**Franchise Agreement**THIS AGREEMENT is made at \_\_\_\_\_\_\_\_\_\_\_\_\_ on the \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_ 200\_\_\_\_, By and Between:—

1. **M/s. SHUBHAM,** a proprietary concern of \_\_\_\_\_\_\_\_\_\_, having its principal place of business at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ India (Hereinafter called **“THE FRANCHISER”**);

 AND

2**. M/S. NEW BORNE JERSEY,** a proprietary concern of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, having its principal place of business at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Hereinafter called **“THE FRANCHISEE”**).

W H E R E A S:—

(a) The Franchiser has been carrying on business of manufacturing readymade garments and many other allied products under the brand name of **“SHUBHAM”** in India and are also running shops of marketing the readymade Garments under the trade name/brand **“SHUBHAM”** at various places in India and other parts of the world.

(b) The Franchiser is the registered owner of trade mark/brand “SHUBHAM” and the substantive goodwill and reputation attaching to the said business as referred to above.

(c) Pursuant to the discussion between the parties, the Franchiser wishes to appoint the Franchisee as the Franchisee and distributor for the sale of the products in readymade garments, manufactured and traded by Franchiser under the brand name of SHUBHAM.

(d) Franchisee is willing to act as the Franchisee and distributor of the products manufactured by SHUBHAM under the brand name of “SHUBHAM” in certain parts of United States of America on the specific terms and conditions appearing hereinafter.

IT IS HEREBY AGREED AND RECORDED AS FOLLOWS:—

 **TERRITORY:—**

1. **The Franchiser hereby appoints the Franchisee as its Franchisee** to sell and promote the sale of the products under the brand name of **SHUBHAM** in \_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in U.S.A. and presently in all for two stores only.

**2. The Relationship** between Franchiser and Franchisee shall be solely that of the seller and buyer and Franchisee shall have no right or authority to create or assume any obligations or responsibility of any kind in the name of or on behalf of Franchiser. Franchisee shall not have any right to represent Franchiser for any purpose whatsoever unless otherwise agreed to in writing on a case-to-case basis.

**3. Franchiser will advertise and publish** the name of the Franchisee in the relevant international advertisements. The Franchisee at its own cost will advertise and popularize the product in its local territory with the approval of Franchiser only to maintain uniformity in the advertisements.

4. **The initial period** of the present arrangement shall be for a period of one year commencing from \_\_\_\_\_\_\_\_\_\_ and expiring on \_\_\_\_\_\_\_\_\_\_\_\_. If not terminated, after expiry of the above period the agreement will stand extended for a further period of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ years.

5. The Franchisee will pay to the Franchiser a lump sum **franchise fee of 100,000/- USD** for the initial term of twelve months and which will have to be paid within 12 months from the date of this agreement in equal monthly installments.

**6. The goods will be exported from \_\_\_\_\_\_\_\_\_\_\_** by the Franchiser and/or by their specified sister concerns only. The Franchisee will place the orders at \_\_\_\_\_\_\_\_\_\_\_\_\_. The Franchisee can also purchase the goods from Franchiser’s head office at \_\_\_\_\_\_\_\_\_\_ by making cash payment at the wholesale price. The Franchiser may give goods worth \_\_\_\_\_\_\_\_\_\_\_\_\_ USD on credit per shop for 60 days. For any excess goods ordered, the Franchisee shall pay in advance before delivery and/or shipment of the goods. In the event of delay the Franchisee shall pay compensation to the Franchiser in the form of liquidated damages @ 1.5% per month on the outstanding amount till payment.

7. In addition to the Franchise fee and price of the goods, the Franchisee will also **pay to the Franchiser monthly royalty @ of 10% of sales or 3000 USD per month whichever is higher**. The same will be payable on the monthly basis and in any case before the 5th day of the following month. In the event of delay, the Franchisee will pay liquidated damages
@ 1.5% per month to the Franchiser for the delayed period.

8. **PROHIBITION:**

(a) The franchisee will at no time claim any right, title and interest on the mark/name/brand “SHUBHAM” as the same is the exclusive ownership of the Franchiser.

(b) The Franchisee will only store and sell the products
of the Franchiser under the title **“**SHUBHAM” and
shall not directly or indirectly deal with any other garment products.

(c) The Franchisee will not do any acts, deeds, things, etc., whereby the name and goodwill of the Franchiser is disturbed and/or affected and/or degraded in any manner but will always promptly and diligently take all steps and measures to protect and safeguard the Franchiser’s said mark/name/brand **“SHUBHAM”** and Franchiser’s goodwill and reputation attached thereto.

9. **Franchisee shall regularly furnish information and reports** such as sales, inventory, market conditions and any other available information to the Franchiser. Franchiser shall have the right to inspect the showroom maintained for the Franchiser’s products by the Franchisee with regards to the quality of the goods and services provided by the Franchisee as also shall have right to inspect the relevant books and all other records maintained by the Franchisee.

10. **Franchisee hereby acknowledges that any and all patents, utility models, trade marks, designs and any other marks used or embodied in the products shall remain the sole property of the Franchiser.** Franchisee shall not use directly or indirectly in part or whole Franchiser’s patents, utility models, trade marks, designs and any other marks except in the manner and to the extent the Franchisee expressly consents in writing. 

11. The Franchisee **shall decorate and furnish its showroom** at its own expenses as per the design and layout provided by the Franchiser. Franchisee shall put up the SHUBHAM name board on its showroom as per the logo provided by the Franchiser. The Franchiser shall also provide carry bags design advertisements commercials and logos at the cost of Franchisee.

12. The Franchiser shall have the **right to terminate** the agreement in the event if there is any delay in payment or the Franchisee does not maintain adequate stock or does not provide good after sale services or does not meet the minimum stipulated turnover or if he is found to sell goods not purchased from the Franchiser or commits breach of this agreement. This agreement shall terminate automatically if and when the Franchiser does so.

13. **In the event of termination:—**

(a) The Franchisee shall as early as possible but not later than 30 days from the date of termination, directly or indirectly stop using word/name/mark “SHUBHAM” or any similar name resembling to “SHUBHAM” as to be likely to cause confusion or deception in any manner including the using for its trade name.

(b) The Franchisee shall accordingly change the names of the two stores/shops.

(c) The Franchisee shall make forthwith payment of all the dues payable to the Franchiser as recorded herein.

(d) The Franchisee shall withdraw and deliver to the Franchiser all advertising material and other documentation relating to the business, trade name/mark of the said goods.

14. In the event of any disputes and differences between the parties, the courts at \_\_\_\_\_\_\_\_\_ alone shall have jurisdiction to try and entertain the same.

 (FRANCHISER) (FRANCHISEE)

WITNESS: