

COMMERCIAL LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into on this **8th day of October, 2025**.

BY AND BETWEEN:

PHOENIX PARAGON MALLS PRIVATE LIMITED, a company incorporated under the Companies Act, 2013, having its registered office at 7th Floor, Phoenix Towers, Lower Parel, Mumbai, Maharashtra 400013, (hereinafter referred to as the "**LESSOR**" or "**LANDLORD**", which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) of the **FIRST PART**;

AND

BLUE RETAIL VENTURES LIMITED, a company incorporated under the Companies Act, 2013, having its registered office at 12th Floor, Blue Tower, Bandra Kurla Complex, Mumbai, Maharashtra 400051, (hereinafter referred to as the "**LESSEE**" or "**TENANT**", which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) of the **SECOND PART**.

(The Lessor and the Lessee are hereinafter collectively referred to as the "Parties" and individually as a "Party").

WHEREAS:

- A. The Lessor is the absolute legal and beneficial owner of the Grade-A+ commercial shopping mall known as "Phoenix Paragon Mall" situated at Dumas Road, Piplod, Surat, Gujarat 395007 (the "Mall"), a premier luxury retail destination in the region.
- B. The Lessee is a nationally recognized and reputable retailer engaged in the business of high-end consumer electronics, related accessories, and providing ancillary consultation and support services, operating under the brand name "Blue Retail".
- C. The Lessee's brand and operational model are deemed by the Lessor to be a valuable addition to the Mall's tenant mix, aligning with the Mall's premium positioning.
- D. The Lessee has approached the Lessor to take on lease a specific retail unit within the Mall for the purpose of operating its flagship retail business in Surat, and the Lessor has agreed to grant a lease of the said unit, subject to the extensive terms, conditions, and covenants hereinafter appearing.

NOW, THEREFORE, IN CONSIDERATION OF THE RENT, COVENANTS, AND MUTUAL AGREEMENTS CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

SUMMARY OF KEY TERMS

Item	Description
Property	Phoenix Paragon Mall, Dumas Road, Piplod, Surat, Gujarat 395007
Demised Premises	Unit No. G-42, Ground Floor, as outlined in Annexure A
Super Built-Up Area	4,000 Square Feet (approx.)
Carpet Area	3,200 Square Feet (approx.)
Lease Term	Nine (9) years
Commencement Date	1st January, 2026
Termination Date	31st December, 2034
Lock-In Period	Thirty-six (36) months from the Commencement Date for both Parties
Permitted Use	Retail of high-end consumer electronics, computing devices, mobile phones, personal audio, smart home devices, and related premium accessories only
Base Rent	INR 96,00,000/- (Rupees Ninety-Six Lakhs Only) per annum
Rent Escalation	15% increase on the last paid Base Rent, every three (3) years
Interest-Free Refundable Security Deposit	INR 48,00,000/- (Rupees Forty-Eight Lakhs Only)
Common Area Maintenance (CAM)	As per mall policy, currently INR 15 per sq. ft. per month on Super Built-Up Area

ARTICLE 1: DEFINITIONS

1.1. **"Agreement"** shall mean this Commercial Lease Agreement, including all its Articles, Clauses, Annexures, and any amendments made thereto in writing and executed by both Parties.

1.2. **"Commencement Date"** shall mean the 1st day of January, 2026, from which the Lease Term and all rent and charge obligations shall formally commence.

1.3. **"Common Areas"** shall mean all areas, facilities, and utilities within the Mall that are provided for the common use and benefit of all tenants and visitors, including but not limited to atriums, corridors, lobbies, elevators, escalators, food courts, parking areas, and public restrooms.

1.4. **"Demised Premises"** shall mean the retail unit bearing Number G-42 on the Ground Floor of the Phoenix Paragon Mall, having a Super Built-Up Area of approximately 4,000 square feet, as more particularly described in **Annexure A**.

1.5. **"Fit-Out Period"** shall mean a period of ninety (90) days immediately preceding the Commencement Date, granted to the Lessee for the purpose of carrying out interior fit-outs, which shall be rent-free but subject to all other covenants of this Agreement.

1.6. **"Lease Term"** shall mean the entire period of nine (9) years, commencing on the Commencement Date and ending on the Termination Date.

1.7. **"Mall Rules & Regulations"** shall mean the standard rules and regulations for the operation and management of the Mall, as may be amended or supplemented by the Lessor from time to time at its sole discretion for the safety, cleanliness, and operational efficiency of the Mall.

1.8. **"Force Majeure"** shall mean any event or circumstance beyond the reasonable control of a Party, such as acts of God, war, terrorism, pandemics, or government-mandated lockdowns, that prevents such Party from performing its obligations under this Agreement.

1.9. **"Normal Wear and Tear"** shall mean the gradual deterioration of the Premises that results from its normal and reasonable use, but does not include any damage caused by negligence, accident, or abuse.

1.10. **"Handover Date"** shall mean the date on which the Lessor hands over the vacant, bare-shell possession of the Demised Premises to the Lessee for the commencement of the Fit-Out Period.

ARTICLE 2: GRANT OF LEASE

2.1. The Lessor hereby grants to the Lessee, and the Lessee hereby accepts from the Lessor, the exclusive lease and license to occupy and use the Demised Premises for the Lease Term, subject to the terms, conditions, and covenants contained in this Agreement.

2.2. The Lessee shall have the non-exclusive right to use, in common with the Lessor and other tenants of the Mall, the Common Areas for the purposes for which they are intended, subject always to the Mall Rules & Regulations.

2.3. **Lessor's Reservations:** The Lessor reserves the right to enter the Demised Premises upon providing twenty-four (24) hours' prior notice (except in emergencies) for the purposes of inspection, maintenance, or showing the Premises to prospective future tenants (within the final six months of the Lease Term). The Lessor also reserves the right to run utility lines and conduits through the plenum space above the Lessee's ceiling for the benefit of the Mall or adjacent tenants, provided such work does not unreasonably interfere with the Lessee's business operations.

ARTICLE 3: LEASE TERM & RENT

3.1. **Term:** The lease shall be for a fixed and irrevocable period of nine (9) years, commencing on the Commencement Date.

3.2. **Lock-In Period:** Both Parties agree to a mandatory lock-in period of thirty-six (36) months from the Commencement Date, during which neither Party shall be entitled to terminate this Agreement, except in the case of a material, unremedied breach by the other Party.

3.3. **Base Rent:** The Lessee shall pay to the Lessor an annual Base Rent of INR 96,00,000/-, payable in equal monthly installments of INR 8,00,000/-, in advance, on or before the 7th day of each English calendar month via electronic bank transfer to the Lessor's designated account.

3.4. **Rent Escalation:** The Base Rent shall be subject to a fixed escalation of fifteen percent (15%) after the completion of every three (3) years of the Lease Term.

3.5. **Security Deposit:** The Lessee has paid to the Lessor an interest-free refundable security deposit of INR 48,00,000/-, which shall be refunded to the Lessee, without interest, within thirty (30) days of the peaceful handover of the vacant Premises upon expiry of the Lease Term, subject to deductions for any physical damages (beyond normal wear and tear) or any outstanding dues.

3.6. **Common Area Maintenance (CAM) Charges:** In addition to the Base Rent, the Lessee shall pay CAM charges, calculated on the Super Built-Up Area, which shall cover the Lessee's proportionate share of the costs of maintaining, operating, securing, and insuring the Common Areas. These costs include, but are not limited to, security services, housekeeping, landscaping, Mall marketing and promotion funds, and the operational cost of central utilities. The Lessor shall provide an annual audited statement of CAM expenses.

3.7. **Late Payment:** In the event of any delay in the payment of the monthly rent beyond the due date, the Lessee shall be liable to pay interest at the rate of eighteen percent (18%) per annum on the defaulted amount for the period of the delay.

3.8. **Taxes:** The Lessee shall bear and pay all present and future taxes, duties, and levies, including Goods and Services Tax (GST), applicable on the rent and other charges payable under this Agreement.

ARTICLE 4: LESSEE'S COVENANTS AND OBLIGATIONS

The Lessee hereby covenants with the Lessor as follows:

4.1. **Payment of Dues:** To punctually pay the Base Rent, CAM charges, all utility charges (electricity, water), taxes, and all other dues as stipulated in this Agreement without any deduction or set-off.

4.2. Permitted Use:

a) To use the Demised Premises solely for the purpose of operating a high-end retail store for consumer electronics, computing devices, mobile phones, related accessories, and providing ancillary repair and consultation services under its approved brand name.

b) The Lessee is expressly prohibited from using the Premises for any other business, including but not limited to the sale of food and beverages, apparel, furniture, or general merchandise, without prior written consent from the Lessor.

c) The Lessee shall not conduct any activity that creates a nuisance or undue noise/odor, such as auctions, liquidation sales, or activities that generate noise levels exceeding 70 dB at the lease line.

4.3. **Operating Hours:** To keep the Demised Premises open for business and fully staffed during the official operating hours of the Mall, which are currently 11:00 AM to 10:00 PM, seven days a week, including public holidays, unless otherwise directed by the Lessor or mandated by law. Failure to operate during these hours for more than three consecutive days without prior approval (except in cases of Force Majeure) shall be considered a breach of this Agreement.

4.4. **Maintenance of Premises:** To maintain the interior of the Demised Premises, including all fixtures, fittings, and finishes installed by the Lessee, in a good, clean, and tenantable condition, and to undertake all non-structural repairs at its own cost. This includes regular cleaning of the interior and exterior of the storefront glazing.

4.5. **Marketing Participation:** The Lessee agrees to participate in and contribute to mall-wide marketing and promotional events as reasonably organized by the Lessor's marketing team. This includes participation in seasonal sales, festivals, and loyalty programs.

ARTICLE 5: ALTERATIONS, FIT-OUTS, AND DESIGN CONSTRAINTS

5.1. **General Principle:** The Lessee is permitted to carry out interior fit-outs to align the Demised Premises with its brand identity, subject to the absolute and non-negotiable constraints detailed herein and in the **Tenant Fit-Out Manual (Annexure B)**. The Lessor's objective is to maintain a high standard of design and construction throughout the Mall.

5.2. Approval of Plans:

- a) Prior to the commencement of any fit-out work, the Lessee shall submit three (3) sets of detailed interior design drawings (including architectural, electrical, HVAC, and fire safety plans) to the Lessor for written approval.
- b) The Lessor's design review team shall provide its approval or rejection (with specific reasons and required modifications) within fifteen (15) business days of submission.
- c) No work shall commence on site until final, stamped approval has been received by the Lessee.

5.3. Structural Alterations:

- a) The Lessee is STRICTLY PROHIBITED from making any alterations, additions, or improvements to the structural elements of the Demised Premises.
- b) Structural elements include, but are not limited to, all load-bearing walls, columns, beams, and the primary floor and ceiling slabs. Any violation of this clause will result in an immediate stop-work order and may be treated as a material breach of this Agreement.
- c) CRITICAL CONSTRAINT: No penetrations, core drilling, or chasing shall be made in the concrete floor or ceiling slabs for any purpose without the prior, explicit, and case-by-case written engineering approval from the Lessor's structural consultant, the cost of which shall be borne by the Lessee. This is to protect the structural integrity and fire rating of the slab.

5.4. Non-Structural Alterations & Specific Constraints:

- a) Northern Demising Wall: The Lessee shall NOT make any alterations, additions, or improvements to the Northern demising wall separating the Demised Premises from Unit G-41. This includes, but is not limited to, the installation of fixtures, shelving, or any element requiring mechanical fastening or drilling. This wall is designated as an acoustic-sensitive partition, and its integrity must not be compromised. The Lessee may apply paint or vinyl graphics to this wall, subject to prior approval.
- b) Floor Load Capacity: The Lessee acknowledges that the floor slab of the Demised Premises has a maximum live load capacity of 450 kg per square meter. The Lessee shall not install any fixtures, equipment, or storage units (e.g., compactors, safes, or dense storage systems) that, when fully loaded, would exceed this capacity. The Lessee shall provide a structural engineer's certificate for any single fixture exceeding 500 kg in total weight for the Lessor's review.
- c) Facade and Glazing: The existing full-height, 15-meter wide structural glazing on the storefront is a key architectural feature of the Mall. The Lessee shall NOT obstruct more than ten percent (10%) of the total glazed area with temporary or permanent fixtures, signage, or

displays. No single obstruction may exceed 2 square meters. The application of large, opaque vinyl posters covering the glass is expressly prohibited. All displays must maintain a sense of transparency and openness.

d) HVAC System: The Demised Premises is provided with a chilled water connection point for the HVAC system. The Lessee shall install its own Air Handling Unit (AHU), which must be located in the designated utility space at the rear of the Premises. The operational noise level of the AHU must not exceed 45 dB as measured from the main retail floor. No HVAC units or ducting shall be visible from the main retail floor.

e) Electrical Load: The Demised Premises is provided with a maximum electrical load of 75 kVA. The Lessee shall not install equipment that exceeds this sanctioned load. All electrical work, including wiring and the installation of a separate meter and distribution board, must be carried out by a licensed contractor approved by the Lessor.

5.5. Signage:

a) The Lessee is permitted one (1) primary exterior sign, which must be located within the designated sign band above the storefront. The dimensions must not exceed 12 meters in length and 1.2 meters in height.

b) All exterior signage must be of the channel-letter type with internal LED illumination (halo-lit or face-lit), conforming to the brand standards of the Mall. The materials must be brushed aluminum or a pre-approved equivalent.

c) Signage drawings and specifications must be submitted to the Lessor for approval before fabrication. Flashing, animated, or audible signs are strictly prohibited.

ARTICLE 6: INSURANCE AND INDEMNITY

6.1. The Lessee shall, at its own expense, obtain and maintain during the Lease Term a comprehensive public liability insurance policy with a minimum coverage of INR 1 Crore per occurrence, and a policy for fire and special perils for the full replacement value of the interior fit-outs and stock.

6.2. The Lessee shall indemnify and hold harmless the Lessor against any claims, damages, or liabilities arising out of any act of negligence or misconduct by the Lessee, its employees, or its agents.

ARTICLE 7: TERMINATION

7.1. **Expiry of Term:** This Agreement shall automatically terminate upon the expiry of the Lease Term, unless renewed by mutual written consent at least six (6) months prior to expiry.

7.2. **Termination for Cause:** The Lessor shall have the right to terminate this Agreement if the Lessee is in default of its rent payment obligations for a continuous period of two (2) months, or if the Lessee commits a material breach of any other covenant herein (including any critical fit-out constraint) and fails to rectify such breach within thirty (30) days of receiving a written notice from the Lessor.

7.3. **Handover Condition:** Upon termination or expiry, the Lessee shall hand over the Demised Premises in a good, clean condition, after removing all its fixtures, furniture, and belongings, and restoring any damage caused.

ARTICLE 8: GOVERNING LAW AND JURISDICTION

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

8.2. The Parties agree that the courts in Surat, Gujarat shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written.

For and on behalf of PHOENIX PARAGON MALLS PVT. LTD.

Vikram Patel
(Authorized Signatory)
Lessor

WITNESS 1: _____

For and on behalf of BLUE RETAIL VENTURES LTD.

Rohan Singh
(Authorized Signatory)
Lessee

WITNESS 2: _____

ANNEXURE A: FLOOR PLAN OF THE DEMISED PREMISES

Description:

- **Unit Number:** G-42, Ground Floor
- **Total Super Built-Up Area:** 4,000 sq. ft.
- **Dimensions:** 15.2 meters (frontage) x 25.1 meters (depth) approximately.
- **Features:**
 - Rectangular, open-plan space.
 - Full-height structural glazing on the front (Southern) facade.
 - One primary double-door entrance (3000mm wide).
 - Designated utility and AHU room at the rear-right (North-East) corner.
 - Two structural columns (600mm x 600mm) located centrally.
 - The Northern wall is a shared demising wall with tenant G-41 (Jewelry Store - High Acoustic Sensitivity).
 - Chilled water and 75 kVA electrical mains connection points located in the rear utility room.

ANNEXURE B: TENANT FIT-OUT MANUAL (Selected Excerpts)

This manual provides additional technical and aesthetic guidelines that are binding on the Lessee.

Section 1: Finishes

- **1.1 Flooring:** Any hard flooring (tile, concrete, stone) must have a slip-resistance rating of R10 or higher. If transitioning from a hard to a soft material, the transition must be perfectly flush.
- **1.2 Walls:** All paint must be low-VOC. Wallpaper or other finishes are subject to design approval.
- **1.3 Ceiling:** The finished ceiling must be of the open-grid type (600x600mm tiles, Armstrong or equivalent) or a plain gypsum board ceiling. All ceiling services must be integrated cleanly.

Section 2: Fire Safety & Life Safety

- **2.1 Sprinklers:** The Lessee's fit-out design must not obstruct the existing sprinkler heads. Any relocation must be done by the Lessor's vendor at the Lessee's cost.
- **2.2 Egress:** The primary entrance must remain unobstructed. The layout must not create any dead-end corridors exceeding 6 meters.
- **2.3 Fire Extinguishers:** The Lessee must install and maintain ABC-type fire extinguishers as per local fire code, in locations approved by the Lessor's safety officer.

Section 3: Electrical

- **3.1 Lighting:** All lighting must be LED. The total lighting power density shall not exceed 1.2 watts per square foot.
- **3.2 Cabling:** All data and power cabling must be concealed in FRLS (Flame Retardant Low Smoke) conduits. No exposed wiring is permitted.

Section 4: Acoustics

- **4.1 Noise Levels:** The operational noise level emanating from the Demised Premises (music, demonstrations) shall not exceed 75 dB when measured at the lease line.
- **4.2 Sound Insulation:** Given the adjacent tenant (Jewelry Store), any audio demonstration zones must be designed with appropriate sound insulation measures to prevent noise leakage through the Northern demising wall.

Section 5: Contractor Rules

- **5.1 Working Hours:** Fit-out work involving noise (drilling, cutting) is restricted to the hours of 10:00 PM to 8:00 AM.
- **5.2 Debris Removal:** All construction debris must be removed