

## FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made at Chandigarh on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between:

Punjab Argo Juices Limited, a Punjab State Government Undertaking, through Shri Bhushan Goyal ,Chief Executive Officer, having its registered office at Plot No.2-A, Sector 28-A, Madhya Marg, Chandigarh (Herein referred to as “**1<sup>st</sup> Party**” which terms shall where the context so admits include their assignees, executors, successors, legal representatives and administrators) on the One Part.

AND

\_\_\_\_\_, permanent resident of \_\_\_\_\_ . (Herein referred to as “**2<sup>nd</sup> Party**” which term shall where the context so admits include its assignees, successors, legal representatives and administrators) on the Other Part.

WHEREAS the 1<sup>st</sup> Party is the Licensee/Lessee/Vendee of a piece or parcel of land admeasuring 100 sq. ft. situated at \_\_\_\_\_ and more particularly described in the first schedule hereunder written and delineated on the plan thereof hereto annexed (hereinafter collectively referred to as "the retail outlet site or site").

WHEREAS the 1<sup>st</sup> Party is inter alia engaged in the business of manufacturing & marketing of vegetable and fruit products and further setting up of juice cum snacks bars at various sites of Indian Oil Corporation (IOC) filling stations in the states of Punjab, Himachal Pradesh, Jammu & Kashmir and Chandigarh (UT).

WHEREAS the 1<sup>st</sup> Party had entered into an MOU dated 02.03.2015 with IOC wherein 1<sup>st</sup> Party will set up Juice and Snacks Kiosks at mutually agreed IOC retail outlets through its franchisee for the customers who are approaching the Filling Station to buy the petroleum products.

WHEREAS 1<sup>st</sup> Party has entered into a separate "Leave and License Agreement" with IOC with respect to specific site of IOC filling station dated \_\_\_\_\_ and whereas this Franchise Agreement forms part and parcel of the said Master Agreement and Leave and License Agreement dated 02.03.2015 and \_\_\_\_\_ respectively, with IOC.

WHEREAS in pursuant to the above mentioned Master Agreement (MOU) dated 02.03.2015 and Leave and License Agreement dated \_\_\_\_\_ with IOC, the 2<sup>nd</sup> Party has approached the 1<sup>st</sup> Party and had requested the 1<sup>st</sup> Party to permit them to use the premises on the retail outlet site of the 1<sup>st</sup> Party for establishing Juice and Snacks Kiosks.

And whereas 1<sup>st</sup> Party has agreed to grant a Franchise/Leave and License/Permission to put up/set up and operate the Juice and Snacks Kiosks on the premises as described herein above,

owned/taken on lease/license by the 1<sup>st</sup> Party for a period up to 01.03.2020 on the terms and conditions contained hereinafter and also as per the terms and conditions mentioned in the Master Agreement (MOU) dated 02.03.2015 and Leave and License Agreement dated \_\_\_\_\_, already executed between the 1<sup>st</sup> Party and IOC. Further, the 2<sup>nd</sup> Party shall be also be bound by the terms and conditions of Master Agreement (MOU) dated 02.03.2015 and Leave an License Agreement dated \_\_\_\_\_, already executed between the 1<sup>st</sup> Party and IOC.

WHEREAS the 1<sup>st</sup> Party is competent to grant Franchise/License of selling fruit and vegetable juices, concentrates, frozen foods, ready to eat/food and other products and further to grant license to setup, run and manage the said Juice and Snacks Kiosk to the 2<sup>nd</sup> Party.

AND WHEREAS the 2<sup>nd</sup> Party is desirous to sell fruit juices, concentrates, frozen foods, ready to eat/food and other allied products as manufactured/supplied by the 1<sup>st</sup> Party and further to setup, run and manage the said Juice and Snacks Bar Kiosk site at above refereed premises i.e. at Petro Junction, Sector 56, SAS Nagar, Mohali on the terms and conditions mentioned hereinafter.

**NOW IT IS AGREED AND DECLARED AS UNDER;**

1. That the 2<sup>nd</sup> Party has agreed to sell fruit and vegetable juices and beverages, concentrates, frozen foods, ready to eat/food and other allied products as manufactured/supplied by the 1<sup>st</sup> Party and further to setup, run and manage the said Juice and Snacks Bar Kiosk at the aforementioned site having independent access. The said portion/kiosk comprises of 100 Sq.ft. area for the purposes of selling the aforementioned products as manufactured/supplied approved by the 1<sup>st</sup> Party only. The said Franchise Agreement is valid from \_\_\_\_\_ to

01.03.2020 i.e. upto the validity of Master Agreement (MOU) dated 02.03.2015.

2. That the 2<sup>nd</sup> Party has agreed to pay License Fee to the 1<sup>st</sup> Party at the rate of Rs.\_\_\_\_\_per month on or before the 7<sup>th</sup> day of each British calendar month in advance excluding electricity and water charges and all other Taxes such as Service Tax, Value Added Tax, Property Tax, Non Fuel Revenue Charges and all other charges as may be imposed by the competent authorities. However, there shall be annual increase @ 5% on the last paid License Fee.
3. That the 2<sup>nd</sup> Party has also agreed to deposit interest free security amounting to Rs.15,000/- or amount equivalent to three month's franchise fee, whichever is more, with the 1<sup>st</sup> Party. The security shall be refunded after the delivery of vacant physical possession of the said premises alongwith furniture and fixtures, equipment, etc if any, as provided by the 1<sup>st</sup> Party at time of commencement of the present agreement, to the 1<sup>st</sup> Party after the expiry of the franchise period or its determination.
4. That the vacant physical possession of the demised premises alongwith furniture and fixtures, equipment, etc if any, has already handed over to the 2<sup>nd</sup> Party on \_\_\_\_\_.
5. That in case 2<sup>nd</sup> Party holds over or does not deliver the vacant physical possession of the Juice and Snacks Bar Kiosk on the expiry of the franchise period fixed in this agreement or on determination of the franchise as provided above, the 2<sup>nd</sup> Party shall continue to be liable for the payment of the franchise fee proportionately for the period if the 2<sup>nd</sup> Party so remains in possession or deprives or prevent the 1<sup>st</sup> Party from taking over the vacant physical possession of the demised Kiosk after expiry of the franchise period. However, in such case, there shall be

10% increase after the expiry of each calendar year on the last paid franchise fee.

6. That the 2<sup>nd</sup> Party shall keep the premises in good condition and shall deliver vacant physical possession of the demised premises thereof to the 1<sup>st</sup> Party on termination of the aforementioned period of franchise or in case 1<sup>st</sup> Party gives or delivers an advance notice of two months to the 2<sup>nd</sup> Party to vacate the said Kiosk; the 2<sup>nd</sup> Party may also redeliver the possession of the demised premises to the 1<sup>st</sup> Party earlier than the date fixed for the termination of this agreement or afterwards, provided 2<sup>nd</sup> Party shall also give a prior notice of two month to the 1<sup>st</sup> Party intimating his intention to terminate the said franchise on the expiry of the period mentioned in the notice. In case, 2<sup>nd</sup> Party fails to give a prior notice of two months expiring towards the end of the month, the security amount shall be forfeited and the balance towards difference of franchise fee and other dues, if any, payable by the 2<sup>nd</sup> Party shall be recovered in accordance with Law.
7. That any notice, request or statement hereunder shall be deemed to be sufficiently given or rendered when sent by registered post or Fax to either party's registered office or to the attention of:-

Chief Executive Officer,  
Punjab Agro Juices limited  
Plot No. 2-A, Sector 28 A,  
Madhya Marg, Chandigarh.  
(Fax No. 0172- 4640070)

AND;

Shri Munish Kumar  
S/o Shri Janak Raj  
House No. 232,  
Ward No. 15,  
Mansa, Punjab

(Fax No. \_\_\_\_\_)

8. That 2<sup>nd</sup> Party shall at all times fully and effectively indemnify and keep indemnified 1<sup>st</sup> Party, its estate and effects from and against all losses, damages, costs, expenses, claims, suits, legal proceedings and otherwise, howsoever arising from or in connection with any of the matters covered by this Franchise Agreement relating to the operation of the Juice and Snacks Bar Kiosk and Allied facilities.
9. That the 2<sup>nd</sup> Party shall not be entitled to sub-let, transfer or otherwise part with the possession of Juice and Snacks Bar Kiosk to any other person without the previous written consent of the 1<sup>st</sup> Party.
10. That the 2<sup>nd</sup> Party is required to display the list of workers on the shop and the same list will also be furnished to the 1<sup>st</sup> Party along with their complete particulars and identity cards.
11. That the 2<sup>nd</sup> Party shall keep the accommodation in good and substantial order and get it repaired at his own cost during the said term.
12. That the 2<sup>nd</sup> Party shall allow the 1<sup>st</sup> Party and his agents at all reasonable times during the said term to enter upon the said premises and further to inspect the condition thereof and make good all defects in it immediately whether the same shall have been caused by any act or default of the 2<sup>nd</sup> Party or not.
13. That the 2<sup>nd</sup> Party shall not transfer or sublet the license or otherwise part with his possession or interest in the accommodation or any part thereof. However, it can run the Juice and Snacks Bar Activity through its managers only.
14. That the 2<sup>nd</sup> Party shall display the list of all articles and its rates which are permitted to sell and shall also maintain the standards as may be prescribed by the concerned authorities.

15. That the 2<sup>nd</sup> Party undertakes to get the rates approved from the competent authorities, if necessary.
16. That the 2<sup>nd</sup> Party will neither himself use nor permit others to use or store any intoxicant in the accommodation licensed to him.
17. That the 2<sup>nd</sup> Party shall neither use nor permit others to use the accommodation licensed out to him for publicity purpose in any shape or form.
18. That the 2<sup>nd</sup> Party shall not use firewood or smoke creating fuel for preparation or maintenance of the articles he will be dealing in.
19. That the 2<sup>nd</sup> Party shall not carry out repairs/modifications/alteration/additions to the premises unless, previously authorized by the 1<sup>st</sup> Party in writing. All repairs to the outfit which are rendered necessary or caused by the negligence or fault of the 2<sup>nd</sup> Party, his agents, servants or customers shall be borne by the 2<sup>nd</sup> Party at its own cost. Repairs which are rendered necessary or caused by the negligence or fault of the 2<sup>nd</sup> Party, his agents, servants or customers, shall be borne by the 2<sup>nd</sup> Party alone.
20. That the 2<sup>nd</sup> Party shall not remove the outfit/carry on any alterations/ modification/additions on its own or any part thereof from its position on the said premises nor deliver possession thereof to any other person, firm or company other than the 1<sup>st</sup> Party nor encumber, sell or purport to do so nor do anything whereby the outfit may be seized or taken in execution or attached, destroyed or damaged or the title of the 1<sup>st</sup> Party thereto may in any way be affected, destroyed or prejudiced.
21. That the premises mentioned herein above is public premises within the meaning of the provisions of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971.
22. That the 2<sup>nd</sup> Party shall take at its own cost an appropriate

insurance covering all risks that will be due to the functioning of Juice and Snacks Kiosk at the Retail outlet site. The insurance policy will be valid during the validity period of this franchise and/or till the Juice and Snacks Kiosks are not dismantled by the 2<sup>nd</sup> Party, whichever is later.

23. That all expenses incurred in connection with or incidental to 2<sup>nd</sup> Party's business shall be borne by the 2<sup>nd</sup> Party. The 2<sup>nd</sup> Party shall be solely responsible for the payment of all local and other taxes in respect of the sale of the products. The 1<sup>st</sup> Party will not be liable to bear such expenditure under any circumstances whatsoever.
24. That the 2<sup>nd</sup> Party shall at all times faithfully, promptly and diligently observe and perform and carry out at all times the directions, instructions, guidelines and orders given or as may be given from time to time by the 1<sup>st</sup> Party or its representative(s) on safe practices and for the proper carrying on of the business or any other directions/guidelines issued by the competent authorities or as applicable to the site in question. The 2<sup>nd</sup> Party shall also scrupulously observe and comply with all laws, rules, regulations and requisitions of the Central/State Government and of all authorities appointed by them or either of them including in particular the Chief Controller of Explosives, Government of India and/or any other local authority with regard to the safe practices and all other laws, rules, regulations and requisite permissions as applicable to the IOC.
25. That any disputes and/or difference of any nature whatsoever or regarding any right, liability, act, omission on account of any of the parties hereto arising out of or in relation to this franchise between the parties hereto shall be resolved through mutual discussion between the parties hereto with a view to expeditiously resolve such disputes in a spirit of mutual understanding and cooperation. If the disputes and differences



cannot be resolved through mutual discussion, then the same shall be referred to the sole arbitration of the Chairman, Punjab Agro Juices Limited Chandigarh or of some Officer of the Corporation who may be nominated by him.

26. That it is known to the parties to this Franchise Agreement that the arbitrator so nominated is an employee of the Corporation and may be shareholder of the Corporation. In the event of the arbitrator to whom the matter is originally referred being transferred or vacating his office or being unable to act for any reason, the Chairman, PAJL, Chandigarh as aforesaid at the time of such transfer or vacation of office or inability to act, may designate another Officer of the Corporation to act as arbitrator in accordance with the terms of the present Franchise Agreement. Such person shall be entitled to proceed with the reference from the point at which his predecessor left it. It is also a term of this Agreement that no person other than the Chairman, PAJL, Chandigarh or a person nominated by such Chairman, PAJL, Chandigarh of the Corporation as aforesaid shall act as arbitrator hereunder.
27. That the award of the arbitrator so appointed shall be final, conclusive and binding on all parties to this Franchise Agreement, subject to the provisions of the Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof and the rules made there under and for the time being in force shall apply to the arbitration proceedings under this clause.
28. That the 2<sup>nd</sup> Party shall also agrees to pay the electricity charges as per the actual meter readings and bill raised by Electricity Department from time to time without any default. In case of any default, the 2<sup>nd</sup> Party shall be liable to pay all charges/interest as may be imposed/levied by the concerned departments.

29. That the 2<sup>nd</sup> Party shall abide by the provisions of Capital of Punjab Act and rules framed there under. The 2<sup>nd</sup> Party shall also abide by the Municipal and other bye-laws which are in force or may be implemented by the government from time to time.
30. That in case of default of payment of license fee for two consecutive months by the 2<sup>nd</sup> Party or contravention of any of the conditions of this deed by the 2<sup>nd</sup> Party, the franchise deed shall be automatically stand terminated and in such eventuality no notice of termination or notice to quit is required be to be issued by the 1<sup>st</sup> Party.
31. That the 2<sup>nd</sup> Party shall be responsible to get insured all items in the said premises against fire, theft, damage (accidental/deliberate), or any acts of the God. The 1<sup>st</sup> Party shall not be responsible for the same nor shall be liable in any manner, in this regard.
32. The 1<sup>st</sup> Party has the powers to cancel the license after proper notice if any serious complaint is received against the conduct and behavior of the 2<sup>nd</sup> Party or his servant/his agents.
33. That the expenses of preparation and execution of this agreement for franchise and its counterpart shall be borne by the 2<sup>nd</sup> Party.
34. That this Franchise Agreement has been executed in triplicate. The original will be kept by the 1<sup>st</sup> Party. The duplicate carbon copy will be retained by the office of the Sub-Registrar where the Franchise Agreement will be registered and the third carbon copy will be kept by the 2<sup>nd</sup> Party.

In witness thereof, the parties above named have executed this Franchise Agreement on the date and day mentioned above in presence of Witnesses.

Place: Chandigarh  
Date: \_\_\_\_\_

( )  
Chief Executive Officer PAJL

**1<sup>st</sup> Party**

( )

**2<sup>nd</sup> Party**

**Witness:**

- 1) Name & Address
  
- 2) Name & Address

**SCHEDULE-I**

**(Being description of the site)**

All that piece or parcel of land situated in the state of \_\_\_\_\_, District of \_\_\_\_\_, Taluka of \_\_\_\_\_, Village of \_\_\_\_\_, in the registration Sub-District of \_\_\_\_\_, Bearing survey no./Municipal no. \_\_\_\_\_, and admeasuring \_\_\_\_\_ sq. meter or thereabouts and bounded on:

North by: \_\_\_\_\_

East by: \_\_\_\_\_

South by: \_\_\_\_\_

West by: \_\_\_\_\_

Which said piece of land is now under the occupation of the licensor together with all the buildings, structure and other immovable and movable assets thereon.

For the 1<sup>st</sup> Party

For the 2<sup>nd</sup> Party

## **INDEMNITY BOND**

The Indemnity Bond is executed at Chandigarh, on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_ years, permanent resident of \_\_\_\_\_ (hereinafter referred to as "the said Executant").

Whereas, the said Executant has approached the Punjab Agro Juices Limited and had requested them to permit the executant to use the demised as described in Schedule-I annexed with the Franchise Agreement for establishing Juice and Snacks Kiosks.

Whereas, the said Executant is desirous to sell fruit juices, concentrates, frozen foods, ready to eat/food and other allied products as manufactured/supplied by the Punjab Agro Juices Limited and further to setup, run and manage the said Juice and Snacks Kiosk site at above refereed premises i.e. at \_\_\_\_\_ on the terms and conditions mentioned in the accompanying Franchise Agreement.

### **Now this Indemnity Bond witnessed as under:-**

1. That the executant shall at all times fully and effectively indemnify and keep indemnified Punjab Agro Juiced Limited and Indian Oil Corporation, its estate and effects from and against all losses, damages, costs, expenses, claims, suits, legal proceedings and otherwise, howsoever arising from or in connection with any of the matters covered by the accompanying Franchise relating to the setting up and operations of the KIOSKS and Allied facilities.
2. That the executant shall take at its own cost an appropriate insurance covering all risks that will be due to the functioning of Juice and Snacks Kiosk at the Retail outlet site. The insurance policy will be valid during the validity period of this franchise and/or till the Juice and Snacks Kiosks are not dismantled by the executant, whichever is later.
3. That all expenses incurred in connection with or incidental to executant's business shall be borne by the executant. The executant shall be solely responsible for the payment of all local and other taxes in respect of the sale of the products. The executant will be liable to bear such expenditure under any circumstances whatsoever.

4. That the executant shall at all times faithfully, promptly and diligently observe and perform and carry out at all times the directions, instructions, guidelines and orders given or as may be given from time to time by the Punjab Agro Juiced Limited and Indian Oil Corporation or its representative(s) on safe practices and for the proper carrying on of the business. The executant shall also scrupulously observe and comply with all laws, rules, regulations and requisitions of the Central/State Government and of all authorities appointed by them or either of them including in particular the Chief Controller of Explosives, Government of India and/or any other local authority with regard to the safe practices and all other laws, rules, regulations and requisite permissions as applicable to the IOC.
5. That the executant hereby undertakes to abide by the terms and conditions mentioned in the Master Agreement (MOU) date 02.03.2015 and Leave and License Agreement dated \_\_\_\_\_ as entered upon into between Punjab Agro Juiced Limited and Indian Oil Corporation from time to time.
6. That the recent passport size photograph of the executant, duly attested is affixed on this affidavit.

In witness whereof, the said Executant has put his hands, on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ in the presence of the following witnesses.

Witness 1.

\_\_\_\_\_  
\_\_\_\_\_

Witness 2.