

FRANCHISE AGREEMENT — Simplified Summary

1. **Date & Place:** Agreement executed on **22 August 2025**, at Mumbai.
2. **Parties:**
 - **Franchisor:** Chai Junction Pvt. Ltd., corporate office at #500, 100 Feet Road, Indiranagar, Bangalore – 560038.
 - **Franchisee:** Mumbai Food Ventures LLP, office at 1201, Maker Chambers, Nariman Point, Mumbai – 400021.
3. **Grant of Franchise:**
 - Non-exclusive right to operate **one** Chai Junction café at: **Shop No. 3, Ground Floor, Phoenix Marketcity Mall, LBS Marg, Kurla (West), Mumbai – 400070.**
4. **Term & Renewal:**
 - Term: **5 years** starting from the date the unit opens.
 - Option to renew for another 5 years subject to terms in effect at renewal.
5. **Fees:**
 - **Initial franchise fee (one-time, non-refundable):** ₹10,00,000 + GST (paid on signing).
 - **Royalty:** 6% of Gross Sales (monthly).
 - **Marketing fee:** 2% of Gross Sales (monthly), contributed to national marketing fund.
6. **Franchisor Obligations:**
 - Provide initial training for Franchisee & key staff.
 - Provide confidential **Operations Manual** (procedures, specs).
 - Help with interior design/layout.
 - Supply list of approved suppliers.
7. **Franchisee Obligations:**
 - Operate strictly per the Operations Manual and brand standards.
 - Use the premises only as a Chai Junction café.
 - Purchase proprietary ingredients/products exclusively from Franchisor or approved suppliers.
 - Allow Franchisor inspections and audits during business hours.
 - Not engage in competing business during the Agreement.
8. **Intellectual Property:**
 - Franchisee gets a limited, non-transferable license to use the Brand/trademarks for the unit only.
 - Franchisee has **no ownership** in the Brand or System; all goodwill belongs to the Franchisor.
9. **Termination:**
 - Franchisor can terminate immediately for material breach (e.g., non-payment, failure to follow standards, insolvency).
10. **Post-Termination:**
 - On termination or expiry, Franchisee must stop using Franchisor IP, return Operations Manual, and remove brand identifiers from the premises.
11. **Governing Law & Dispute Resolution:**
 - Indian law.
 - Disputes resolved by **arbitration** (sole arbitrator) under the Arbitration & Conciliation Act, 1996.
 - **Seat of arbitration: Bangalore, India.**