

[To be executed on a stamp paper]

OPERATING LEASING AGREEMENT

This Leasing Agreement (this “**Agreement**”) is entered into on the [] day of [_____], 2020, at [Chennai].

BY AND BETWEEN:

[], (hereinafter referred to as “**Lessee**”) a company incorporated in accordance with the laws of India and having its registered office at []

AND

GHL INDIA ASSET III LLP, a limited liability Partnership incorporated in accordance with the LLP Act 2008 and having its office at No.60/36, 5th Cross Street, Defence Colony, Nandambakkam, Chennai- 600032 (hereinafter referred to as “**Partner or Lessor**”).

Lessee and the Partner may be referred to individually as a “**Party**” or collectively as the “**Parties**”.

RECITALS:

- A. The Partner is engaged in the business of leasing, letting on hire movable properties including plants and machines, equipment, apparatus, instruments, appliances, furniture, fixtures, fittings, utensils, tools, vehicles.
- B. Lessee is engaged in the Business _____.
- C. The Partner has agreed to hand over the possession of the Assets as specified in Schedule I to Lessee during the Term (*as defined hereinafter*) for the limited purpose of using such Assets in the Business, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, LESSOR AND LESSEE MUTUALLY AGREE AS FOLLOW:

- 1. **LEASE:** The Lessor hereby agrees to lease to Lessee and the Lessee hereby agrees to take on Lease from Lessor, subject to the terms of this Lease Agreement (hereinafter referred to as the “**LEASE AGREEMENT FOR PLANT AND MACHINERY**”).

2. **LEASE TERM OR PERIOD:** The Lessee shall take the equipment for its use on lease for the term to commence from the date of payment by the Lessor to the supplier and to terminate at the end of 24 months from the date of such commencement. The period of lease may be extended for such period and on such terms and conditions as may be agreed upon by and between the parties hereto.

3. **LEASE RENTAL:** On and from the Effective Date, the Lessee will pay the Lease Rent to the Partner for each calendar month on or before the 7th day of the succeeding calendar month. The Lease Rent will be deposited into the Partner's bank account. The details of the Partner's Bank Account are set out below.

Bank Account Details	
Account Name	To be shared later
Account No	To be shared later
IFSCI Code	To be shared later
Branch	To be shared later

4. **KEY TERMS AND CONDITIONS**

- i. The Partner will rent/ lease the Asset(s) to the Lessee for its Business for the Term. The Lessee will in return pay to the Partner, every month "**Lease Rent**" (exclusive of applicable taxes). The Partner will have the right to proportionately increase or decrease the Lease Rent during the Term to adjust and account for any changes in Applicable Laws, including but not limited to, change in taxes levied by appropriate Governmental Authorities.

- ii. The Lessee will pay to the Partner, a refundable interest free security deposit amounting the value of 10% of the asset by way of a transfer to the bank account of 'GHL INDIA ASSET III LLP' on the Effective Date. On the Effective Date, the Lessee will also provide post-dated cheques for the entire amount equivalent to the Lease Rent payable under the Agreement, as security.

- iii. The Partner will be responsible for obtaining necessary insurance of the Asset(s) which covers theft and damage. However, responsibility of any theft, Third Party Claims, damage or accident will lie with the Lessee and the Partner will not be liable for any damage to or loss in respect of the Asset(s) during the Term for as long as the possession of the Asset(s) remains with the Lessee.

iv. If the Lease Rent required to be paid by the Lessee to the Partner is not paid by the Lessee on the due date of payment, then interest will be paid by the Lessee to the Partner at the rate of 1% per month on the outstanding amount till the amount is not fully paid.

5. COMMERCIAL TERMS:

The Partner will be solely responsible for payment of all taxes, duties, import deposits, tariffs, assessments and other governmental charges (as may be applicable) on each of the Assets, however designated, which are now or hereafter imposed by any Governmental Authority. Further, the Partner will solely be entitled to receive all incentives, subsidies and benefits (whether currently existing or which may be introduced at any time in future) by any Governmental Authority in relation to purchase of the Assets.

The equipment hereunder leased, will be delivered by the manufacturers/suppliers to the location specified by Lessee. Lessor shall not be responsible for any damage incurred to the Equipment during delivery. Lessor will request the manufacturers/suppliers to effect delivery on or before the date of commencement of the rentable, but if for whatever reasons, delivery is not affected by the manufacturers/suppliers by the date, Lessor shall not be liable for any loss suffered by the Lessee thereby. Lease rentals shall be deemed to commence from the date of disbursement for the actual purchase made with the consent of the Lessee.

The **Lessee** has made the selection of the Equipment based upon its own judgement prior to the purchase thereof by the **Lessor** and expressly declares that it has not relied upon any statements or representations made by **Lessor**, makes no express or implied warranties including those of merchantability or fitness for particular use of the Equipment and hereby disclaims the same. The **Lessor** shall not be responsible for any repairs, service or defects in the Equipment or the operation thereof. However, the **Lessor** agrees that **Lessee** shall be entitled to the benefits of the manufacturer's warranties in respect of the Equipment

6. TITLE, IDENTIFICATION, OWNERSHIP OF EQUIPMENT: No right, title or interest in the Equipment shall pass to Lessee by virtue of the agreement. Conditioned upon Lessee's compliance with and fulfilment of the term of conditions of this Agreement, the Lessee shall have the right to have and retain possession and use of the Equipment for the full term of lease including the extended term if agreed to. However, the Lessee will be solely liable for any liability arising under the Applicable Law from the use of the Assets during the

Term.

Notwithstanding the termination of this Agreement, any losses due to theft, third party claims, damage or accident in relation to the Assets will be borne by the Lessee, to the extent such liability pertains to the period during which the Assets are under the possession of the Lessee. The Parties agree that they will cooperate and take all such commercially reasonable and lawful actions as may be necessary or desirable for consummation of the transactions contemplated in this Agreement.

7. **USE, INSPECTION:** Lessee will cause the Equipment to be operated in accordance with manufacturers' manuals or instructions, if any, and in so far as applicable by competent and duly qualified personnel only and in accordance with applicable Government regulations, if any, and for business purposes only. Lessor shall have the right from time to time during the normal business hours on any working day to enter upon Lessee's premises or elsewhere after prior notice for the purpose of confirming the existence, condition and proper maintenance of the Equipment.
8. **REPAIRS, LOSS AND DAMAGE:** During the term of the Lease and any renewal thereof, Lessee, at its own cost and expenses will keep all Equipments in good repair, condition and working order and shall furnish all parts, mechanisms, devices and servicing required thereof. All such parts, mechanisms and devices shall immediately be deemed part of the Equipment for all purposes hereof and shall become the property of the Lessor. In the event, any item of Equipment is lost, stolen or destroyed or damaged beyond repair for any reason, Lessee shall promptly pay the Lessor the instalments of lease rentals then remaining unpaid less insurance claims received by Lessor, in respect of insurance effected in pursuance of this Agreement, whereupon Lessor will transfer to Lessee, without recourse of warranty, all of Lessor's right, title and interest, if any, in such items. If, however, the insurance claim received by the Lessor exceeds the amount of unpaid rentals, the Lessor shall forthwith pay the difference to the Lessee.
9. **INSURANCE:** Lessee shall obtain and maintain for the entire term of this Agreement at its own expense, comprehensive insurance against loss or destruction or damage to the Equipment including without limitations destruction or loss by fire, theft and such other risks or loss as are customarily insured against on the type of Equipment leased hereunder and by businesses in which Lessee is engaged and in such amounts as shall be satisfactory to Lessor, provided however that the amount of insurance against loss or destruction or damage to the Equipment shall not be less than the greater of the full replacement value of the Equipment or the instalments of lease rentals then remaining unpaid hereunder plus any renewal options entered into pursuant to this Agreement. Each insurance policy will name Lessee as insured and not

Lessor's, but the claim against the insurance will be in the name of Lessor.

10. FURTHER ASSURANCE:

Lessee irrevocably agrees that the lease rentals will be increased by any incremental taxes, if any other related and consequential charges, if any, levied on this transaction now or hereafter as also by any increase in purchase price of the asset in the intervening period between placement of the order and its acceptance and the eventual delivery of the Equipment. The Lessee agrees that the lease rentals shall be suitably increased if such investment allowance or depreciation is not allowed at all or at rates given above or due to any changes in the tax laws in respect thereof.

11. TERMINATION

- (a) Mutual Termination: This Agreement may be terminated without cause at any time with the mutual written consent of both Parties. If the agreement is terminated before the agreed term, the Lessee will pay one year lease rent as a damage compensation to the Lessor.
- (b) Termination for Cause: This Agreement may be terminated forthwith by either Party by giving a written notice to the other Party, upon the occurrence of any of the following:
 - (i) If either Party breaches any of its obligations under this Agreement, provided such breach is not cured or remedied within 15 (fifteen) days from the date on which a written notice is given by the other Party;
 - (ii) If either Party undertakes any act which causes or is likely to cause (as may be mutually decided by the parties) substantial harm to the other Party's business, goodwill or reputation, upon a written notice, provided such breach is not cured or remedied within 15 (fifteen) days from the date on which a written notice is given by the other Party; or
- (c) Termination by Partner: This Agreement may be terminated by the Partner forthwith, (i) if the Lessee breaches its obligations under this agreement, provided such breach is not cured or remedied (to the satisfaction of the Partner) by the Lessee within 15 (fifteen) days from the date on which a written notice is given by the Partner; or (ii) upon the occurrence of a change in control of the Lessee, except where prior intimation is given to the Partner (or any agent appointed by the Partner) by the Lessee.

- (d) Effect of Termination: Notwithstanding anything in this Agreement, in the event of the termination of this Agreement, without limiting either Party's rights and remedies at law and in equity, but subject to any exclusive remedies set forth herein, the Parties agree that:
- (i) the possession of the Asset(s), subject to normal wear and tear, will be immediately handed over to the Partner, on the date of termination of this Agreement;
 - (ii) Up to the date of termination, the Lessee will continue to be liable to the Partner for the outstanding Lease Rents (along with interest thereon) payable in respect of all Asset(s), and such payments will be made immediately on termination of the Agreement.

12. SURRENDER OR SALE: Upon earlier termination of the lease, Lessee shall deliver to the Lessor the said Equipment at such a place as Lessor may specify in good repairable condition and working order, normal wear and tear resulting from the proper use of the Equipment and damage by fire not caused by the negligence of the Lessee shall be excepted. At the end of lease period, the Lessor may sell the Equipment/Machinery to the Lessee of value equal to or greater than book value under the terms & conditions agreed upon the time of sale.

13. REPRESENTATIONS AND WARRANTIES OF THE PARTIES:

Each party to the agreement makes the following representations and warranties with respect to itself, and confirms that they are, true, correct and valid:

- i) The Parties to the agreement have full power and authority to enter into, deliver and perform the terms and provisions of this agreement and, in particular, to exercise its rights, perform the obligations expressed to be assumed by and make the representations and warranties made by him hereunder;
- ii) Their obligations under this agreement are legal and valid binding on him and enforceable against him in accordance with the terms hereof;
- iii) The parties to the agreement warrant and represent to have the legal competence and capacity to execute and perform this agreement.

14. DISPUTE RESOLUTION:

- (a) This Agreement will be governed by the laws of India. Subject to Section 8(b) below, the courts at Chennai will have the exclusive jurisdiction to deal with all Disputes.

- (b) All disputes and differences arising out of or in connection with any of the matters set out in this Agreement ("**Dispute**"), if not resolved by amicable settlement within 30 (thirty) days from the Dispute, will be referred to arbitration administered in accordance with the Arbitration and Conciliation Act, 1996 (and the rules framed thereunder). The arbitration tribunal will consist of three (3) arbitrators. One (1) arbitrator each will be nominated by each of the Party. The two arbitrators so nominated will nominate the third arbitrator.
- (c) The arbitration proceedings will be conducted in English, and the venue of arbitration will be Chennai, or such other place that the Parties may agree in writing.
- (d) Only the courts of competent jurisdiction at Chennai shall have exclusive jurisdiction in all matters

15. GOVERNING JURISDICTION:

This Agreement shall be governed by the laws of the Republic of India. In case dispute raised between the parties to the agreement is not resolved through Arbitration, then the parties shall approach the High Courts in Chennai, India which has exclusive jurisdiction in respect of all disputes arising out of this Agreement.

16. INDEMNIFICATION

The Lessee will indemnify, defend and hold harmless the Partner, its Partners, employees and agents (collectively, the "**Indemnified Party**"), from and against all losses incurred or suffered by any Indemnified Party that arise from (i) any theft, Third Party Claims, accident or damage to the Asset(s); or (ii) any breach or non-fulfillment of any of the covenants, undertaking or obligation of the Lessee under this Agreement.

17. BINDING EFFECT

All warranties, undertakings and agreements given herein by the parties shall be binding upon the parties and upon its legal representatives and estates. This agreement (together with any amendments or modifications thereof) supersedes all prior discussions and agreements (whether oral or written) between the parties with respect to the transaction.

18. MISCELLANEOUS

- (a) Notices: All notices, approvals or other communications required or permitted under this Agreement, will be sent in writing by email or courier.

If to the Lessee:	If to the Partner:
Attention: Name	Attention: Mr. Harikrishnan
Address:	Address: No. 60/36, 5th Cross Street, defence Colony, Nandambakkam, Chennai – 600032.
Contact No:	Contact No: 9585418029
Email ID:	Email ID: sale@ghlindia.com

- (b) Entire Agreement: This Agreement constitutes the entire agreement of the Parties in respect of its subject matter and its terms and conditions. This Agreement or any provision hereof, may not be amended or modified, except with prior written consent of both the Parties.
- (c) Confidentiality: The terms and conditions of this Agreement will be deemed to be confidential information and the Lessee will not disclose the contents of this Agreement, except as required under the Applicable Laws.
- (d) Assignment: Neither this Agreement nor any right granted hereunder will be assignable or otherwise transferable, except with prior written consent of non-assigning Party.
- (e) Severability: If any provision of this agreement is found to be invalid or unenforceable, then the invalid or unenforceable provision will be deemed superseded by a valid enforceable provision that most closely matches the intent of the original provision and the remainder of the agreement shall continue in effect.
- (f) Costs: The Lessee will bear all expenses incidental to the execution of this Agreement (including, the stamp duty costs).
- (g) Force Majeure: Notwithstanding anything contained in this Agreement, neither Party will be liable for damages for any delay or failure to perform its obligations hereunder, if such delay or failure is due to causes beyond its control, including, without limitation, strikes, riots, wars, fires, epidemics, lack of human or material resources, quarantine restrictions, unusually severe

weather, earthquakes, explosions, acts of god or state or any public enemy, or acts mandated by any Applicable Laws, regulation or order (whether valid or invalid) of any Governmental Authority.

- (h) No Partnership: Nothing in this Agreement will be taken to create any joint venture, Partnership or other similar arrangement; the Parties will at all times stand in relation to each other as independent contractors. Neither Party is or may hold itself out to any third party as being the agent of the other.
- (i) Further Assurances: The Lessee agrees that any of the actions, obligations or responsibilities under this Agreement which are required to be completed by the Partner may be undertaken through any agent of the Partner, and all such actions undertaken by the agent will be deemed valid.

Signed for and on behalf of
[Lessee Org/Company Name]

Signature:

Name:

Signed for and on behalf of
GHL INDIA ASSET III LLP

Signature:

PARTNER:

SCHEDULE – I

DETAILS OF THE LEASED ASSETS

- **15 RTPCR Equipment.**