



LEASE DEED

Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)
Vice President (Operation)
D.P. GUPTA

1. This indenture made this _____ day of _____ 1998 between the H.P. State Electronics Development Corporation, Shimla (through its authorised by Managing Director hereinafter called the lessor, which includes his / her successors in office) of the one part and M/s Himachal Futuristic Communications Limited, 8, Electronics Complex, Chambaghat, Solan (H.P.) through their authorised officer, hereinafter called the Lessee, which expression shall include his / her heirs, administrators, executors and legal representatives successors-in-interest assigns of the other part.

2. Whereas the lessee has applied to the lessor for the grant of a lease of an industrial Building situated on khasra no. 1363 / 376, Khata / Khatoni No. 666 / 1456 at Mauja Basal Patti Kaithar with land attached thereto, situated in 8, Electronics Estate, Chambaghat, Distt. Solan fully described hereunder and belonging to the lessor, and the lessor has to the faith of the statements and has agreed to demise and allot the Industrial Building to the lessee and in the manners appearing.

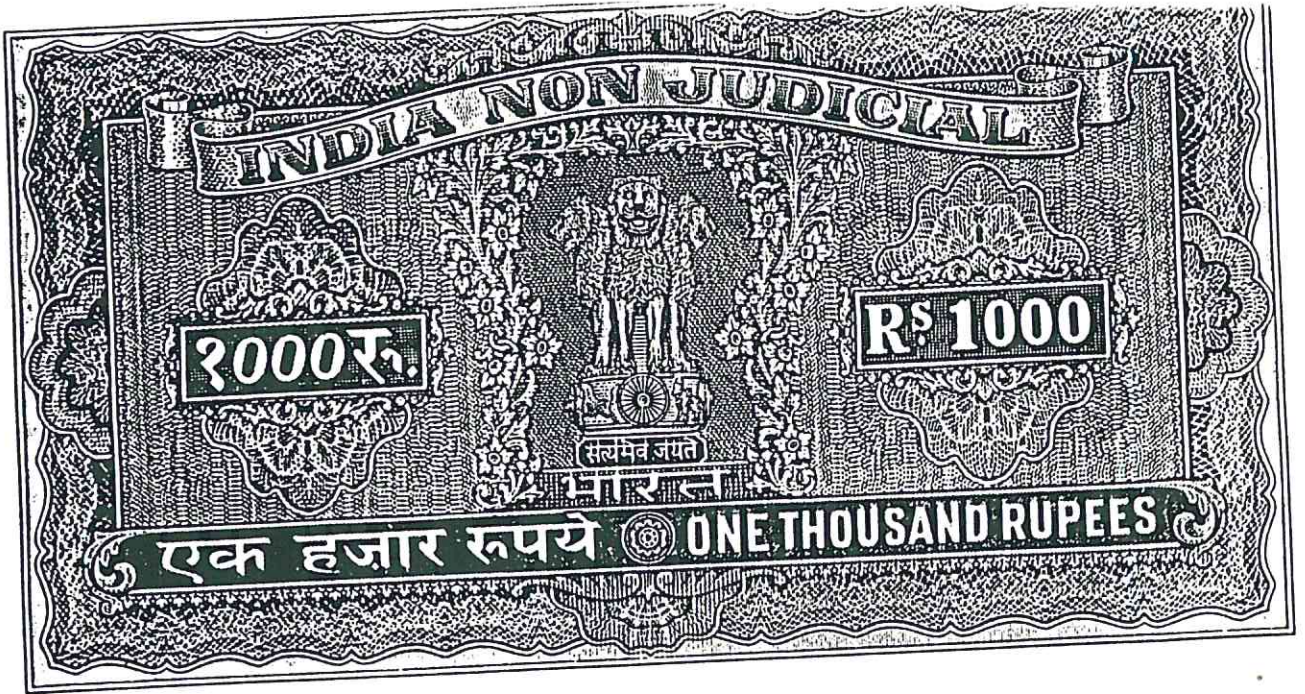
3. Now this lease deed witnesseth that in consideration of payment of Rs. 2,06,775/- (Rs Two Lac Six Thousand Seven Hundred Seventy Five Only). as estimated premium price of the building besides Rs. 1/- as ground rent which the lessee hereby agrees to pay in the manner hereinafter contained, the lessor doth hereby demise with the lessee Industrial Building No. 1 with land attached thereto, being the Industrial Building situated in the Electronic Estate, Chambaghat, Solan containing by measurement an area of 1337.50 sq. ft. for shed No. 1 and is more particularly described in the schedule hereunder written and with boundaries thereof has been delineated as annexed to these presents (hereinafter to as Industrial Building) together with all right of easement and appurtenance to hold the premises hereby demised unto the lessee from 6TH day of December, 1998 for a period of 99 years from the date of allotment viz and ending on 5.12.2092, yielding and paying thereof the rent as hereinafter mentioned.

6.12.1993

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[Signature]
D.P. GUPTA
Vice President (Operation)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)

[Signature]
D.P. GUPTA
Vice President (Operation)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)



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4. The lessee for himself, his heirs, executors, administrators and assigns covenants with the lessor in the following manner i.e. to say :-
 - i) The lessee shall be liable to pay to the lessor the premium price in as many instalments and with such interest as may be directed by H.P. State Electronics Development Corporation in writing separately. A sum of Rs. 2,06,775/- (Two Lac Six Thousands Seven Hundred Seventy Five Only) has already been paid by the lessee to lessor in this behalf.
 - ii) The lessee shall be liable to pay ground rent at the rate of Rs. 1/- per annum during the lease period. The rent of the 1st year shall be paid by the lessee within 15 days of the receipt of notice of demand to that effect from the lessor and for such subsequent year it shall be payable in advance in the manner as may be prescribed by the lessor.
 - iii) The Lessee shall not sell, transfer, assign, sublet otherwise part with the possession of the whole or any part of the Industrial Buildings, except with the previous consent in writing of lessor, which he shall be entitled to refuse in his absolute discretion.
 - iv) Provided that such consent shall not be given for a period of 10 years from the commencement of this lease unless in the opinion of the lessor, exceptional circumstances exist for the grant of such consent.
 - v) Provided further, that in the event of the consent being given the lessor may impose such terms and conditions as he thinks just and proper and lessor shall be entitled to claim and recover a portion of the unearned increase in the value (i.e. the difference between the premium paid and market value) of the Industrial Building at the time of sale, transfer assignment or parting with the possession, the amount reasonable to be recovered being 50% of the unearned increase and the reasonable decision of the lessee in respect of the market value shall be final and binding.

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D.P. Gupta
 D.P. GUPTA
 Vice President (Operation)
 Himachal Futuristic Communications Ltd.
 (WIRELINE DIVISION)

[Signature]
 Himachal Futuristic Communications Ltd.
 (WIRELINE DIVISION)

Himachal Futuristic Communications Ltd.
 (WIRELINE DIVISION)
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 D.P. GUPTA



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Vice President (Operation)

Provided further that the lessor shall have the pre-emptive right to purchase in property after deducting fifty percent of unearned increase as aforesaid.

Notwithstanding anything contained in sub-clause (iii) above, the lessee may, with the previous consent in writing of the lessor, mortgage or charge the Industrial Building to such person as may be approved by the lessor in his absolute discretion. However, for seeking financial assistance from Govt., Financial Institution or Banks, Lessee can mortgage the shed to them.

Provided that, in the event of the sale or re-closure of the mortgaged or charged property, the lessor shall be entitled to claim and recover the fifty percent of the unearned increase in the value of the Industrial Building as aforesaid, and the amount of the lessor's share of the said unearned increase shall be a first charge, having priority over the said mortgage, transfer or charge. The decision of the lessor in respect of the market value of the said Industrial shed as mentioned herein before shall be final and binding on all parties concerned.

Provided further that the lessor shall have the pre-emptive right to purchase the mortgage or charged property after deducting fifty percent of the unearned increase as aforesaid.

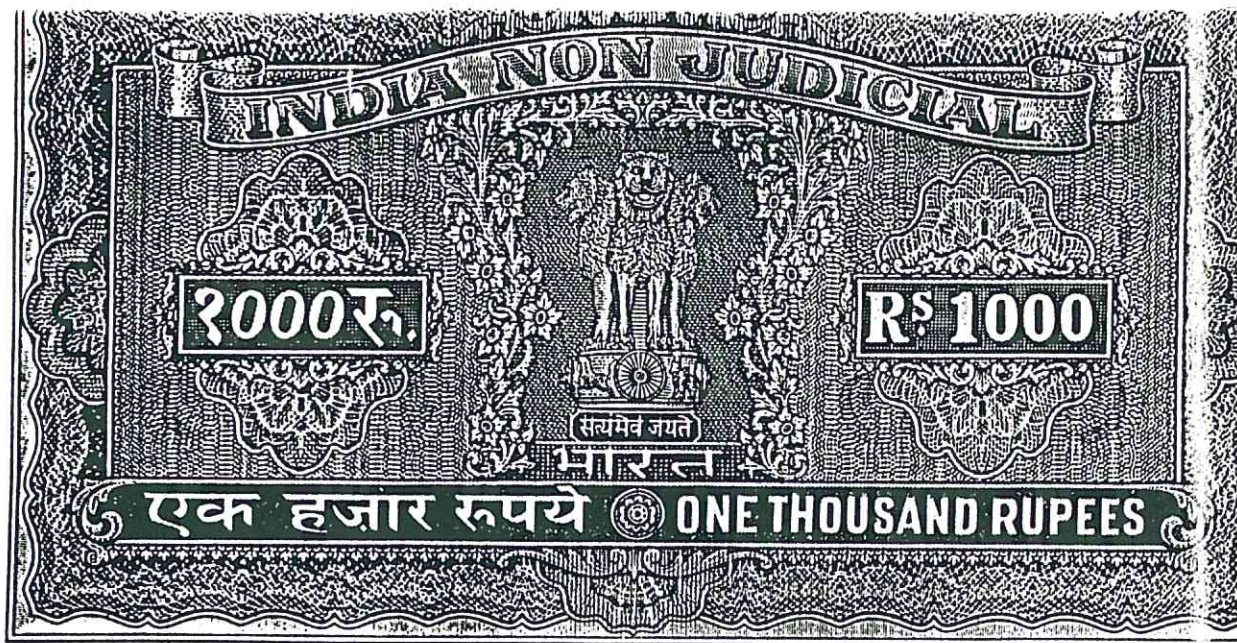
vi) The lessor reserves the right to recover fifty percent of the unearned increase and the pre-emptive right to purchase to an involuntary sale or transfer whether it be by or through an executing or insolvency court.

vii) Whenever the title of the lessee in the Industrial building is transferred in any manner whatsoever, the person to whom the same is transferred shall be bound by all the covenants and conditions contained herein and be answerable in all respects therefor.

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D.P. GUPTA
Vice President (Operation)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)

Signature
D.P. GUPTA
Vice President (Operation)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)



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Himachal Futuristic Communications Ltd.
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D.P. GUPTA

- viii) Whenever the title of the lessee in the Industrial Building is transferred in any manner whatsoever, the transferor and the transferee within three months of the transfer shall give notice of such transfer in writing to the lessor.

In the event of death of the lessee the person on whom the title of the deceased devolves shall within three months of the devolution give notice of such devolution to the lessor.

The transferee or the person on whom the title devolves as the case may be, shall supply the lessor, certified copies of the documents evidencing the transfer of devolution.

The lessee shall from time to time and at all time pay and discharge all rates, taxes, charges and assessments of every description which are now or at any time hereafter during the continuance of this lease be assessed, charged of, imposed upon the Industrial Building hereby demised.

- ix) All arrears of rent or any other payments due in respect of the industrial building hereby demised shall be recoverable in the same manner as an arrears of land revenue.

- x) The lessee shall in all respects comply with and bound by the building, drainage and other bye laws of the local Municipal or other authority for the time being in force.

- xi) The lessee shall not without sanction or permission in writing of the lessor or to other authority prescribed by the Lessor make any alteration or addition to in or on the Industrial Building.

Deputy Manager (Wireline),
H.P. State Electronics Dev. Corp. Ltd.
S.H.M.

D.P. GUPTA

Vice President (Operation)

Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)

For the Lessor (H.P. State Electronics Dev. Corp. Ltd.)
S.H.M.

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Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)
Vice President (Operation)
D.P. GUPTA

- xii) The lessee shall not without the written consent of the lessor use, or permit to be used, the industrial building for residence or for carrying on any trade or business whatsoever or use the same or permit the same to be used for any purpose other than that of carrying on the manufacturing process or running the industry of Subscriber Carrier Systems and other Telecom Equipments or such other manufacturing process or industry as may be approved from time to time by the Lessor, or do or suffer to be done therein any act or thing whatsoever which in the opinion of the Lessor may be a nuisance annoyance or disturbance to the lessor and persons living in the neighbourhood.

Provided that if the lessee is desirous of using the said industrial building for a purpose other than that of the manufacturing process or industry as may be approved from time to time the lessor may allow such change of use on such terms and conditions including payment of additional premium and additional rent, as the lessor may in his absolute discretion determines.

5. If the sum or sums payable towards the premium hereby reserved or any part thereof shall at any time be in arrears whether the same shall have demanded or not and if it is discovered that this lease has been obtained by supersession of any facts or mis-statement, mis-representation or fraud or if there shall have been in the opinion of the lessor whose decision shall be final, any breach by the lessee or any person claiming through or under him or any of the covenants or condition contained herein and on his part to be observed or performed than and in any such case it shall be lawful for the lessor notwithstanding the waiver of any previous clause or right of re-entry upon the Industrial Buildings, hereby demised, to re-enter upon and take possession of the building and thereupon this lease and everything herein contained shall cease and determine and the lessee shall not be entitled to any compensation whatsoever, not to the return of any premium paid by him.

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D.P. GUPTA
Vice President (Operation)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)



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Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)
Vice President (Operation)
D.P. GUPTA

6. The lessee doth hereby agree that the burden of the covenants shall run with the Industrial Building and shall bind the lessee and the permitted assigns thereof, hereby covenants with the lessors as follows:-

- i) That the lessee shall establish the Industry and the Factory in accordance with and within the time specified in the licence granted to him under the Industries (Development and Regulation) Act, 1951, and in case no licence is required for establishing the industry afore said, he shall establish the industry and the factory in accordance, with and within time and term specified in the scheme approved by the Himachal Pradesh Govt. or any other competent authority or within the time actually / mutually agreed upon between the lessor and the lessee and any breach of this condition shall render this lease liable for termination at the option of the lessor.
- ii) That the lessee will perform, observe and comply with all obligations in respect of the Industrial Shed and business carried therein, imposed by any, statute, regulation or bye-laws of any competent authority and also the lawful direction of a public or local authority.
- iii) That it shall be lawful for the lessee with the previous approval of the lessor in writing to mortgage his interest in the Industrial Building and Machinery set up by him or the Industry to be set up by him in the Building as security in respect of any money advanced by a H.P. Financial Corporation or H.P. State Industrial Development Corporation or by the Government of Himachal Pradesh, by a scheduled Bank or by any financial institution or by any other persons for the purpose of setting up or expansion of the Industry in the said building.

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D.P. Gupta
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Vice President (Operation)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)



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Himachal Futuristic Communications Ltd.
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D.P. GUPTA

iv)

That the lessor and all persons acting under his order shall be at liberty at all reasonable times during the terms of this lease to enter upon the Industrial shed for and purpose connected with the lease.

That the lessor and all persons acting under his order shall be at liberty at all reasonable times during the terms of this lease to enter upon the Industrial shed for and purpose connected with the lease.

That in the event of the Project not materialising or the industry failing, the lease will be terminated and the lessor shall have the first option to acquire on such termination the building machines, etc. at an agreed price, or failing that at price determined by a sole arbitrator and it is agreed that the Secretary (Industries) be appointed as arbitrator. The provisions of Arbitration Act, and by statutory modification thereof shall apply to any such arbitration. If the lessor does not exercise his option the lessee shall peacefully and quietly surrender to the lessor vacant possession of the said Shed removing any machinery fitted etc. within such period as may be decided by lessor completed from the date of termination of the lease.

vi)

That the condition of surrender of vacant possession by the lessee and of the first option of the lessor or acquisition referred to in the clause above shall mutatus-mutandis apply in the event of the expiry of the terms of the lease without renewal and in the event of the sooner termination of the lease in accordance with the terms and conditions in the manner stated here above.

vii)

That the cost of execution and registration of the lease deed shall be borne by the lessee.

Secretary (Finance)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)

D.P. GUPTA

Vice President (Operation)

Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)

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Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)

Vice President (Operation)

D.P. GUPTA

- viii) That any sum of money due to or claimable by the lessor in respect of the building hereby demised shall be recoverable by the lessor as arrears of land revenue.
- ix) That in case of any portion of the demised building is not used by the lessor for the purpose of industry, then notwithstanding the covenant herein before or hereinafter contained, the lessor shall have the right to resume un-used portion of the Building after giving 'three months' notice to the lessee provided that the lessor shall not exercise this option till after the expiry of five years from the date of commencement of the industry in accordance with the conditions of the licence granted under the Industries (Development and Regulations) Act, 1951 or in accordance with the approval granted by the H.P. Government or any other competent authority.
- x) That on failure of the lessor to commence production within six months of the taking of possession of the building, it shall be lawful for the lessor, in addition or in the alternative to any other remedy that may be available to eject the lessor from the building hereby demised and take possession thereof as full and absolute owner and the entire amount of premium and rent paid by lessee shall stands forfeited in favour of the lessor.
7. All the notices, orders, directions, consents or approval to be given under this lease shall be written and shall be signed by such officer as may be authorised by the lessor and shall be considered as duly served upon the lessee or any person claiming any right to the Industrial Building, if the same shall have been affixed to any building or erection whether temporary or otherwise upon the industrial building or shall have been provided delivered at or sent by post to the then residences, office or place of business of the lessee or such person.

D.P. GUPTA

Vice President (Operation)

Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)

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IN WITNESS WHEREOF the lessor has caused in his behalf at his hands and the lessee has hereunder set his hands the day and year first above written.

THE SCHEDULE REFERRED TO ABOVE

All that industrial shed comprised in Shed No.1 situated at Electronics Industrial Estate, Chambaghat, Distt. Solan.

1337.50 Sq.ft Shed No.1

Signed by

H.P. State Electronics
Development Corporation Ltd.
Saligram Bhawan, Khalini,
Shimla - 2 (H.P.)

Signed by

for Himachal Futuristic
Communications Ltd.
8, Electronics Complex, Chambaghat
Solan (H.P.) 173 213


D.P. GUPTA
Vice President (Operation)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)

Witness :


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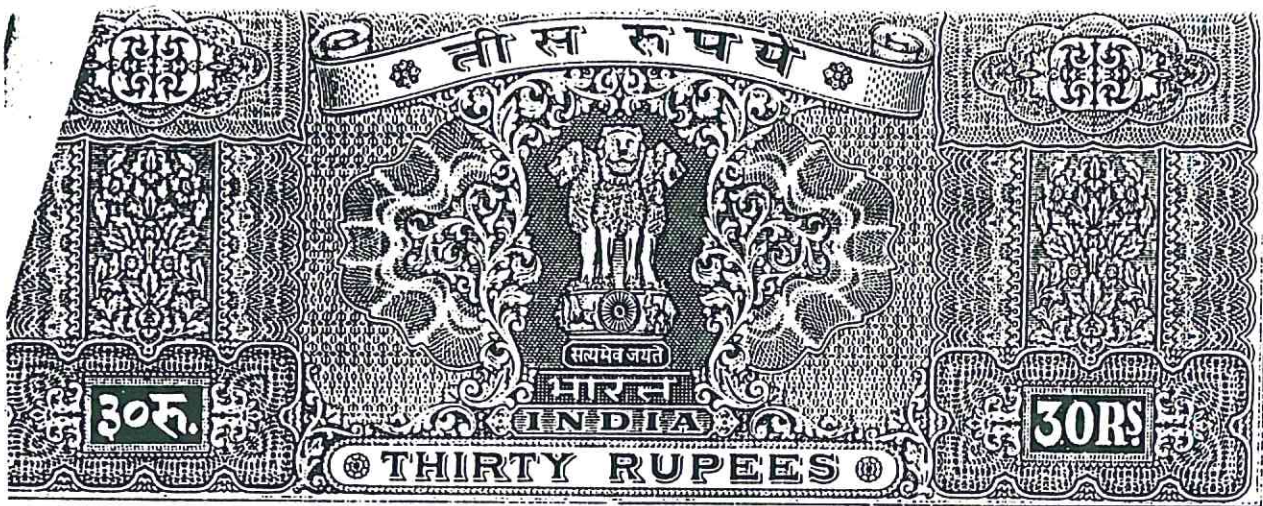
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D.P. GUPTA
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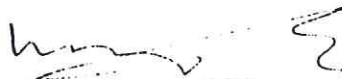



D.P. GUPTA
Vice President (Operation)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)


Director (Operation)
Himachal Futuristic Communications Ltd.
Gurgaon




D.P. GUPTA
Vice President (Operation)
Himachal Futuristic Communications Ltd.
(WIRELINE DIVISION)


D.P. Gupta (P.S.)
Himachal Futuristic Communications Ltd.
S.O. 1

