

FRANCHISE AGREEMENT

Candid GS Pvt Ltd (Licence fee waived off as per initial offer)

This agreement is made on this the first day of August 2012 between Major Retd Pravin Singh, aged about 41 years S/o Late Shri S. P. Singh, **Director, Candid GS Pvt Ltd**, a Company registered under the Indian Companies Act, 1956 having its Corporate Office at **E 2/55, Sector 7, New Rajendra Nagar, Raipur (C.G.)** (hereinafter referred to as '**Franchisor**' which expression shall unless repugnant to the context mean and include its successors, affiliates, subsidiaries and assigns **of the FIRST PARTY**).

AND

_____ aged about _____ years S/o _____ for running the security agency franchisee under the brand, in the name and style of Candid GS Pvt Ltd having its office at _____ (hereinafter referred to as "**Franchisee**" which expression shall unless repugnant to the context mean and include its successors, affiliates, subsidiary and permitted assigns of the **SECOND PARTY**).

Franchisor and Franchisee are hereinafter collectively referred to as "Parties" and individually as "Party".


Whereas the FIRST PARTY has a Security Company in the name and style of Candid GS Pvt Ltd and granting franchise to the interested parties for using its brand name, study materials, marketing assistance, software and security intelligence and surveillance system throughout the nation.

That the SECOND PARTY and FIRST PARTY have mutually agreed to conduct business in profit sharing model of franchisee in which FIRST PARTY will be granting SECOND PARTY the Franchisee rights to conduct business in the name of the company of the FIRST PARTY, Candid GS Pvt Ltd in their city (_____).

NOW THEREFORE IT IS HEREBY MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS :

1. Definitions

For the purpose of this agreement, unless otherwise specified in the context, the following terms shall be deemed to have the following meaning:

'Agreement'	shall mean this Franchise Agreement executed between the Parties and any amendment to this Franchise Agreement duly signed between the parties.
'Business'	shall mean marketing, display and selling of the services.
'Business Name and Logo'	shall mean the name Candid GS Pvt Ltd and the logo  .
'Intellectual Properties'	shall mean and include trade mark, brand name, copy right, patents and other intellectual property rights of the Franchisor in the Business Name/Logo and/or Products/Services.
'Share'	shall have the meaning ascribed to it in Clause 4 hereof.

This agreement does not authorise the SECOND PARTY to open a bank account as bank accounts are managed strictly by FIRST PARTY only.

‘Operational Office’	shall mean such place from where the Franchisee would carry on the Business.
‘Territory’	shall mean _____(City where operational office is to be opened)
‘Term’	shall have the meaning ascribed to it as under

NOW THEREFORE IT IS AS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS

The FIRST PARTY has agreed for the proposal of the SECOND PARTY for a period of 1 year (01/08/2012 to 31/07/2013) on the terms and conditions as under:-

1. That the SECOND PARTY shall pay onetime fee of Rs. 15,000/- (Rupees Fifteen thousand only), (Non-refundable) towards the franchise and cost of training manual, marketing material and agreement cost as mentioned by the first party in shape of demand draft drawn in favour of Candid GS Pvt Ltd, payable at Raipur by the second party during the signing of the agreement. License fee (one lac) has been waived off as per initial offer by the First party which will be made applicable to future franchisee aspirants.

2. It is agreed between the parties that the SECOND PARTY shall be responsible to run the security business of Candid GS Pvt Ltd which shall include sales and marketing, recruitment and deployment in their city (_____) for which adequate training and other support will be given by the FIRST PARTY to the SECOND PARTY. ***FIRST PARTY will share the forty percent of entire profit generated from franchisee city (_____) with SECOND PARTY on monthly basis.*** FIRST PARTY will be sending reports of profit sharing to the SECOND PARTY on monthly basis. The fact sheets about working and accounting of profit share will be transparent and will be payable by cheque to SECOND PARTY and which shall final and binding upon the SECOND PARTY. Second party SBI SB A/C No _____ in the name of _____.

3. That the parties further agreed that the SECOND PARTY shall maintain the operational working office as per the rules and regulations laid down by the FIRST PARTY and shall maintain changes in rules in due course as per requirements of the FIRST PARTY. All documentation will be done by SECOND PARTY of the security personals as per the guidelines and SOP (Standing operating procedures) issued by FIRST PARTY. (Enrolment form, police verification, duty/attendance sheet, salary/wages sheet etc). Second party will ensure opening of bank account of all guarding personal in SBI and same will be intimated to first party for disbursement of wages in their respective accounts. Under no circumstances the salary of guarding person will be credited to franchisee account.

4. That the SECOND PARTY shall solely bear all the expenditure for running the Agency of the FIRST PARTY at their city (_____) and all marketing support and training will be provided by FIRST PARTY. The cost of uniform will be collected by the SECOND PARTY from the security personals and which should be of the make and colour as specified by the FIRST PARTY. Since this is a franchisee and business on profit sharing model and not an employer employee relationship no cost or expenditure bill on any account will be payable by the FIRST PARTY to the SECOND PARTY. FIRST PARTY will be responsible for payment of salary/wages of security personals after realisation of cheque against our bills from the clients by the PARTY and FIRST PARTY will be paying the profit share of forty percent to SECOND PARTY after statutory dues and taxes. No other claims or expenses will be claimed by SECOND PARTY or will be liable on FIRST PARTY. Any such expenses for which First Party has authorised Second party for business promotion, advertisement or for specific job on mail shall only be reimbursed to the Second Party. ***Any supervisory staff that is employed after generation of business his salary will be shared in the same ratio as that of profit sharing of franchisor and franchisee.***

5. That the SECOND PARTY shall provide service/assistance for implementing any new projects by the other division of the FIRST PARTY for which share profit will be given to Second party as per the products.

6. The FIRST PARTY shall bear the entire expenditure of the marketing materials, stationary, advertisement materials, as per the requirements to run the security agency the franchisee or the SECOND PARTY. FIRST

This agreement does not authorise the SECOND PARTY to open a bank account as bank accounts are managed strictly by FIRST PARTY only.

PARTY will be responsible for all other corporate function of the agency including the wages (account payee only), statutory payment and taxes as per the law.

7. The SECOND PARTY shall not reproduce the materials supplied by the FIRST PARTY, such as course materials, slides, overhead, videos; training and operational manuals, workbook, and CDs etc and all the materials supplied by the FIRST PARTY are copyrighted and may not be reproduced.

8. That the SECOND PARTY shall be solely responsible for any loss due to postponement and incompleteness for job and the FIRST PARTY shall not be responsible for any losses including pecuniary loss. However the loss incurred due to deduction of client will be share in the same ratio as that of profit sharing of franchisor and franchisee.

9. That the SECOND PARTY shall allow the personnel and duly authorised by the FIRST PARTY to inspect the premises, financial records, software and hardware at any time.

10. That the FIRST PARTY alone in its name shall issue bills to the clients on successful completion of sales job, issue of LOI/Work order from the clients at the Franchisee covered by the agreement after complying with required conditions. No bills will be raised by the SECOND PARTY and SECOND PARTY will forward a monthly billing summary for accounting and taxation purpose in the format provided by the FIRST PARTY.

11. That the FIRST PARTY shall provide necessary training for marketing and technical personnel at the cost of the SECOND PARTY initially. FIRST PARTY will credit salary of security personals as per the wages sheets forwarded by the SECOND PARTY only after release of cheques by the clients as FIRST PARTY has waived off the Security deposit of the SECOND PARTY.

12. That the FIRST PARTY shall provide transfer facility to the person from one centre to another centre after SECOND PARTY FIRST PARTY complying with the required conditions.

13. That the SECOND PARTY shall collect the cheques from the clients for services offered which will be account payee only in favour of Candid GS Pvt Ltd by issuing the receipts supplied by the FIRST PARTY bearing their name and not otherwise. The SECOND PARTY shall not print any receipt book for collection of money from clients and for any other purpose and no bills will be collected in cash from the clients under any circumstances.

14. That the second party has to start the business and sales within one month from the date of agreement.

15. This agreement is valid for one year from the date of agreement and this agreement is subject to renewal in each year with mutual consent and franchisee failing to generate any business in first year the franchisee agreement will automatically stand terminated and FIRST PARTY will be at liberty to offer the franchisee of the city to any other interested franchisee as per the current terms and conditions of franchising of the company.

17. That if the SECOND PARTY is found misusing the name of the FIRST PARTY, the FIRST PARTY shall be at liberty to cancel the licence with one month prior notice and shall be at liberty to request to law court as may be warranted in such circumstances.

18. That without the permission of the FIRST PARTY the Second Party shall not take any franchise from any company within the validity of the agreement.

19. That if any dispute arises between the parties then the Raipur Civil and Session Court stationed at Raipur shall be Jurisdiction to decide the same.

Miscellaneous

20. Warranty of power to enter Agreement

Each of the Parties represents and warrants that it has the power to enter into this Agreement and has taken all approvals to give effect to this Agreement.

20. Force Majeure

This agreement does not authorise the SECOND PARTY to open a bank account as bank accounts are managed strictly by FIRST PARTY only.

Neither Party shall be responsible or liable for or deemed in breach hereof, because of any delay or failure in the performance of its obligations hereunder (except for obligations to pay money due) due to any event or circumstance and which is beyond the reasonable control of the Party such as national emergency, war, governmental regulation or act of god. The affected party shall give notice to the other party of any event constituting force majeure as soon as reasonably practicable, but not later than 10 days after the date on which affected party knew or should reasonably have known of the commencement of the event constituting force majeure. The affected party shall give notice to other Party of the condition and cessation of the relevant event constituting force majeure.

In the event, the performance of the any party's obligation is suspended due to an event of force majeure, for more than 28 days, the Franchisor may terminate this Agreement at his sole discretion.

21. Whole agreement

The Franchisee acknowledges that this Agreement contains the whole agreement between the Parties and it has not relied upon any oral or written representation made to it by the Franchisor or its employees or agents and has made its own independent investigations into all matters relevant to the Business.

a. Supersedes prior agreements

This Agreement supersedes any prior agreement between the Parties whether written or oral and any such prior agreements between the Parties.

b. Discretion

No decision or approval of any matter mentioned in this Agreement or arising from it shall be deemed to have been made by the Franchisor except if in writing and shall be as its sole discretion unless otherwise expressly provided in the Agreement.

c. Notices

All notices, returns of material, requests, consents and other communications required, permitted or desired to be given hereunder to be served upon or given to the Parties hereto shall be deemed duly served and given when received after being sent by confirmed facsimile transmission or delivered by hand or sent by registered or certified mail, return receipt requested, postage prepaid, e-mail notices to be followed up by signed hard copies, addressed as follows:

If to Franchisor

Attn: Mr./Ms. _____

Fax: _____

If to Franchisee

Attn: Mr. /Ms. _____

d. Dispute Resolution

This agreement does not authorise the SECOND PARTY to open a bank account as bank accounts are managed strictly by FIRST PARTY only.

In the event of any dispute or difference arising out of or otherwise relating to this Agreement, the Parties will endeavor to settle it amicably within 30 days of such differences/dispute having so arisen.

Any unresolved dispute will be referred to arbitration of three arbitrators, one to be appointed by the Franchisor, the other to be appointed by the Franchisee and both the arbitrator so appointed, shall appoint the third arbitrator who shall act as the Presiding Officer and shall be governed as per the provisions of the Arbitration and Conciliation Act 1996, as amended from time to time.

The venue of Arbitration shall be Raipur and the language of arbitration would be English.

e. Confidentiality

- i. The Franchisee agrees and undertakes that during the Term of this Agreement it shall not disclose or make available to any third party, any confidential and proprietary information's, trade secrets of the Franchisor, including, without limitation, financial information and information relating to the Products, techniques and modes of merchandising, marketing techniques, source of the Products, procedures and know-how, and terms of this Agreement;
- ii. This clause shall survive termination of this Agreement.

f. Proper law and jurisdiction

This Agreement shall be governed by laws of India in every particular including formation and interpretation.

g. Waiver

Waiver of the breach of any term or provision of this Agreement by any Party shall not be deemed to be or operate as to be construed as a waiver by that Party, of any other subsequent breach of this Agreement by the other Party.

h. Severability

If any part or parts of this Agreement is or are invalid or unable to be enforced for any reason, the invalidity or unenforceability shall not effect the operation, construction or interpretation of any other provision unless it would be contrary to or materially alter the express or implied intention of the Parties.

i. Modification of the Agreement

No amendment, modification or addition to this Agreement shall be effective or binding on either of the Parties unless set forth in writing and executed by them through their authorized representative and subject to obtaining requisite Approvals, if any, following such execution.

j. Costs

Each of the Parties shall pay their own costs and expenses incurred by it in connection with negotiation and execution of this Agreement.

k. Counterparts

This agreement does not authorise the SECOND PARTY to open a bank account as bank accounts are managed strictly by FIRST PARTY only.

This Agreement may be executed in counterparts and each of which would be treated as an original.

1. **Assignment**

This Agreement cannot be assigned or transferred by the Franchisee nor can the Franchisee grant any sub-license and/or the right to operate the business and/or delegate any duties or obligations arising under this Agreement to third parties without the prior written permission of the Franchisor.

In witness whereof the parties after understanding its conditions have put their signatures in presence of below signed witnesses on this the day, month and year afore mentioned.

SECOND PARTY

FIRST PARTY

**Major Retd Pravin Singh
Director
Candid GS Pvt Ltd
Raipur**

WITNESSES

1.

2.

3.

This agreement does not authorise the SECOND PARTY to open a bank account as bank accounts are managed strictly by FIRST PARTY only.