

## LICENCE DEED

This deed of licence made on this \_\_\_\_\_ day of \_\_\_\_\_ 2009  
at Visakhapatnam / Vizianagaram by and between.

The Visakhapatnam Urban Development Authority, Visakhapatnam constituted under section 3 of the A.P. Urban Areas (Development) Act, 1975, represented by its Secretary for the time being Sri M.S Bhagavan here in after called the Licensor;

AND

Sri Yellapu Jagga Rao S/o, Yellapu Jagannadha Rao aged 33 Years, residing at 10-56-72, Ramnagar, Visakhapatnam hereinafter called the licensee which expression shall mean and include unless excluded by the context his successors-in-interest, administrators, executors etc.,

Whereas the Licensor is the lawful and absolute owner of the premises described in the schedule contained herein which will hereinafter be referred to as " the Schedule Mentioned Premises". i.e., Shop No-8, Udyog Bhavan Shopping Complex of VUDA.

Whereas the licensee applied for allotment of shop in VUDA shopping complex to run his proposed business. The Licensor allotted a shop No.8 in UBC Complex "A" Block shopping complex / area of licensor.

Whereas the licence has requested the Licensor to permit him to occupy the schedule mentioned premises and allow him to make use of the premises strictly for the purpose of running business i.e., MILK & MILK PRODUCTS, STD, XEROX & DTP.

Whereas the Licence agreed to grant Licence for the period Three Years i.e., from the date of allotment of shop / possession of shop whichever is earlier in favour of the licensee enabling him to occupy the schedule premises, only for the purpose of running a business i.e., MILK & MILK PRODUCTS, STD, XEROX & DTP.

LICENSEE

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VISAKHAPATNAM

This Licence Deed now Witness:

1. That in consideration of the payments of Rs. 84249/- made by the Licensee by way of Challan No.2398 towards 12 (Twelve months advance of Rs.79248/- and ele. Consumption charges of Rs.5,000/-as deposit with the Licensor, and in consideration of the Licensee's promise to pay a monthly licence fee of Rs. 6604/ from 14-10-2009 to 13-10-2010, Rs.7,066/- from 14-10-2010 to 13-10-2011 and Rs.7,561/- form 14-10-2011 to 13-10-2012 per month promptly and regularly, and in consideration of the Licensee's promise to observe and fulfill other terms of the licence as contained in the other clauses of this licence deed, the Licensor hereby does grant licence in favour of the Licensee for a period of 3 years to enable the licensee to run his business i.e., sale of MILK, MILK PRODUCTS, STD, XEROX & DTP in the scheduled premises of shop No. of Udyag Bhavan complex of VUDA.
2. The Licence shall come into force / must be deemed to have come into force with effect from 14-10-2009. The Licensee shall pay the licence fee for every month latest by the 10<sup>th</sup> day of the succeeding month. In case of any delay, the late fee of Rs. 2 per Rs. 100/- per month is payable by the Licensee.
3. However, the provision of late fee will be available to the Licensee only for 3 months. If the Licensee commits default in payment of Licence fee for 3 consecutive months, notwithstanding the deposit held by the Licensor, the licence shall be deemed to have been revoked and the licensee shall be liable to be summarily evicted from the premises.
4. The Licence fee and other amounts payable by the Licensee shall be paid in cash in the office of the Licensor or designated Bank of Licensor or by way of " " Account-payee" Pay Order or Demand Draft drawn in favour of the Vice-Chairman, V.U.D.A. Visakhapatnam. On any Bank located at Visakhapatnam Demand draft charges are to be borne by the Licensee. Cheques will not be accepted. The Licensee shall make it a specific point to collect and preserve the receipts for all payments made to the Licensor. The tax Deduction at source receipts i.e., T.D.S. In the absence of such valid receipt issued by the competent Officer of V.U.D.A. payment if any made by the Licensee will not be taken into account by VUDA.
5. The Licensee is absolutely debarred from making use of the schedule premises for any purpose other than the purpose for which this licence is now being granted. The Licensee shall not carry out any unlawful activities in the premises. Any violation of the same will entail in revocation of the Licence and eviction of the Licensee.

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6. The Licensee shall not exhibit or permit any advertisements except those exclusively pertaining to his business permitted herein.
7. It is not obligatory on the part of the Licensor to supply water to the scheduled premises.
8. The Licensee shall pay charges for consumption of electricity in respect of the scheduled premises in accordance with the reading of the meter installed.

In this regard, it is made know to the licensee that presently the centralised power system is vogue in respect of the shops and offices of the Licensor and the same is in commercial ( non-domestic) category.

The Licensee shall be liable to pay the power consumption charges to the Licensor at the rate applicable to non-domestic category as per A.P. Transco from time to time, together with service chares of 10% of VUDA and meter chares. All the above stated electricity changes are payable to VUDA / A.P. Transco. If the electricity charges are not paid on or before the due date in any month, the power supply to the schedule premises is liable to be disconnected forthwith without any notice or intimation before such disconnection.

9. The Licensee shall be under an obligation to keep the premises and also the installations etc. in good condition and if any damage occurs either to the premises or to the installation on account of any act or omission on the part of the licensee, the licensee shall himself make good the same at his expense and restore the same to its original condition. The premises and surroundings of the buildings shall be kept clean and tidy. The officials of Visakhapatnam Urban Development Authority and Municipal Authorities are entitled to inspect the schedule premises during working hours.
10. The Licensee shall not be entitled to make any structural alterations to the premises without obtaining prior written consent of the Licensor.
11. In case any modifications or alterations are carried out by the licensee in the premises allotted to him / her with the prior permission of VUDA, the allottee should remove such modifications or alterations made by him / her at his / her own cost and handover the possession of the premises at the time of vacation, with its original status.
12. The Licensee shall not be entitled to sub-license the premises or create any interest in the premises in favour of any other party or to allow any other party to occupy the schedule premises for any purpose whatsoever and under any system or arrangement whether lawful or unlawful. If any irregularity or violation of this condition is noticed the license shall be cancelled forthwith with forfeiture of entire security deposit.

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13. The Licensee shall not be entitled to change the constitution or status without the prior written consent of the Licensor. Proprietary concern cannot be converted into partnership or Limited Company, Similarly, if the Licensed is a partnership firm, the composition of the partners cannot be changed. Creation or transfer of interest for benefit of this licensee in any form is prohibited.
14. If, during the subsistence of the license, either of the parties wishes to terminate the same, it should be given the other party three months advance notice. If the Licensee vacates the said premises without such notices during the subsistence of the licence period, he shall be liable to pay licence fee for that 3 months period.
15. It is clearly understood by the Licensee that this is only a licence and not lease. No interest in the premises as such is intended to be created in favour of the Licensee except enabling him to occupy the premises for the purpose mentioned above. The Licensee has chosen to enter into this Licence deed after fully understanding that on the expiry of licence period as mentioned herein or on the earlier revocation of the licence, the licensee shall be liable to quit the premises, failing which the Licensor shall be absolutely entitled to take over the premises without any necessity of taking recourse to any court of law.
16. The Licensee hereby binds himself to pay all the taxes viz., Service Tax, Sales Tax, Income Tax and purchase tax due under Central and State Acts and Rules applicable to the business.
17. The deposit held by the Licensor shall be refundable at the time when the licensee vacates the premises or shall be adjusted towards any compensation payable to the Visakhapatnam Urban Development Authority or towards any damage caused to the premises or should the licensee vacates the premises without issuing one month's notice as contemplated supra and balance if any only be refundable to the licensee. The Advance deposit will not carry any interest.
18. If the Licensee violates any of the conditions of the Licence or if the premises is required by the Licensor for any other purpose, notwithstanding the fact that the licence period has not expired the licensor shall be entitled to terminate the licence and exercise the right of re-entry and take possession of the premises in the manner stated above.
19. The men and employees of the Licensor may inspect the premises at all reasonable timings during working hours and the Licensee or his men shall extend all co-operation to enable the Licensor or their men to satisfy themselves that the terms and conditions of the Licence deed are being adhered to.

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20. It is further agreed between the parties that during the subsistence of the licence period, the licensor shall not be under any obligation to carry out any repairs or white washing for the schedule mentioned premises.
21. Any delay tolerated or indulged by the Licensor in enforcing the terms of this licence or any forbearance or giving time to the licensee more than the stipulated time shall not be construed as waiver of any breach of non-compliance of any of the terms and conditions of this licence by the licensee not shall the same in any manner prejudice the rights of the licensor.
22. If the licensee is proved to be a bonafide licensee adhering to all the terms and conditions of licence and if he desires to take extension of the licence and if the licensor does not require the premises for its purpose of whatever nature, the Licensor at the end of the licence period, may consider extension of this licence for such fresh period and on such fresh period and on such fresh terms and conditions as are deemed appropriate, in which case, the licensee shall be liable to enhance the licence fee at 7% over and above the exiting rate for every year and shall also be liable to enter into a fresh licence deed by paying requisite stamp duty and get the fresh Deed registered in the manner as required under law.
23. The original licence deed shall be retained by the Licensor. An attested true copy is furnished to the licensee. The stamp duty and registration fee in respect of this licence deed are borne by the licensee.
24. All previous arrangements and agreements if any between the Licensor and licensee shall stand extinguished in view of the present licence.
25. What the VUDA is going to award is only "Licence" and not a Lease", In case of Cancellation of Licence the "VUDA" will be fully entitled to summarily remove the licensee and workers.
26. The provisions of the Indian Easement Act relating to licensee and revocation of licence shall be read as supplemental to these conditions. It is also made clear that the spirit prepared and intent of this Licence in all respects involve no transfer of interest in the Licence hold property.
- In witness whereof both parties have set their hands and subscribed their signatures unto this instrument on this the \_\_\_\_\_ day of \_\_\_\_\_ in the presence of the following witnesses at Visakhapatnam / Vizianagaram.
27. Liquor business in any form will not be permitted in the licensed premises.

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SCHEDULE

The Shop / Stall / Bunk bearing No. \_\_\_\_\_ of \_\_\_\_\_  
Shopping Complex, Constructed by VUDA in T.S. No. / S. No. \_\_\_\_\_ in \_\_\_\_\_  
ward of Visakhapatnam / Vizianagaram and the boundaries of the same are as given below:

1. On the North by :
2. South by :
3. East by :
4. West by :

Licensee

Licensor

In the presence of :

- 1.
- 2.