possession of the Scheduled Property to the Lessee situated at Dholera Village of Ahmedabad District, Gujarat.
- 7.2 That the Lessee shall acknowledge and confirm that it has been handed over unrestricted, absolute, vacant and peaceful physical possession of the Scheduled Property, on an exclusive basis by the Lessor.
- 7.3 That the Lessee shall use the Scheduled Property for Solar power project only and shall not use or sub-lease this lease except for the said purpose mentioned under this Land Lease Agreement.
- 7.4 That the Lessee shall not use or allow to be used the land/or the structure thereon or any part thereof for any purpose other than Solar power generation or activities connected or incidental thereto.

- 7.5 That the Lessee shall provide the required fire-fighting and emergency arrangements as per the requirements of such power plants/facilities/buildings.
- 7.6 That the Lessee shall ensure that the usage of land/or the structure thereon or any part thereof and any alterations/additions to buildings/structures will not create problems to neighbouring solar power plants.
- 7.7 That the Lessee shall comply with all the statutory requirements of Central/State Govt. agencies required for erection and successful commercial operation of the solar power project.
- 7.8 That the Lessee shall be entitled to use the Scheduled property for establishment of --- MWp Capacity Solar Power Project and carry on the activity of electricity generation from such Solar Power Project. The Lessee shall have the sole and exclusive ownership to anything installed (movable or fixed) on the Scheduled Property during the tenure of the lease).
- 7.9 That the Lessee hereby agrees that they shall not do any act, which is destructive or permanently injurious to the Scheduled Property and degrades its commercial value.
- 7.10 That the Lessee agree to maintain the said Scheduled Property in a clean and sanitary condition to the satisfaction of the Lessor and shall also maintain the structures, if any, erected thereon as aforesaid, in good, and substantial repair to the satisfaction of Lessor. That throughout the term the Lessee shall at its own expense pave, clean usual and necessary internal and external painting, colour and white washing to the satisfaction of the Lessor, the Plant and the drains, compound walls and fences thereunto belonging and all fixtures and additions thereto standing on the scheduled premises.
- 7.11 That the Lessee shall obtain permit of the authorised officials of **Lessor** at all times to enter upon the scheduled Property aforesaid to view the condition and state thereof.
- 7.12 That the Lessor reserves to themselves the right to all trees and their branches and roots which exist at the time of lease as well as those which may grow subsequently on the lands leased and the Lessor shall be at liberty to cut or dig out any such trees or their roots and branches and remove them from the land in question, be entitled to cut or remove them or cause them to be cut or removed. However, such activities shall be carried out by the authorized

officials of the Lessor without affecting the work/project and other interests of the Lessee.

- 7.13 That the Lessee may uproot, cut down or destroy such trees, plants, groves, or bushes which, in the opinion of the Lessor, is necessary to uproot, cut down or destroy to make the land fit for the purpose of erection of Solar power project and infrastructure development such as road for same and may take them free of charges and dispose of them in any manner he likes. The Lessee may level the ground by removing embanked pathways and filling up low-lying places on the land so as to make the ground fit for the purpose of establishment of solar power project and infrastructure development such as road for same and cut the grass thereon and dispose of the same in manner he likes and do any work on the land which, in the opinion of the Lessor, is necessary for such purposes.
- 7.14 That the Lessee shall follow the instructions given by the competent authority/ Revenue Department/ Lessor from time to time.
- 7.15 That the Lessee shall supply to the Lessor, a copy of the Annual Audit Report pertaining to the accounting year within six months from the expiry of the accounting year.
- 7.16 That the Lessee shall no transfer, assign, let, underlet, sublet, license, mortgage, charge, encumber or part with the possession of the said Land or any part thereof or any interest therein without the prior permission of the Lessor.
- 7.17 That the Lessee will not give effect to any change in the constitution of its shareholders and/ or their respective shareholdings without obtaining prior permission of Lessor.
- 7.18 The Lessor may at any time and from time to time alter layout, building conditions, general solar park regulations and other conditions to the other parts of the solar park of the Lessor of the said land forms part and the Lessee shall have no right to require the enforcement thereof or any of them at any time against the Lessor or/and person claiming under the Lessor.
- 7.19 Not claim any relief and/or compensation whatsoever from the Lessor for delay in providing any or all infrastructure facilities, as the Lessee is aware that at present infrastructure work is in progress and accordingly infrastructure facilities shall be made available to the Lessee by the Lessor only once the construction/acquisition of the same are completed and the Lessor has the full right and authority to decide upon the which of the infrastructure facilities are to be constructed/acquired and determine the timelines for the same.
- 7.20 To construct, maintain and keep in repair all drains, sewers and gutters on and from the Demised Premises and shall lead and connect all such drains into drains or sewers provided by appropriate authorities and at all times

comply with the rules/directives of the local authority and GPCB and the Environment (Protection) Act, 1986 as amended from time to time. The Lessee shall be solely responsible for compliance and non-compliance of all State and Central Government laws, rules and regulations related to soil/earth, water, air and noise pollution.

- 7.21 During the term of the lease, the Lessee shall keep the buildings, structures and the Plant which may be erected on the Demised Premises (excluding foundation and plinth) insured in the name of Lessee against any loss or damage by fire and any other natural calamities and accidents in a sum equivalent to the cost of the buildings, structures and the Plant (excluding foundations and plinths) with one or more reputed insurance companies registered with the Insurance Regulatory and Development Authority of India. The Insurance Policy shall remain in the possession of the Lessee but the Insurance Policy and the premium receipts shall be produced for inspection of the Lessor whenever required and the Lessee shall submit photocopies thereof to the Lessor for its records. In the event of destruction or damage by fire or any other natural calamities or accident, the Lessee shall utilise the moneys received under the insurance policy in rebuilding, reinstating and repairing the Plant and all the buildings and structures standing on the Demised Premises prior to such fire and/or natural calamity and/or accident and shall pay out of the Lessee's own money any deficiency or the whole as the case may be to make up the costs of the required works.
- 7.22 the Lessor shall have the absolute right at any time and from time to time alter/modify the layout, building conditions, general solar park regulations and other conditions to the other parts of the solar park of the Lessor of which the Demised Premises forms part and the Lessee shall have no right to object and/or question the same.

8) **Mortgage**

For the purpose of constructing the Plant on the Demised Premises, if the **Lessee** intends to obtain loan from a bank or other financial institutions by mortgaging their lease hold interest in the Demised Premises in favour of such bank or institution, prior permission of **Lessor** shall be obtained. However such mortgage shall not affect the rights and powers of **Lessor** under this Agreement.

- 9) The Lease period of 25 years as provided herein may be extended for such number of years on such terms and conditions as may be mutually agreed between the Lessor and Lessee and as per the applicable guidelines of the Government of Gujarat

- 10) At the end of the project life and the lease period or extended lease period as the case may be, and at the time of handing over of the land to the **Lessor**, the Lessee must be entitled to dismantle the project with a compliance to relevant act/law and retain for itself the salvage value thereof.
- 11) At the end of the project life or interim termination of project, Lessee must vacate the land and give possession of land free from all encumbrances, if any, existing on the land as well as free from all environmental harmful pollutant.

12) **Termination**

Provided always that, if there be any breach of any of the terms and conditions and covenants herein contained on the part of the Lessee, **Lessor** shall have the right to re-enter in to the possession of the demised land or any part thereof. Provided that **Lessor** shall not exercise such right without serving the **Lessee** a notice in writing giving three months time to remedy the breach.

13) In the event of termination of the Lease, Lessee shall, within 60 business days following the termination date, remove all property and fixtures belonging to Lessee from the site, duly make payment of compensation equivalent to Annual Lease Rent for subsequent financial year along-with applicable taxes to lender. If the Lessee fails to remove the fixtures or buildings etc even after the notice by Lessor to do so, such buildings, structures etc. Shall vest with the Lessor and liable to be removed at the risk and cost of Lessee.

14) **Dispute Resolution**

14.1 **Amicable Settlement**

- i. Either party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this agreement ("Dispute") by giving a written notice (Dispute notice) to the other party , which shall contain:
- (a) a description of the Dispute
 - (b) the grounds for such dispute; and
 - (c) All written material in support of its claim.
- ii. The other party shall, within thirty (30) days of issue of Dispute notice under
- Article (i), furnish:
- (a) counter –claim and defence , if any regarding the Dispute; and
 - (b) all written material in support of its defences and counter-claim.

- iii. Within thirty (30) days of issue of Dispute notice by any party pursuant to Article 13.1(i) if other party does not furnish an counter claim or defence under article 13.1(ii) or thirty (30) days from the date of furnishing counter claims or defence by the other party, both the parties to the dispute shall meet to such dispute amicably. If the parties fail to resolve the Dispute amicably within (30) days from the later dates mentioned in 13.2.1(iii), the dispute shall be referred for dispute resolution in accordance with Article 13.2

14.2 Dispute resolution by the Appropriate Commission

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be referred to the appropriate commission, such Dispute shall be submitted to adjudication of the State commission.

14.3 Dispute resolution through Sole Arbitrator

If any dispute, controversy or claim relating to or arising under this Agreement, and not covered in Article 13.2, such Dispute shall be referred to the Sole Arbitrator i.e., Secretary to Government of Gujarat, Energy Department, Gujarat and the award passed shall be binding on both the parties. The place of Arbitration shall be the capital city of Gujarat at the time of dispute.

14.4 Dispute resolution by the Court of Law

Any legal proceedings in respect of any matters, claims or disputes under this agreement shall be under the jurisdiction of appropriate courts situated in the state of Gujarat

15) Notice

All notices, consents and approvals to be given under this Agreement shall be in writing and signed by authorised signatories of the parties, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/facsimile/speed post of Department of Posts/ email to competent authority with an acknowledgement due to the other parties to the last known place of business.

16) Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of India.

17) Assignment

This agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by any party other than by mutual consent between the Parties to be evidenced in writing.

18) Amendments

Neither this Agreement nor any term, covenant, condition or other provisions hereof may be waived, amended, varied, modified, supplemented, discharged or terminated except by an instrument in writing, signed by a duly authorized officer on behalf of each of the Parties.

19) Execution and Registration;

This Land lease Agreement shall be prepared in duplicate in accordance to the form to be prescribed by the Lessor and all cost, charges and expenses (including the stamp duty and registration charges) payable in respect thereof and incidental for execution of the lease deed and its duplicate shall be borne and paid by the Lessee alone. This Agreement shall be registered under the provisions of the Indian Registration Act.

IN WITNESS WHEREOF the Parties hereto have executed this Land Lease Agreement as on the date written first herein above by the undersigned.

SIGNED AND DELIVERED
DELIVERED

SIGNED AND

By the "Lessor"

By the "Lessee"

Name:
Authorized Signatory

Name:
Authorized Signatory

Signed

In the presence of:

- 1.
- 2.

(Note: These are the broad parameters of Land Lease Agreement to be executed between GPCL and SPD, subject to necessary modification in final Land Lease

Agreement which would be duly stamped and signed and submitted to Land Registrar)

//SCHEDULE OF LAND//

Sl.No	District	Taluka	Village	Survey No.	Extent (Ha)
1.	Ahmedabad	Dholera	Dholera		
Total Extent (Ha)					