

(Agreement to be made in One Hundred Rupees Stamp Paper)

**AGREEMENT FOR FRANCHISEE RESTRICTED MONEY CHANGING
AGENTS**

This Agreement made this _____ day of 200__ between VKC Credit and Forex Services P Ltd., (hereinafter called as “VKC”) a company incorporated under the Companies Act 1956 and having its Registered Office at _____ and represented by _____ Managing Director of the company,
And

M/s _____
(hereinafter called as the “franchisee) having its principal place of business at and represented by _____ Director / Partner of the franchisee.

Whereas VKC is a Full Fledged Money Changer (FFMC) licenced by Reserve Bank of India to buy and sell foreign currency transactions and wishes to appoint agents / franchisees for restricted money changing services, as announced by Reserve Bank of India in RBI Circular ref No EC.CO.FMD/599/18.08.01/2001-02 dated 21st January 2002.

Whereas RBI has authorized VKC to appoint agents/franchisees as set out in the scheme referred above vide their letter ref No EC.CO.FMD/824/18.08.03/2001-02 dated 02nd April 2002 issued by RBI, Mumbai.

Whereas the Franchisee /Agentis engaged in the business of and wishes to offer restricted money changing services at his place of business.

In consideration of the foregoing, both parties to this agreement agree as follows:

1. VKC appoints the Franchisee to carry out restricted money changing services in and around his place of business in terms of Memorandum which an annexures to this agreement .
2. Exchange rates for conversion on a daily basis will be available with all branches of VKC.
3. VKC will impart appropriate training to the Franchisee / Agent regarding the operation of the restricted money changing business and also on the maintenance of records.
4. VKC will support the Franchisee in any of their marketing activity(ies) by providing the necessary contents.
5. The Franchisee will conduct the business as laid down by RBI under the scheme and also as enumerated in the Memorandum enclosed.

6. The Franchisee will surrender all collections to VKC within a period of 5 days from date of the original transaction. VKC undertakes to pay the franchisee the value for their surrenders at pre-agreed rates on receipt at VKC's counters.
7. This Agreement will be valid for a period of one year from the date of this agreement which can be renewed for further periods with mutual consent. VKC can terminate this Agreement with 7 days notice if the Franchisee violates any of the conditions mentioned in this agreement or in the enclosures to this agreement.
8. The Franchisee whose arrangement is terminated shall not conduct the money changing activities under the same name and style and in the same premises / location for a period of one year from the date of termination of the agreement.

For VKC Credit and Forex Services P Ltd.,
Authorised Signatory

For
Authorised Signatory

Witness 1.

2.

ANNEXURE I

Memorandum of Instructions to Franchisees of M/s VKC Credit and Forex Services (P) Ltd.,

Franchisees

1. VKC Credit and Forex Services (P) Ltd., (VKC) is a Full Fledged Money Changer (FFMC) Licensed by Reserve Bank of India to buy and Sell Foreign Currency and Travellers Cheques wishes to appoint agents / Franchisees for Restricted Money Changing Services, in accordance with the announcement by Reserve Bank of India in RBI Circular Ref. No. EC.CO.FMD/599/18.08.01/2001-02 dated 21st January 2002.

A person undertaking Restricted Money Changing activity is allowed only to purchase Foreign Currency notes and Travellers Cheques from the public, unlike a Full Fledged Money Changer (FFMC) who are authorised to undertake purchase as well as sale transactions.

Scope of Memorandum

2. This Memorandum contains directions which the Franchisees of VKC should observe in their dealings. The Memorandum contains instructions which the Franchisees have to follow in conducting their Restricted Money Changing activity. Franchisees of VKC should carefully study this Memorandum and ensure that their transactions are conducted strictly in accordance with the provisions contained herein and amendments made from time to time.

Authorised Official

3. Franchisees should arrange to forward a list giving full names and designations of their representatives who are authorised to buy foreign currency notes, coins and travellers cheques on their behalf together with their specimen signatures at the end of each year to VKC . Any Changes in the list should also be brought to the notice of VKC. No person other than the authorised representative should be allowed to transact the restricted money changing business on behalf of Franchisee.

Bringing In Foreign Exchange

4. Foreign Exchange in any form can be brought into India freely without limit provided the foreign exchange is declared by the traveller to the Customs Authorities on Currency Declaration Form (CDF) on his arrival in India Under current rules, however, when the foreign exchange brought in the form of currency notes, bank notes or travellers cheques does not in the aggregate exceed US \$ 10000/- of its equivalent (and / or the value of the foreign currency notes does not exceed (US \$ 5000 or its equivalent)), completion of this form is not necessary.

Purchase against CDF

5. Where the foreign currency offered to the money-changer has been brought into India by the tenderer against declaration on CDF, the tenderer should normally be asked to produce the form for endorsement, Production of CDF need not, however, be insisted upon if the tenderer is unable, for any reason to produce it. If the entire foreign currency covered by the CDF is encashed, the CDF should not be returned to the tenderer but submitted to VKC along with the monthly statement of purchase of foreign currency notes / coins and monthly statement of travellers cheques purchased from public./

Encashment Certificate

6. Franchisees should issue certificate of encashment as per the format given by VKC in all cases of purchase of foreign currency from Public, irrespective of whether CDF has been submitted or not by the tenderer and also whether he asks for encashment certificate or not. Where CDFs are produced an endorsement should be made there on indicating the amount encashed and number and date of certificate of encashment issued to the tenderer, under the stamp and signature of the Franchisee. These certificates should be issued on the officially printed letter head of the Franchisee and serially numbered. The duplicate copy of each such certificate of encashment should be kept on record with the money-changer in book form for production to VKC, as and when called for.

Purchase on Franchisee's own Responsibility

7. It should be clearly understood that all purchases of foreign currency notes and travellers cheques, made by the franchisee are on their own risk and responsibility. The Franchisee should take the necessary precautions to ascertain the genuineness of the Foreign Currency Notes and Travellers Cheques encashed. The Franchisee should surrender then Encashed Foreign Exchange to VKC to realise value in rupees against such purchases. In cases the surrendered Foreign Currency notes / Travellers Cheques are found to be Forged / Stolen / damaged / soiled , VKC will return the same and the Franchisee will refund the rupee value of the same and also pay the processing charges incurred for the above transactions.

Surrender of Encashed Foreign Exchange

8. The Franchisee should surrender the encashed foreign exchange exclusively to VKC within a period of 5 days from the date of encashment. The Franchisee is not permitted to surrender the encashed Foreign Exchange to any other Authorised Dealer / FFMC except VKC.

Rates of Exchange

9. Franchisee's should keep themselves posted with the rates of exchange for various foreign currency notes/travellers cheques to enable them to effect purchases from their customers. The daily exchange rates are available with VKC and the Franchisee will make arrangements to get the exchange rate as and when required from VKC

Display of Name and Exchange Rate Chart

10. The Franchisee should make arrangements to display in a prominent place/ places the standard glow sign board which will be provided by VKC
11. The Franchisee should display at a prominent place in or near the counter at which the restricted money changing business is conducted, the rates for purchase of foreign currency notes and travellers cheques.

Submission of Statements to VKC

12. The Franchisee should submit to that branch of VKC to whom they are attached, a quarterly statement in Form FRA 3 (Appendix 3) of purchases of foreign currency notes and travellers cheques , from customers and deposited with VKC. The statement duly certified by the Franchisee should be despatched so as to reach VKC not later than the 10th day of the month following the quarter.

The above statements should be compiled from the registers maintained by the money changer and should represent a true and correct account of all the transactions undertaken by the money changer during the month.

Separate statements should be submitted in respect of each establishment if the Franchisee maintains more than one place of business.

Inspection of Transactions of VKC

13. VKC will inspect the the books and accounts and other documents of the Franchisee from time to time. An official will be nominated and empowered by VKC to carry out the inspection. If any franchisee fails to produce any book of account, register or other document or furnish any statement or information or to answer any question relating to the money changing business to the inspecting official, he shall be deemed to have breached the Franchisee agreement.

Renewal of Franchisee Arrangement

14. The Franchisee arrangement is valid for a period of _____ Year(s) from _____ to _____. The Franchisee should apply for renewal of the Franchisee Arrangement well in advance, before the agreement lapses. VKC will renew the agreement if and only if the existing arrangement has been satisfactory both in terms of the Business generated and also in terms of the compliance with the terms and conditions of the Franchisee Agreement. VKC holds the prerogative of not renewing an existing arrangement.

Termination of Franchisee Arrangement

15. VKC may terminate the Franchisee Arrangement granted to a person at any time if VKC is satisfied that the person has not complied with any of the conditions of the Franchisee agreement, or has not conducted the business in accordance with the provisions of this Memorandum read with amendments issued from time to time or has indulged in any other undesirable activities which contravened any of the Exchange Control regulations in force. Such terminations will be notified to RBI immediately

The Franchisee whose arrangement terminated shall not conduct the money changing activities under the same name and style and in the same premises / location for a period of one year from the date of termination of the agreement.