

LICENCE DEED

This Deed of Licence is made on _____ day of _____ month _____ between Silk Mark Organization of India (SMOI) , a registered organization under Karnataka Societies Act 1961 (Registration No. 1054/2003-2004) having its registered office in First Floor, Central Silk Board Office, CSB Complex, BTM Layout, Madivala, Bangalore-560 068 represented by its CEO, hereinafter called SMOI on one part and _____ hereinafter called the Authorized User/Licensee on the other part.

This Deed witnesseth as follows:-

Whereas SMOI has conceptualized " **Resham Ghar** " a concept with an objective to provide retail space belonging to Central Cottage Industries Corporation of India Ltd., New Delhi, a Govt. of India undertaking, under Ministry of Textiles, to the deserving weavers, artisans, Co operative societies and manufacturers who are Authorized Users of Silk Mark.

Whereas SMOI has decided to licence the use of said Resham Ghar, located at 144, Shubaram Complex, Next to Kotak Mahindra Bank, Mahatma Gandhi Road, Bangalore – 560 001 more fully described in the schedule hereunder and hereinafter referred to as "Resham Ghar" to the Authorized User on payment of prescribed facilitating fee calculated on the basis of the net sale proceeds of the silk products sold in the premises.

Whereas the Licensee being an Authorized User of Silk Mark and has applied for Resham Ghar and has confirmed that he (1) will be marketing only silk goods containing 100% Pure Silk in the said premises, (2) has understood that the use of Resham Ghar enhances his business sphere and (3) shall abide by the terms and conditions put forth by SMOI in relation to use of the Resham Ghar. SMOI having accepted the offer of the Licensee has agreed to permit the use of Resham Ghar by the latter on the following terms and conditions mutually agreed between the parties:

1. '**Resham Ghar**' is the property of CCICI Ltd leased to SMOI under the Lease Agreement dated _____. The terms of this Licence Deed are subject to the terms and conditions of the said Lease Agreement.
2. The Licensee has no right or claim over the Resham Ghar and cannot permit any other person or third party to use the Resham Ghar without the prior permission of SMOI. The Licensee has been granted only the permission to use the Resham Ghar for selling their 100% Natural Silk goods, provided that the Silk products conform to the purity as prescribed by SMOI for the use of Silk Mark. For this purpose "100% Natural Silk" means any product woven with Natural Silk in Warp and Weft in the base fabric notwithstanding any other fiber, used for ornamental figuration as extra Warp or Weft during loom stage or after loom. Zari and Lurex used in the base fabric along with Natural Silk in Warp [and / or] Weft for ornamental purpose will also qualify.

3. In view of clause 2 above, the Licensee shall ensure that only silk goods with the Silk Mark are sold in the licensed premises. Any violation of this will be considered as wrongful usage of Silk Mark. SMOI would be at liberty to revoke the licence and get the premises vacated at the end on a notice period of 15 days in case of the wrongful usage of Silk Mark. SMOI officials will be at liberty to check the silk goods being displayed and/or marketed in the premises to ensure their purity, and to see if they have been labeled with ' Silk Mark ' and the price tag. Any discrepancy or violation can be brought to the notice of the Licensee for immediate correction or for invoking the revocation clause as the case may be.
4. The Licensee shall indemnify the SMOI against the claims of third party caused by the fault of the said Licensee. The Licensee shall maintain proper accounts of all the products sold in the said premises and shall make the same available to the authorized representative of SMOI whenever required. The Licensee may make their own arrangements to get their products stored in the premises insured against any loss, theft or any other damage due to natural or manmade calamity. SMOI shall not indemnify the Licensee for the same.
5. Without prejudice to any of the clauses mentioned above, SMOI reserves the right to revoke the permission to use the Silk Mark by the Licensee for any reason whatsoever, in which case the Licensee shall be barred from using the Silk Mark.
6. The SMOI shall not be responsible or liable for the claims of third party arising on account of misuse of Silk Mark or wrongful usage of Silk Mark by the Licensee.
7. For any clarification or doubt arising under this agreement the decision of the CEO of SMOI or any committee appointed by him/her in this behalf shall be final and binding on the Licensee.
8. Any dispute or differences under this agreement shall be resolved mutually between the parties, failing which, it shall be referred to a sole arbitrator in which case the provisions contained in Arbitration and Conciliation Act 1996 shall apply.
9. The words "SMOI" and "Licensee" include their respective successors, assignees or representatives.

II. Terms and conditions for permitting use of 'Silk Mark'.

1. Only an Authorized User of Silk Mark is eligible to be an Licensee of 'Resham Ghar '. In case the 'Authorized User' status of the Licensee is lapsed during the license period due to non renewal, cancellation, and debarment or for any other reason, the allotment of the Resham Ghar also gets cancelled automatically and this licence deed stands terminated forthwith without any notice.
2. Duration of allotment of space would be for a period of **11** (Eleven) months from the date of allotment. The period of allotment can be extended at the discretion of the CEO, SMOI either on the same terms or on revised terms.

3. The Licensee shall:
- i. Affirm and declare that he has full knowledge of the above venture, after fully satisfying himself of the entire gamut of his duties and responsibilities, has consented to enter into this Licence Deed.
 - ii. Make all possible efforts to stock all varieties of silk goods from different silk clusters of the country for display and sale in the outlet. The investment for the procurement of these silk goods will be the sole responsibility of the Licensee. The SMOI may only offer its services in identifying the source of supply of the products from different regions of the country.
 - iii. Submit an interest free **security deposit of Rs.50, 000/-** (Rupees Fifty thousand only) with SMOI which shall be refunded after the completion of the licence period or on premature termination after deducting dues, damages etc., if any. The Licensee shall maintain the said deposit at all times during this continuance of the licence.
 - iv. **In consideration of this licence, CCIC, Bangalore shall collect 25% Profit Margin (Excluding GST & any other Taxes) from the NET SALES (after discounts, if any, allowed) conducted every month by the authorized users of SMOI .**
 - v. Be solely responsible for paying Taxes or any other levies applicable as per the rules and regulations. All dues for any services engaged or facilities utilized such as telephone connections, internet connection should be settled with the concerned authorities or agencies. SMOI shall not be the party to any dispute arising out of non-compliance of the prescribed rules & regulations.
 - vi. Not to use the allotted space other than for exhibition and sale of 100% silk products with Silk Mark label.
 - vii. Be responsible to obtain and keep licences / permission as required by the law in force.
 - viii. Keep the Resham Ghar and the common areas provided by CCICI Ltd in good condition and hand over in the similar condition to SMOI after expiry of the agreement.
 - ix. Not use the walls, ceiling and open places of the Resham Ghar for writing or affixing stickers or such other acts that defaces the walls, ceiling.
 - x. Put up or erect advertisement posters and banners temporarily to promote their Silk Marked Products in the space specified with prior permission from SMOI. The same shall be removed at their own cost before handing

over the space back to SMOI – Not to exhibit obscene or undesirable posters.

- xi. Give due importance to the branding of 'Resham Ghar' and ensure prominence to the visibility of Silk Mark in the premises.
- xii. Not to hold any auction/bids without the prior permission in writing from SMOI.
- xiii. Not to use registered logos "Silk Mark" "Vanya" or "CCIC" in its designs or art work in any form unless there is a written permission from SMOI or CCICI Ltd..
- xiv. Not to engage minor workers to work and not to violate any labour Law/Statute.
- xv. Not to sell, pledge or sub-let the given space to any other person, firm, company, SHG or Society etc., for any purpose.
- xvi. Use the Resham Ghar in its present condition and not make any alterations to its permanent structure.
- xvii. To pay or cause to be paid charges for electricity, telephone and charges for other utilities. In case of default, SMOI may withdraw the said facilities without notice.
- xviii. Insure the silk products against fire, theft and other damages in a Govt. owned Insurance Company. SMOI is not responsible for any such loss or damage.
- xix. Not to throw any dirt, rubbish, garbage in the open space and to keep the building and it's surrounding neat and clean.
- xx. To permit SMOI and its representatives to visit the Schedule Building at all reasonable working hours.
- xxi. Give two months advance intimation to SMOI in case he/she wants to vacate the Resham Ghar before the completion of the licence period.
- xxii. Make efforts to display all the varieties of silk available for sale.
- xxiii. Maintain a bill book exclusively for the 'Resham Ghar' and not club it with the bill books of their other showrooms or outlets. The bill book of the Resham Ghar should be up to date, and be made available to the representatives of SMOI on demand for inspection during any time.
- xxiv. Should display the price tag on the products on display invariably.

xxv. Shall abide by any other guidelines/instructions issued by SMOI within the frame work of this deed.

xxvi. Discounts, if any, declared by the CCICI Ltd. Bangalore from time to time shall be allowed and borne by authorized users permitted by SMOI.

- III
1. If the Authorized User/Licensee shall commit breach of any of the above Covenants, SMOI shall issue 15 days notice in writing to the Licensee to remove the breaches of the terms contravened and on failure of the Licensee to remove the said breaches within 15 days, the Licence shall stand terminated.
 2. On the expiry of the period of licence or premature determination, as the case may be, the Licensee shall vacate the Resham Ghar building (remove all the fixtures, sign boards, etc. at their own cost) and peacefully handover the same to SMOI in good condition. Later, SMOI shall arrange to refund of the security deposit to Licensee after deducting any dues.
 3. **SMOI reserves the right to terminate the contract at any time during the contract period giving a 15 days' notice and the decision of CEO of SMOI is final in all the above matter.**

In witness whereof both the parties herein have signed this Licence Deed on the date, month and year above written in the presence of witnesses.

Schedule of the Resham Ghar

Silk Mark Organization of India

Witnesses:

1.

Authorised User.

2.