

Draft
Land Lease Agreement
for
Grid Connected
Solar Photo Voltaic Projects
of
750 MW (3x250) Capacity
(under open category)
at
Ananthapuramu Ultra Mega Solar Park
(1500MW)
in
Andhra Pradesh

Issued By

Andhra Pradesh Solar Power Corporation Private Limited
6-3-856/A/3, Sadat Manzil Compound, Opposite to Green Park Hotel, Neeraj Public School
Lane, Ameerpet, Hyderabad – 500016

This Land Lease Agreement is made on ----- day of -----, 2018 at Hyderabad.

By And Between

M/s Andhra Pradesh Solar Power Corporation Private Limited, a Company incorporated under the Companies Act, 2013 having its registered office at R.No.218, 2nd Floor, Vidyut Soudha, Khairatabad, Hyderabad - 500 082, Telangana, India and administrative office at 6-3-856/A/3, Sadat Manzil Compound, Opposite to Green Park Hotel, Neeraj Public School Lane, Ameerpet, Hyderabad – 500016, Telangana, India, (hereinafter 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

M/s. -----, a Company registered under the provisions of the Companies Act, 1956 or 2013 and having its registered office at ----- (hereinafter referred to as “**Lessee**” or “**SPD**”) which expression shall unless be repugnant to the context or meaning hereof be deemed to mean & include its successors in business and assigns of the Other Part

APSPCL and Lessee are hereinafter referred to individually as the “Party” and collectively as “Parties”.

RECITALS

- a. Whereas, Andhra Pradesh Solar Power Corporation Private Limited (**APSPCL**) was incorporated in the year 2014 under the Companies Act, 2013 as a Joint Venture Company between SECI (Solar Energy Corporation of India), APGENCO (Andhra Pradesh Power Generation Corporation Limited) and NREDCAP (New & Renewable Energy Development Corporation of Andhra Pradesh Limited) with an objective to plan, develop and operate solar parks in the State of Andhra Pradesh under MNRE Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects in the country, notified on 12th December 2014. Whereas, **APSPCL** has been designated as **Solar Power Park Developer (SPPD)** by MNRE for facilitation and implementation of the Ananthapuramu Ultra Mega Solar Park (1500 MW) to be developed at N.P.Kunta Mandal of Ananthapuramu District and Galiveedu Mandal of Kadapa District of Andhra Pradesh.
- b. Whereas NTPC Limited (hereinafter referred to as ‘**NTPC**’), A Maharatna Company, is India’s largest power generating company and has proposed to establish 750 MW Capacity Solar Photo Voltaic Project in Phase-II at Ananthapuramu Ultra Mega Solar Park (1500 MW) sanctioned by MNRE.

- c. Whereas, NTPC has issued Request for Selection (RfS) No. RE-CS-0000-BOO-2, Dated 09.03.2018 inviting proposals from Solar Power Developers for setting up of grid connected Solar PV Projects of 750 MW Capacity (3x250 MW) under open category under open category in Ananthapuramu Ultra Mega Solar Park (1500 MW) at N.P. Kunta Mandal of Ananthapuramu District of Andhra Pradesh.
- d. Whereas, NTPC has selected M/s. ----- for establishment of ----- MW Solar Power Project at under open category in Ananthapuramu Ultra Mega Solar Park (1500 MW), at N.P. Kunta Mandal of Ananthapuramu District of Andhra Pradesh and issued Letter of Intent vide ----- and signed Power Purchase Agreement (PPA) with the SPD on ----- for purchase of solar power selected for a period of 25 years based on the terms, conditions and provisions of the RfS.
- e. 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 2 Hectares per MW (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, Weather Stations and Street Lighting.
- f. Whereas District Revenue Department of Ananthapuramu District, Govt. of Andhra Pradesh has handed over Government and Assigned land covered in Survey Nos. 679, 700, 840, 841, 970 etc of N.P. Kunta Village and Survey Nos. 539, 843, 940, 1029 etc of P. Kothapalli Village in NP Kunta Mandal of Ananthapuramu District of AP State to NREDCAP (New and Renewable Energy Development Corporation of Andhra Pradesh) and NREDCAP in turn has handed over the above land to APSPCL for setting up grid connected Solar PV Projects at Ananthapuramu Ultra Mega Solar Park (1500 MW). **Lessor** as such has absolutely seized, possessed and is sufficiently entitled to the Land.
- g. Whereas, **Lessor** has allotted the land in **Plot No. ---** of the Solar Park to the **Lessee** which was selected through the bidding process conducted by NTPC through (RfS) No. RE-CS-0000-BOO-2, Dated 09.03.2018 for setting up of ---- MW grid connected Solar PV Project at Ananthapuramu Ultra Mega Solar Park (1500 MW), located at Galiveedu Mandal and N.P. Kunta Mandal of Ananthapuramu District of Andhra Pradesh, on “Build Own Operate” basis. The land allotted to the **Lessee** is described in Schedule written hereunder (hereinafter referred to as the “**Land**”).
- h. Whereas, **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 Solar Power Project and related activities pursuant to the Power Purchase Agreement (“**PPA**”) dated ----- between **NTPC** and the **Lessee**.

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 ----- Acres (approx) of land described in the Schedule to the **Lessee** for implementation of ---- MW Solar PV Power Project at NP Kunta Mandal of Ananthapuramu District in the State of Andhra Pradesh as part of Ananthapuramu Ultra Mega Solar Park (1500 MW).

2) **Lease Period**

This Land Lease Agreement shall be for useful life of the plant i.e. 25 years from the date of commercial operation of the project with provision for further extension on terms and conditions mutually agreed upon by both the parties in writing.

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 pay Annual Lease Rent of Rs.1000 (Rupees one thousand only) per acre (@ 5 acres per MW is allotted to Lessee and annual lease rent is calculated considering 5 acres per MW irrespective of actual utilisation of land) to Lessor for the land physically handed over to Lessee's possession free of any encumbrances, for implementation of ----- MW Solar PV Power Project at NP Kunta Mandal of Ananthapuramu District in the State of Andhra Pradesh as part of Ananthapuramu Ultra Mega Solar Park (1500 MW).

4.2 Annual lease rent for the first financial year along with GST applicable shall be payable on prorata basis on or before signing of this agreement. For subsequent period, annual lease rent along with GST applicable shall be payable on or before 30th April at the beginning of each financial year. All other taxes, duties, cess and other Government levies applicable on such transaction shall be reimbursed to APSPCL by SPD within 15 days from the date of issue of bill by APSPCL.

4.3 **Taxes & Duties**

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

4.4 **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 interest at the rate of 18%

per annum for the delayed period. If the payment is delayed beyond 30 days from the due date of payment, **Lessor** shall present the LC, established by Lessee as per the Clause 5.0, in the Bank to draw the amount.

5) **Letter of Credit (LC) and Payment Security Mechanism**

- 5.1 **Lessee** shall establish an irrevocable unconditional standby Letter of Credit (LC) in favour of **Lessor** with a public sector / scheduled commercial bank within 30 days from the date of signing of this agreement. The LC shall cover annual lease rent payable to **Lessor** for the next financial year. Failure of **Lessee** to open the LC as stated above invalidates this agreement.
- 5.2 The LC shall be established for a minimum period of one year. Lessee shall ensure that LC remains valid at all times during the entire/extended validity period of this Agreement. LC shall be renewed not later than 30 days prior to expiry of existing LC.
- 5.3 LC shall specify the manner and dates when bill(s) can be presented to Bank by **Lessor**. The bills so presented by **Lessor** to the Bank shall be promptly paid on their presentation.
- 5.4 All costs relating to opening and maintenance and negotiation of LC shall be borne by the Lessee.
- 5.5 In case of drawal of the LC amount by **Lessor** in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. **Lessee** shall arrange to furnish to **Lessor** a certificate to this effect from Bank(s) providing LC.

6) **Right to regulate the common facilities**

In the event LC is not reinstated within 7 days from the date of its expiry, **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) **Terms & Conditions of Lease**

- 7.1 That the **Lessor** shall handover encumbrance free, unrestricted, absolute, vacant possession of the Scheduled Property to the **Lessee** situated at N.P. Kunta Village and P. Kothapalli Village of Ananthapuramu District, Andhra Pradesh. If any dispute arises in respect of lease hold rights of Lessee during the currency of the agreement, APSPCL is responsible to resolve the same.

- 7.2 That the **Lessee** shall acknowledge that the Lessor has handed over unrestricted, absolute, vacant physical possession of the Scheduled Property.
- 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 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 ---
--- MW 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 agree 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**.
- 7.11 That the Lessee shall permit 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 **Lessee** shall follow the instructions given by the competent authority/ Revenue Department/ **Lessor** from time to time.
- 7.13 The Natural drains if any existing in the land preferably should not be disturbed and be allowed to continue their natural course. However, if required, the Lessee can

realign the Natural course of the drain within the plot but it has to be joined the Natural course of the drain at the boundary of the plot.

7.14 In case where solar project ownership changes, the land (demised premises) will continue to be provided for the project with the same terms and conditions.

7.15 In case where project is dismantled or abandoned or discontinued for power generation, SPPD will have the right to take back the land from the SPD. In such case, 50% of the Onetime Solar Park Development Expenses paid by the SPD will be forfeited and remaining 50% will be adjusted on pro-rata basis based on date when land is taken back.

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/other lenders, 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 provided herein may be extended for such number of years on such terms and conditions as may be mutually agreed upon between the Lessor and the Lessee and as per the applicable guidelines of the Government of Andhra Pradesh.

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 land to the **Lessor**, the Lessee must be entitled to dismantle the project and retain for itself the salvage value thereof.

11) **Termination**

a) 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.

b) In case of termination of Implementation and Support Agreement, this Land Lease Agreement stands terminated automatically.

12) In the event of termination of the **Lease**, **Lessee** shall, within ninety (90) business days following the termination date, remove all property and fixtures belonging to Lessee from the Site. 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 & cost of Lessee.

13) Dispute Resolution

13.1 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 any 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

13.2 Dispute resolution by 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 appropriate electricity regulatory commission (CERC/APERC) for adjudication.

13.3 Dispute resolution through Arbitration

If any dispute, controversy or claim relating to or arising under this Agreement, and not covered in Article 13.2, such dispute shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996 as under provided not settled amicably as per Article 13.1:

- i) The Arbitration Tribunal shall consist of three (3) Arbitrators. Each party shall appoint one Arbitrator within 30 days of the receipt of request for settlement of dispute by Arbitration. The two appointed Arbitrators shall within 30 days of their appointment, appoint a third Arbitrator who shall act as presiding Arbitrator. In case the party fails to appoint an Arbitrator within 30

days from the date of receipt of request or the two appointed Arbitrators fails to agree on third Arbitrator within 30 days of their appointment, the appointment of Arbitrator, as the case may be, shall be made in accordance with the Indian Arbitration and Conciliation Act, 1996.

ii) The place of arbitration shall be Capital City of State of Andhra Pradesh. The language of the arbitration shall be English.

iii) The Arbitration Tribunal's award shall be substantiated in writing. The Arbitration Tribunal shall also decide on the costs of the arbitration proceedings and the allocation thereof.

iv) The provisions of this Article shall survive the termination of this Agreement for any reason whatsoever.

v) The award shall be of majority decision. If there is no majority, the award will be given by the presiding Arbitrator.

vi) APSPCL shall be entitled to co-opt NTPC & AP Discoms as supporting parties in such arbitration proceedings.

13.4 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 Andhra Pradesh.

14) 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 with an acknowledgement due to the other parties to the last known place of business.

15) Governing Law

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

16) 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.

17) 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.

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

SIGNED AND DELIVERED

By the "Lessor"

By the "Lessee"

Name:

Name:

Authorized Signatory

Authorized Signatory

Signed

In the presence of:

- 1.
- 2.

//SCHEDULE//

S. No.	District	Mandal	Village	Survey No.	Extent (Acres)
1.	Ananthapuramu				
Total Extent (Acres)					