

MODEL LICENSE FEE AGREEMENT (For Fresh Allotments) -Both General & Essential

This License Agreement (Agreement) made and executed on this the _____ day of _____ (month) _____ (year) by and between

BHARAT HEAVY ELECTRICALS LIMITED, registered under the Companies Act, 1956 and having inter-alia a Unit _____ acting through the Township Administrator (hereinafter called the COMPANY) which expression shall wherever the context admits, include its successors, assigns and transferees in the interest of the first part.

AND

Shri/Smt. _____ S/o, w/o, Sri _____ carrying on business under the name and style of M/s _____ R/o _____ (hereinafter called the "LICENSEE" of the second part).

The Company and the Licensee are individually referred to as the 'Party' and jointly as the 'Parties' as the context requires.

Recitals

Whereas

- A) The COMPANY is the owner of the premises situated at _____ which is more particularly described in Schedule _____ hereto (hereinafter referred to as 'Premises')
- B) As per the applicable policies, the Company intends to induct purely on leave and license basis a person to carry out trade from the said Premises in consonance with applicable legislations and policies of the Company;
- C) In pursuance thereof, the Company had carried out Forward Auction subject to terms and conditions of the Notification bearing number _____ dated _____.
- D) The Licensee was permitted to participate in the aforementioned Forward Auction held on _____ being desirous of being inducted in the said premises as a Licensee purely on leave and license basis;
- E) The bid of the Licensee has been found to be acceptable by the Allotment Committee of the Company as per the applicable policies of the Company and the terms and conditions of the notification dated _____ based on his/its representation that he/it fulfills all the terms and conditions set out in the Notification bearing number _____ dated _____ and is fully eligible as per the same and is not disqualified in any manner from so participating;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Company hereby grants license to the Licensee and the Licensee accepts the said license to carry out business, not being a business notified by the Company as per clause 2.1 to be a 'banned' business, from the said premises for a term of _____

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months commencing from _____ subject to the licensee promptly and faithfully paying a monthly license fee of _____ during the said term in accordance with clause 3.1 hereof and depositing the security deposit in terms of clause 1.3 hereof and faithfully adhering to all other conditions as set out herein below:	
1.0	Term, Effective Date etc.
1.1	The License granted under this Agreement shall become effective from the date of execution of this Agreement.
1.2	The tenure of the license commencing from the Effective Date, shall be for a total period of _____ months i.e. till _____.
1.3	The Licensee shall be allowed occupation of the premises only after submitting the security deposit for due observance of the terms and conditions of the license for an amount equivalent to 12 (twelve) months licensee fee in the form of demand draft/banker's cheque.
1.4	The Earnest Money Deposit of the Licensee, if any, submitted along with the bid shall be adjusted towards the security deposit to be paid.
1.5	The Security Deposit will be refunded without interest only after the Licensee vacates the premises and hands over physical and unencumbered possession of the Premises to the Company on termination or expiry of the License after deducting there from any sum that may be found due from the Licensee.
1.6	In the event of non-observance of any of the terms and conditions of this license the said Security Deposit shall be forfeited in whole or in part at the discretion of the COMPANY.
1.7	Subject to the Licensee not being in default of any of its obligations under this Agreement and prior mutual agreement being reached between the Parties in this behalf as to the terms and conditions, the license may be renewed further.
2.	Types of business:
2.1	From time to time, the Company shall notify lists of banned business(es) and essential business(es). Businesses notified as banned businesses shall not be carried on from the Premises.
2.2	The Licensee hereby agrees and undertakes that it shall not conduct or carry out any business from the Premises which is notified as a Banned Business by the Company.
2.3	For Essential Businesses – The Licensee understands and agrees that no change of trade will be sought by him/it or will be permitted by the Company w.r.t. kind of Essential business for which the premises was allotted to him or it.
2.4	For General Business – The Licensee to whom the premises have been allotted for General Business may change over to one or more business(es) including essential business without need for further permission from the Company. Further, in case the Licensee switching over to an Essential Business no change/relaxation in license fee payable will be allowed for such change of business.
3.0	License Fee etc.
3.1	That the LICENSEE shall pay sum of Rs. _____ (Rupees _____ only) towards the monthly licensee fee.
3.2	The License Fee for the first month shall be paid as on the day of signing of this Agreement
3.3	For each subsequent month during the first year of the tenure of this Agreement i.e. from _____ to _____ the License fee shall be paid on the first day of each calendar month in advance without any demur or reservations and without insisting for a written demand being raised by the Company in this regard.

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3.4	During the currency of this Agreement, the License Fee as mentioned in clause 3.1 shall stand enhanced on each yearly anniversary of this Agreement @5% which shall be rounded off to the next higher ten Rupees.
3.5	The Licensee shall pay the enhanced License Fee during the said year in the same manner as stipulated in clause 3.3. Same procedure shall be followed in subsequent years also during the currency of this Agreement.
3.6	The due and prompt payment of the License Fee in the manner stipulated hereinabove shall be of essence of this Agreement and the Licensee understands that any failure to make the due payment by the stipulated time shall amount to a fundamental breach of its/his obligations under this Agreement.
3.7	The Company shall issue to the Licensee the receipt acknowledging the realisation of the License Fee within a period of 7 days from the date of realisation thereof
3.8	The Licensee agrees that the residence area which has been allotted to the Licensee will be treated as part of the Licensed Premises. The Licensee Fee shall be calculated accordingly. (Clause 3.8 will be treated as deleted in case of premises allotted without residential area)
4.0	<u>Vacation of the Premises for Need of the Company:</u>
4.1	If at any time during the period when the Licensee is in occupation of the Premises, the Company needs the said Premises, the Company can call upon the licensee from one Premise another similar Premise in any available location, similar to the extent possible to the present location and the Licensee shall thereupon vacate and shift to such premise within the period stipulated in this behalf by the Company at his own expense. If no such alternative shop is available the Company shall terminate the license by giving one month notice.
5.0	<u>Nature of License and Prohibition on Transfer/Assignment of License</u>
5.1	That the LICENSEE of the said premises shall, during the currency of the term of this Agreement, have only a permissive right to use the said premises for the purpose provided in this Agreement, arising by the permission granted by the Company. Nothing herein contained shall be construed to create a tenancy or exclusive right in favour of LICENSEE to the Licensed premises and his rights are only those of a bare licensee.
5.2	That the LICENSEE shall not in any manner assign or transfer this license to any person nor shall the Licensee sublicense the said premises or part with any privilege granted herein to any other person what-so-ever or in any manner. The Licensee shall use the premises solely for the purpose defined herein for which he has been granted this License. In the event of violation of this condition the Licensor may, without prejudice to any other action which he may be entitled to take, terminate this License forthwith.
6.0	<u>Compliance of Laws</u>
6.1	That during the period when the LICENSEE remains in occupation of the Licensed premises, the LICENSEE agrees to abide by the provisions of all applicable central or state laws and rules or regulations framed thereunder applicable to his trade or his use of the licensed premises and shall bear all costs towards compliance of the said provisions on his own account. Without prejudice to the generality of the foregoing, in particular, the LICENSEE shall comply with the provisions of the Employment of Children Act, 1938, Shops and Commercial Establishment Act of the State etc.
6.2	The LICENSEE also agrees to obtain at his own cost and expense all licenses, permissions, permits or clearances from the concerned authorities as necessary for use of the licensed premises by the Licensee or for carrying out the trade from the said premises.
6.3	The LICENSEE also agrees to comply with at his own cost any regulation,

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	direction or order of any regulatory or statutory authority or judicial or quasi-judicial body or local authority with regard to the use of the licensed premises by the Licensee or the trade carried out there from during the period he is or remains in occupation of the licensed premises.
6.4	That the LICENSEE shall pay all taxes, levies, cesses, fees or charges of whatsoever description, with all enhancements in relation to the said occupation or use of the licensed premises and / or the trade carried on in and from the said premises as is to be paid or assessed by the authorities concerned during the period when the licensee remains in occupation of the licensed premises.
6.5	The Licensee understands and agrees that the premises under occupation by and under this Agreement may be inspected by from time to time by officials of the concerned statutory or local or regulatory authorities Agencies and that any observation, order passed consequent upon such inspection shall be complied with by the Licensee at his own cost and expense.
6.6	The fine or other penalty of whatsoever description, imposed by the concerned authority in respect of any violation or the non-compliance of any applicable provision shall be paid by the Licensee.
6.7	The LICENSEE agrees to keep the Licensor/Company harmless and hold it indemnified on account of any loss or damages sustained or expenses or costs incurred by the Licensor in order to defend any proceeding brought against it or on account of use of the licensed premises by the Licensee or to ensure compliance of the central and the state laws, rules, regulations made thereunder or regulations, directions or orders of any regulatory or statutory authority or judicial or quasi-judicial body or local authority as applicable to the trade of the licensee or to the use of the licensed premises by the Licensee.
6.8	The Licensee shall, without demur or reservations, forthwith pay in full, the sum of money as demanded by the Licensor in terms of clause 6.7 .
7.0	<u>Risks and Liabilities of Licensee</u>
7.1	That the Licensee agrees that he shall solely bear all risks and liabilities whatsoever, and meet all debts or arrears in respect of the trade carried on by the Licensee in or from the licensed premises and the COMPANY shall not be liable for any such risks nor for any debts, arrears, or other levies statutory or otherwise, arising out of any of the acts, omissions or deeds of the LICENSEE.
8.0	<u>Extent of Licensed Premises</u>
8.1	The Licensee understands and agrees that the license granted by this License Agreement, is only as respects the area enclosed by the walls and the door of the licensed premises. Any open area or the front, back or side verandah (if any) abutting the licensed premises are meant only for the use as common passage by the customers, visitors etc and is not a part of the Licensed premises itself. Such open area or verandah must on NO account be used for any purpose, by the licensee as a part of the licensed premises including but not limited to for exhibiting articles for sale. The verandah(s) must be left absolutely unoccupied. Any occupation of the any open area or the front, back or side verandah (if any), shall constitute unauthorised occupation and the LICENSEE shall be liable for any consequential action.
8.2	The LICENSEE agrees that it shall not encroach or occupy on any vacant land without prior permission of the Company in writing and shall restrict his use to the premises licensed to him. Any encroachment under this clause or the preceding clause without the prior permission from the Company would be construed as unauthorized occupation / trespass in breach of this agreement, irrespective of the time.

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9.0	<u>Payment of Electricity and Water Charges, Conservancy Charges etc. and Powers of Company in the event of Default of Payment</u>
9.1	That the LICENSEE agrees that during the period when it remains in occupation of the licensed premises, it shall pay in full, without demur or any reservations, all, electricity and water consumption charges, as demanded from it in respect of the licensed premises. Such charges, shall be payable on actuals (as intimated to the licensee by the Company) if the connection is from the concerned utility. In case the connection is not from the concerned utility, then the charges shall be payable as determined by the Company in accordance with the rates fixed by the COMPANY in this behalf from time to time. The LICENSEE shall also pay Professional Tax if any imposed by the concerned authorities.
9.2	The LICENSEE further agrees to bear all necessary conservancy charges and bills for such charges preferred by the COMPANY shall be payable by the LICENSEE within seven days from the date of presentation of the bill failing which 1.5% interest per month will be levied and recoverable from the Security Deposit.
9.3	The Licensee agrees that all bills for electricity/water supply shall be payable within 7 calendar days from the date of presentation of the bill(s). In the event of default in making the payment of the bill(s), the supply of the service may be disconnected or discontinued by the Company, without any further notice and without prejudice to the Company's right to terminate the agreement.
9.4	However the COMPANY shall restore the service(s) immediately after the payment of dues as per clause 9.1 and reconnection charges as fixed by the COMPANY from time to time for each service including recovery on default of payment from the licensee as per clause 9.5, have been fully paid.
9.5	The recovery of penalty on default payment from the licensee will be minimum of Rs. 100/- p.m. or 1.5% interest per month on outstanding dues, whichever is higher.
10.0	<u>Maintenance of Licensed Premises</u>
10.1	The Licensee agrees to maintain the interior and the exterior of the licensed premises in good tenantable repair at all times during his occupation of the same at his own cost and expenses. However, on account of such expenses and costs, the Licensee shall not be entitled to claim any rebate in the Licensee Fee reserved hereby or for extension of the tenure of the License.
10.2	The Licensee shall always keep the Licensed Premises maintained in neat, clean and hygienic condition to the satisfaction of the COMPANY.
10.3	The Engineer-in-charge of maintenance, or any other authorized representative of the COMPANY shall at all times during the working hours, have free access to every part of the premises allotted to the LICENSEE for the purpose of inspection and also to carry out the necessary repairs and other annual maintenance works.
10.4	That the LICENSEE shall not carry out any additions/alteration of permanent nature, except minor repairs and interiors of temporary nature. No structural change will be permitted.
10.5	That the LICENSEE shall make good any damage caused to the said premises at his own expenses (normal wear and tear being excepted). The decision of the COMPANY or any officer authorized on its behalf shall be final and binding on the LICENSEE..
10.6	The major structural repairs of the Licensed Premises, if necessary, shall be carried out by the Company. For the purpose of carrying out such repairs, the Company may call upon the Licensee to handover, vacant and physical occupation of the Premises to the Company for the period requisite for carrying out the repairs as adjudged by the Company.

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10.7	The Licensee shall not be entitled to claim any compensation for direct or indirect losses arising out of such handing over of occupation of the premises to the Company. However, the original term of the License Agreement shall be correspondingly increased by the duration for which the Licensee remains out of occupation and use of the premises owing to such repairs being carried out.
10.8	In the event, the occupation of the Licensed Premises cannot be restored to the Licensee within a period of six months after carrying out the repairs, the Licensee may terminate the License Agreement by serving the one month notice.
11.0	<u>Removal of Objectionable/Undesirable Persons from the Premises</u>
11.1	The LICENSEE should normally be available in the premises to run the business.
11.2	The LICENSEE agrees to forthwith remove any of his employee or associates from the licensed premises, whose continued presence at the aforesaid premises is considered by the COMPANY as undesirable for medical, security or any other reasons which the COMPANY will not be obliged or forced to disclose. The order of the TAD In-charge of the Company in this behalf shall be final and binding.
12.0	Non-interference by the Licensee with Pipelines etc.
12.1	The LICENSEE shall not interfere or damage with the pipelines, gas pipe lines, water pipe lines, Sewerage lines, Telegraph lines, Telephone, other Cable lines and the Electric lines passing over or under ground of the premises so allotted to him.
13.0	<u>Remedies for Breach and Termination of License</u>
	<i>Suggested breach(es) for imposing penalty under this clause are those which are minor in nature and do not call for immediate termination of license agreement, e.g. obstructing pathway by keeping materials/ goods, extending shop in verandah etc.</i>
13.1	Except in so far as is specifically provided for in this Agreement, in case of breach or non-observance of the terms and conditions of this agreement by the LICENSEE or employees / agent, the COMPANY may, without prejudice to its right to terminate/revoke the License granted under this Agreement on that account, take one or more of the following actions against the LICENSEE, : a). Impose penalty for a sum of Rs.500/- per day during which the violation or non-compliance of any provision of this Agreement continues. In the event, the Licensee is found to be habitually violating the provisions of the Agreement, then the penalty shall be calculated at a rate of Rs. 1000/- per day during which the violation or non-compliance continues. The decision of the Company in this behalf shall be final and the amount as adjudged by the Company would, unless paid in full within 7 calendar days from the date of raising of the demand, be deducted, from the Security Deposit of the Licensee. b). Forfeit the security deposit in whole or in part to make good any loss caused to the Company or to the Licensed Premises. c). Suspend the use of the licensed premises by the Licensee for a period not more than 90 (Ninety) days in respect of each such violation or non-compliance.

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13.2	Notwithstanding anything to the contrary contained in this agreement, this Agreement may be terminated at any time by either party by giving one month notice in writing to the other Party without assigning any reason.
13.3	The shop will be allotted on "As-Is-Where-Is" basis. The allottee will not be paid any compensation, damages towards dismantling, removal of any infrastructure, temporary structures, interiors etc., which he/she may have done for running trade/ business during the license period, at the time of expiry/ termination of license /vacation of premises on account of any reason whatsoever.
13.4	On termination of the License as per clause 13.2, the LICENSEE binds himself to remove all his properties from the said premises and shall handover the vacant premises to the COMPANY, repair all damages within the period of the notice for termination / vacation.
13.5	The construction/ structure if any, erected by the LICENSEE shall be removed at his own cost and the premises would be restored as it was handed over. If the COMPANY wants that such structures should not be removed, but be retained in the premises, then the value of such construction / structure shall be determined by the Company which shall be final and paid to the licensee within a reasonable period.
13.6	In case of termination of the License in any manner, the LICENSEE shall not be entitled to claim any compensation from the Company or seek recovery of investments or an alternate premise.
13.7	In the event of insolvency or death or conviction in a court of law for an offence involving moral turpitude of the LICENSEE, the license shall be cancelled forthwith
13.8	That the vacation of the premises on expiry of the license period is essence of the Contract failing which the Company will be entitled to claim penal charges for unauthorized occupation @ 200% of the License fee but in no case less than Rs 1000/- per day. This shall be in addition to the license fee payable herein.
14.0	Cost of Stamping and Execution
14.1	That the LICENSEE shall bear the cost of stamping and execution of this agreement.
15.0	Any notice required to be served by the COMPANY upon the LICENSEE shall be deemed to be sufficiently served if signed by the officer authorized by the COMPANY and delivered, sent by Registered Post address to the LICENSEE at his last known place of business or at the said premises. Any notice to be served by the LICENSEE upon the COMPANY shall be deemed to be sufficiently given by him and delivered, if the same is properly addressed, and stamped and sent by Registered Post or hand delivered in the office of township administration of the Unit.
16.0	Arbitration
16.1	Any dispute or difference between the Parties arising out of or connected with the present agreement, except in so far as the same is covered by the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 or any other statutory enactments or modifications thereof as may be in force from time to time, shall be referred to arbitration by a Sole Arbitrator. The Sole Arbitrator shall be appointed by the Head of the Unit of the Company. The proceedings of such arbitration shall be conducted in English language and shall be

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	governed by the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification thereof as applicable from time to time. The seat of such arbitration shall be at _____. The Parties shall not object to appointment of any person as the sole arbitrator merely on the ground that he is an employee of the Company. Subject to clause 17 herein below, the decision of the Sole Arbitrator shall be final and binding on both the Parties.																																
17.0	Governing Law																																
17.1	Subject to the provisions of clause 16 hereinabove, any dispute between the Parties shall be subject to jurisdiction of Courts at _____																																
	<u>THE SCHEDULE OF PROPERTY</u> The Shop No. _____ situated in Neighborhood _____ Township, Bharat Heavy Electricals Limited, _____ and bounded on: Area of shop _____ (in square feet) Floor number _____ Area of Residential portion _____ (in square feet) North by : South by : East by : West by :																																
	In WITNESS WHEREOF the parties have set their hands the day and year first above written <table border="0"> <tr> <td>1</td><td>WITNESS</td><td>1</td><td>For and on behalf of Bharat Heavy Electricals Limited</td></tr> <tr> <td></td><td>(1)</td><td></td><td></td></tr> <tr> <td></td><td>(2)</td><td></td><td></td></tr> <tr> <td>2</td><td>WITNESS</td><td>2</td><td></td></tr> <tr> <td></td><td>(1)</td><td>2.a)</td><td>PERMANENT ADDRESS OF LICENSEE</td></tr> <tr> <td></td><td>(2)</td><td></td><td>Name:</td></tr> <tr> <td></td><td></td><td></td><td>Res. Address</td></tr> <tr> <td></td><td></td><td></td><td>Ph. No.</td></tr> </table>	1	WITNESS	1	For and on behalf of Bharat Heavy Electricals Limited		(1)				(2)			2	WITNESS	2			(1)	2.a)	PERMANENT ADDRESS OF LICENSEE		(2)		Name:				Res. Address				Ph. No.
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