

KIN/BSD/A LOT/.....(.....)/2014-15/Lic.Agr.

Date.....

LICENCE AGREEMENT

THIS DEED OF LICENCE made atthis theth day of**Two thousand**..... BETWEEN **KERALA INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CORPORATION**, a body corporate duly constituted under the Kerala Industrial Infrastructure Development Act, 1993, having its principal office at '*KINFRA HOUSE*', T.C. 31 / 2312, Sasthamangalam, Thiruvananthapuram 695 010, represented by its Managing Director, aged (.....) years, son of Shri, residing at (hereinafter called the LICENSOR, which expression shall, unless repugnant to the context, be deemed to include its successors and permitted assigns) OF THE ONE PART AND, a partnership firm constituted under Indian Partnership Act, 1932, having its Principal place of business at/, a company registered under Indian Companies Act,1956 having its registered office at represented by its,**Shri**, aged (.....) years, son of, residing at (hereinafter called the LICENSEE, which expression shall, unless repugnant to the context, be deemed to include its / his successors and permitted assigns) OF THE OTHER PART.

WHEREAS the Licensor is the absolute owner of the property comprising **acres** (**.....hectare**) in **Survey Nos.**, Village:, Taluk:, District:, Kerala State, and more fully described in the First Schedule hereunder written being part ofPark,

AND WHEREAS the Licensee has applied to the Licensor for a lease of the property described in the First Schedule hereunder written for a term of 30 (thirty) years commencing from

AND WHEREAS the Licensor has agreed to grant a Licence to the Licensee permitting it to enter upon the said land for the construction of a building for setting up and running an

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Licensor

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Licensee

industrial unit for **manufacturing** the said building to be completed within a period of 2 (two) years from the date hereof;

AND WHEREAS the Licensor has agreed that on the completion of the construction of the said building and commenced production in the establishment in terms hereof, the Licensor will grant to the Licensee a lease in respect of the said property for the balance period of 28 (twenty eight) years on the Terms and Conditions contained therein;

NOW THIS AGREEMENT witnesseth as follows:

- (1) During the period of 2 (two) years commencing from the date hereof the Licensor will permit the Licensee to do the acts and things specified in the Second Schedule hereto, over the land described in the First Schedule hereto.
- (2) The Licensee will pay the Licensor for such permission an yearly Licence Fee of Rs.(Rupeesonly) payable in advance on or before the 30th day of April every year for that financial year, the Licensee having already paid the Licence Fee payable for the current year and if the same is not paid within the said period, the same shall carry interest at 14.75% per annum or such rate as may be fixed by the Licensor from time to time. However, this liability for payment of interest shall not affect the rights of the Licensor under this Deed.
- (3) In addition to the Licence Fee payable as above, the Licensee has paid to the Licensor this day an amount of **Rs./- (Rupees only)**, as Earnest Money Deposit and **Rs. (Rupeesonly)**, being 50% of the premium calculated at the rate of **Rs./- (Rupees only)** per acre, payable in respect of the Lease when executed as estimated at present. The balance estimated premium of Rs...../- (Rupees only) shall be paid in two yearly instalments, the first of such instalment being payable within a period of 12 (twelve) months from the date hereof and the balance 25% within a period of 12 (twelve) months thereafter, the instalments to carry interest @ 14.75% per annum or such rate as may be fixed by the Licensor from time to time
If a lease deed is executed between the parties in respect of the said land as

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Licensor**

**Shri
Licensee**

herein contemplated, the Earnest Money Deposit will be adjusted against the premium payable in respect of the Lease at the time of execution and registration of the Lease Deed. The premium is based on the present day cost of acquisition of the premises hereby licensed and if additional compensation becomes payable as a result of any orders of any Court in proceedings pursuant to the provisions of the Land Acquisition Act, the premium payable will get enhanced to that extent worked out proportionately based on the total additional compensation payable in respect of the land covered by Park,, and the Licensee will be liable to pay the same as and when called upon to do so.

The licensee is liable to pay service tax on the lease premium at the applicable rate from time to time, the licensee has already paid an amount of `/- (Rupees only) being 12.36% service tax or any such rate fixed by Government from time to time on this account.

- (4) The licensee shall pay the Licensor the proportionate cost of the common facilities such as maintenance of roads, provision of lighting, etc as well as the cost of administration of thePark, commencing after completion of 6 months from the date of signing of the license agreement or from the date of commencement of the construction activities whichever is earlier. The bills in respect of this to be paid on or before 7th of every month, failing which the licensee will be liable to pay 14.75% per annum or such rate as may be fixed by the Licensor from time to time.
- (5) The Licensee shall pay electricity charges as per the tariff fixed by the Kerala State Electricity Board and pay the water charges as per the tariff fixed by the Kerala water authority from time to time
- (6) If the Licensee makes default in the payment of the Licensee fee, Premium and / or interest as provided hereinbefore or does not complete the construction of the building and commence production in the establishment within the period of the Licence or extension thereof or commits any other breach of the provisions of this Deed the Licensor shall be entitled to revoke this Agreement and the Licensee shall therefore forfeit all his rights hereunder and shall remain liable for any sum then due by him and also for any loss which may be caused to the Licensor by

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reason of such default and in such an event the amount paid towards premium referred to above will be refunded to the Licensee without interest but after forfeiting the Earnest Money Deposit and deducting any amounts due to the Licensor from the Licensee.

- (7) If the Licensee has for justifiable reasons not completed the construction of building during the period of the Licence, then on application by the Licensee the Licensor may at its sole discretion grant an extension of the Licence period without affecting the total period of the Licence and Lease, viz., 30 (thirty) years.
- (8) If the Licensee has completed the construction of the building as provided in the Second Schedule hereto and commences production in the establishment, in terms of the programme of activities specified in the said schedule within the period of the licence or its extension, the Licensee is entitled to get a Lease of the property mentioned in the First Schedule for a period of 30 (thirty) years reduced by the period of the Licence and any extension there of. If the Licensee does not comply with such terms and conditions or does not execute the Lease Deed within six months from the date when the Licensee is called upon to execute the same, the Licensee shall be at liberty to remove the structures erected and other improvements made by him without any claim to compensation whatever and restore the premises to its original condition within such time as directed by the Licensor. If the Licensee does not remove the building and fixtures as aforesaid or restore the premises to its original condition as required and within the time prescribed, the Licensor shall have the right to remove such buildings and fixtures and restore the said premises to its original condition and the cost of such removal and restoration shall be realised from the said materials and the balance, if any, from the Licensee by adjustment against the amount deposited referred to above or otherwise. In case there is any amount left from the sale price so removed or amount deposited after the adjustment of the amounts referred to above, the same shall be refunded to the Licensee without any liability for payment of interest.
- (9) The proposed unit should not carryout any other activities, which are harmful to other industrial units coming up inside the Park and environment.

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Licensee

- (10) It is further declared that the Licensee is bound by the provisions of the Land Disposal Regulations framed by the Licensor as well as any modifications thereof from time to time.
- (11) The Licensee shall not carry out any excavation in the land allotted to them for digging borewell for water and for any other activity relating to the business of the unit or for any other purpose.

FIRST SCHEDULE HEREINBEFORE REFERRED TO:

District :
 Taluk :
 Sub-District :
 Village :
 Firka :
 Muri :
 Tenure :
 Block No :
 Survey Nos. :
 Area :

DESCRIPTION:

An extent of **acre** (.....**hectare**) of dry land in **Survey Nos.**, situated in Village,Taluk,.....District, Kerala State.

BOUNDARIES:

North :
 East :
 South :
 West :

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SECOND SCHEDULE HEREINBEFORE MENTIONED:

- (1) The Licensee shall be entitled to enter upon the land licensed to it / him only for the construction of the building for setting up and running an industrial unit for ***manufacturing***.....
- (2) The Licensee shall within six months from the date hereof submit the Plans and Drawings prepared by it for the construction of the said building for the approval of the Licensor and the Licensee shall proceed with the construction of the building only on getting the written approval thereof from the Managing Director of the Licensor or his duly authorised representative and complete all activities in terms of the following programme as enjoined by clause (6) of this License agreement.

Item No	Description	Maximum Period from the date of licence agreement
1	Submission of application for clearances/ plans and drawing for the construction of the buildings	6 months
2	Completion of construction of the buildings	18 months
3	Completion of Installation of plant and machinery	24 months
4	Commencement of commercial production	

- (3) The Licensee shall comply with all the Building Regulations including the Kerala Building Rules.
- (4) A copy of the Plan duly approved by the Local Authority for the construction of the building shall be furnished to the Licensor within ten days of receipt of the same from the said Local Authority.
- (5) Any alterations to the Plans made as a result of any directions of the Local Authority shall be furnished to the Licensor immediately on receipt of the same and the Licensee shall proceed with the construction of the building only after getting the approval of the Licensor as above to the said alterations.

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- (6) All Survey Boundary Marks demarcating the boundaries of the land described in the First Schedule hereto shall be properly preserved, and in addition the Licensee shall construct a boundary wall or boundary fencing for the entire periphery of the land described in the First Schedule hereto.
- (7) In the event of there being adjoining lands licensed/leased to other parties by the Licensor, the cost of construction of the boundary wall / fences applicable to the Licensee hereto and other Licensees / Lessees shall be shared by Licensees/Lessees concerned if so directed by the Licensor.
- (8) The licensee shall make his own arrangements for cutting and removing trees necessary for excavation of foundation for construction of the building and other facilities with the prior permission of the licensor at his own cost and hand over to the licensor the trees so cut and removed and the same shall be disposed off by the licensor.
- (9) The Licensee shall have no right to take usufructs from the trees standing on demised premises. The right to take usufructs from the demised premises shall exclusively vest with Licensor and Licensor will have the right to give this right to any other person for such period and on such terms as Licensor may deem fit.

IN WITNESS WHEREOF the parties hereto have affixed their signatures to this License Agreement on the day and year first above written.

Licensor

Licensee

Witnesses:

1.

2.

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