

## **FREQUENTLY ASKED QUESTIONS (FAQ)**

### **1) How much cash will I initially need when I sign the franchise agreement?**

**Ans:** A minimal amount of cash needed to begin the Franchise Operation with Denim Fashion & Co. The Yearly agreement fee is only Rs. 5000 for Denim White, Rs. 10,000 for Denim Yellow, Rs. 10,000 for Denim Red, Rs. 15,000 for Denim Blue and Rs. 15,000 for Denim Green and the billing amount is between in the range from 2 lakh to 16 lakh only.

### **2) Is the agreement fee refundable?**

**Ans:** Agreement fee will have be deposited by the Business Partner to the Denim Fashion & Agreement fee is non-refundable.

### **3) What is the guarantee of the investment?**

**Ans: (a)** Firstly, the most important part is that the Business Partner is been provided with the same amount of garments that he is giving as one time investment / first billing amount.

**(b)** And secondly, as in this Project, the Revenue expenses of the company in terms of Field staff, Salary, Overhead expenses, Launching scheme and Advertisement is almost 3-4 times more than in comparison to your initial investment.

### **4) How many days did the Business Partner will get to deposit the billing amount?**

**Ans:** Business partner will purchase the amount of garments within Seven (7) days of agreement; otherwise, the agreement will result in cancelation.

### **5) How much of stock should be transferred in lieu of the Investment amount/1<sup>st</sup> billing amount?**

**Ans:** The Company is providing stock equivalent to the 1<sup>st</sup> Billing amount/Investment amount.

### **6) When the stocks shall reach the showroom after the agreement?**

**Ans:** All stocks as per our agreement amount will reach to the showroom within 7 days of depositing the investment amount.

### **7) Shall the Business Partner get some extra commission on sales?**

**Ans:** Denim Fashion on selling of more than a certain amount will give some percentage of extra commission to the Business Partner.

### **8) What is extra benefit Denim Fashion is providing?**

**Ans:** Denim Fashion will provide an Insurance of **a certain amount** to the Business Partner for one year.

### **9) Does Denim Fashion provide any Sales Boys/Girls for the showroom?**

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**Ans:** No, It is the duty of the Business Partner for opening showroom. Providing Sales man and Sales girl and infrastructure as per the rule of the Company, but company will be paying a certain amount for that expense.

**10) What are the dates when company is providing the commission to the Business partners?**

**Ans:** The Business Partner will get his monthly expenses on the **4<sup>th</sup> day of every month** and commission/extra commission on or **before 14<sup>th</sup> of each calendar month**, and if not, the commission will be paid quarterly with normal bank interest.

**11) Is there any particular schedule for opening and closing of the showroom?**

**Ans:** The Business Partner will have to follow the Guidelines of the Company in running the Showroom (Holidays, Opening and Closing time), and no deviation is allowed.

**12) After what time intervals does the Business Partner deposit the revenue generated in the showroom?**

**Ans:** All selling amount of last seven days will have to be deposited in the account of the Company on every Monday within 12 o'clock and new order will be placed instead of it.

**13) Does the Business Partner allow keeping garments of other brand?**

**Ans:** Business Partners do not have the right to keep other brands garments in the showroom. Any irregularities found, Denim Fashion would have the authority to cancel the mutual agreement.

**14) What kind of marketing assistance they will would be provide to the Business Partners?**

**Ans:** We will help the Franchisee through to devise a marketing program that is suited to his local market. This includes advertising, PR and global special events like posters, newspaper, wall painting, electronic media, hoardings etc.

**15) Is the cost of Branding and Promotion bear by the Business Partner?**

**Ans:** All the expenses of marketing and branding will be bear by the Company itself.

**16) Is there is any provision for exchanging the stocks?**

**Ans:** Every 3 months the new one will replace the stock.

**17) Can the Business Partner purchase more than one store?**

**Ans:** Yes, franchisees are encouraged to purchase more than one store if they are financially capable of doing so.

**18) Who will decide the discounts and offers of the garments?**

**Ans:** The Company has its complete right to fix sale price, MRP, offer and discounts. Business Partner cannot interfere in this matter.

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**19) Why did not you accept at par cheque of D.D?**

**Ans:** If this amount is been paid by cheque, the execution of this agreement will be subject to realization of the cheque. So in case of dishonour of the cheque by any means/reason like insufficient funds, endorsement irregular basis, out of date, sign differ, if it is not clear, full cover not received, refer by drawer, exceed arrangement will differ the agreement in same has to be executed once again.

**20) Who will provide the computer system?**

**Ans:** Business Partner is liable to provide its own computer system, internet and billing machine within the first two month of opening the showroom.

**21) What are the areas of standardization required by the Franchisor?**

**Ans:** Decoration, garments presentation, internal forms and logo are elements of standardization required. All stores must be identical in both looks and operations according to their business category.

**22) Who will bear the loss of any kind of damage to the garments?**

**Ans:** In case of any damage to the garments of the showroom, the loss will be bear by the Business Partner to the Denim Fashion.

**23) How many days before hand did the Business Partner need to inform about the cancellation of the agreement, if any?**

**Ans:** Business Partner will have to give in writing to the company or by registered post, 60 days beforehand, if he/she intends to cancel the agreement, but if the company intends to do so, company will serve a notice of 30 days.

**24) What amount is required to pay to the company during the notice period?**

**Ans:** No expense or commission will be paid neither by the Denim Fashion to Business Partner nor by the Business Partner to Denim Fashion during notice period.

**25) What are the terms and conditions for the both parties while cancellation of agreement before 1 year?**

**Ans:** If Business Partner cancels the agreement within six month from the day of opening shop then garment can return 50% less in billing price to company and from six month to 11 month if agreement is cancelled then garment can return 30% less in billing price to company. However, if Denim Fashion cancelled the agreement then full amount of billing price will pay in place of garments.

**26) When does Full & Final settlement done?**

**Ans:** Full & Final settlement with the Business Partner would be done only after completion of notice period and subsequent stock verification of the showroom within 7 days.

**27) Is there any kind of complaint book?**

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**Ans:** Yes, there is a Complaint book. When the customer demands the Complaint book, it has to be produce produced by the Business Partner.

**28) In what circumstances the agreement can be renewed?**

**Ans:** If both the party agrees after completion of the period of one agreement, renewal of agreement is possible.

**29) How much of floor area is needed for the showroom?**

**Ans:** The area measurement for the showroom should be as follows:-

**DENIM WHITE**-100-150sq.ft.

**DENIM YELLOW**- 200-250sq.ft.

**DENIM RED**- 300-400sq. ft.

**DENIM BLUE**- 500-600 sq. ft.

**DENIM GREEN**- 800-1000 sq. ft.

**30) What is the preferred floor areas needed for the showroom?**

**Ans:** The Company prefers to have its store in Ground floor or in First floor and rest details regarding the area will be intimated by the Verification Officer.