

**Regarding: Investment Proposal from The Darshan Furniture Pvt Ltd (Leo Sofa Bed)**

**Date: Apr 07, 2024**

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## 1. Business Validation & Background

### **Q1.1 – What is the legal status and incorporation history of the company?**

*I want to verify that Darshan Furniture Pvt Ltd is a legally registered Private Limited company in India and understand its years of operation, directorship, and compliance history.*

### **Q1.2 – What is the company's current presence and performance in Malaysia and India?**

*Details on past sales, regions served, and current market size are essential to assess their established credibility.*

### **Q1.3 – Who are the core team members and what are their qualifications?**

*Understanding the leadership, their background, and experience helps me evaluate execution capability.*

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## 2. Product Understanding

### **Q2.1 – What makes the Leo Sofa Bed product unique in the market?**

*I need to know what differentiates it from competitors in terms of design, pricing, quality, and innovation.*

### **Q2.2 – Has the product undergone any certifications, patents, or quality standard evaluations?**

*Verifying this helps ensure product durability, legal standing, and eligibility for wider distribution.*

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## 3. Market Feasibility

### **Q3.1 – How was the projected demand for Madurai, Trichy, and Ramanathapuram assessed?**

*I'm looking for the basis of the projection—surveys, retailer MoUs, or third-party research data.*

### **Q3.2 – What is the plan for onboarding the 90 proposed stores?**

*I want clarity on how stores will be selected, managed, and incentivized to sell the product.*

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## 4. Investment Utilization

**Q4.1 – Can I get a detailed breakdown of how the ₹1 crore will be spent?**

*Each category—production, marketing, and operations—should include item-wise expenses.*

**Q4.2 – What assets (machinery, branding, etc.) will be created using my investment?**

*This will help me understand what tangible or intangible value will be created as a result of my capital.*

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## 5. Sales & Profit Projections

**Q5.1 – What are the assumptions behind the 8,100 unit annual sales projection?**

*This helps verify if those targets are realistic and scalable based on infrastructure and demand.*

**Q5.2 – What is the estimated profit margin per unit after actual operational costs?**

*I need clarity on how ₹4,500 profit is calculated—whether it includes logistics, GST, marketing costs, etc.*

**Q5.3 – What is the breakeven point for my investment?**

*Knowing the number of units or revenue required to recover my principal helps assess risk.*

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## 6. Return on Investment (ROI)

**Q6.1 – What is the structure of my returns and in what form will they be disbursed?**

*I want to understand timelines, whether the returns are in cash profit share, equity, or hybrid form.*

**Q6.2 – Is the projected ROI of 103.5% guaranteed or estimated?**

*I need to know whether these numbers are fixed, best-case, or conservative estimates.*

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## 7. Legal Security

**Q7.1 – Will there be a legally binding investor agreement?**

*I want assurance that terms of investment, profit share, exit, and dispute resolution will be legally documented.*

## **Q7.2 – What rights and protections will I have as an investor?**

*Details about audit rights, financial reporting, and governance input are needed for transparency.*

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## **8. Operational Transparency**

### **Q8.1 – How frequently will I receive financial and performance updates?**

*Regular reporting is key to tracking progress and holding the team accountable.*

### **Q8.2 – Will I have visibility into key financial decisions or only post-facto reports?**

*I want to clarify if I'll have advisory rights or access before major budgetary decisions are made.*

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## **9. Risk Management**

### **Q9.1 – What is the backup plan if the projected unit sales are not met?**

*I need a fallback or contingency plan for underperformance in sales or demand.*

### **Q9.2 – What are the biggest risks identified by the company, and how are they being addressed?**

*Understanding perceived risks (supply chain, logistics, competition) and mitigation strategies is critical.*

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## **10. Exit Strategy**

### **Q10.1 – Is there a defined exit plan after 3 years or before?**

*This includes information on profit buyout, equity transfer, or reinvestment options.*

### **Q10.2 – What happens to my share if the company goes for another funding round?**

*I want to understand dilution risk and whether my share will be preserved, converted, or reduced.*

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## 11. Future Roadmap

### **Q11.1 – Are there expansion plans beyond these 3 districts?**

*I'd like visibility into the next stage of growth (geographic or product-wise) to evaluate scale potential.*

### **Q11.2 – Is there any plan for digital sales, franchising, or e-commerce in the future?**

*This reflects how future-ready the business is, especially in a competitive retail environment.*