



FRANCHISE POLICY DOCUMENT



ABOUT NEW U

- Dabur India Ltd (DIL) through its 100% subsidiary H&B Stores Ltd operates the 'New U' chain of retail stores.
- The brand name and design 'New U' reflects the essence and ambitions of H&B Stores Ltd. - a brand which aims to cater to all the requirements of a customer on the beauty and wellness platform. The name captures what the stores offer to its patrons - something new, engaging and innovative.
- New U aims to be a beauty, wellness & personal care consumable replenishment store in malls, neighbourhood markets & high streets for working & upper middle class men & women offering national & international brands of fragrances, bath luxuries, hair care, skin care, cosmetics & accessories.
- The products offered range across categories e.g. colour cosmetics, fragrances, skin and personal care, baby & family care, fashion accessories, general merchandise, Ayurvedic, and herbal.

FRANCHISING CONCEPT

1. New U is looking for entrepreneurs who have a strong interest, desire, and financial qualifications to manage retail operations.
2. To benefit from the opportunities that New U offers, the applicant franchisee should satisfy the following criteria:
 - Owns commercial property in high catchment areas (high street/commercial market/ neighborhood markets) in the Northern region.
 - Able to meet the financial obligations of setting up, running, and promoting the retail outlet/s.
 - Prefer partners willing to dedicate a family member to manage day-to-day running of the store.
3. Partners will be selected following rigorous screening and short listing procedures comprising face to face interactions, a thorough check of credentials, business acumen and financial strength.
4. The Company will assist its partners in setting up the retail outlet including interiors, recruitment of personnel, training and promotional activities.

TERMS AND CONDITIONS

STORE OWNERSHIP

The Franchisee needs to own retail space in a prime location in Northern India, in a high street or commercial location. The store must meet the following requirements:

- 500-1000 sq ft, with a frontage of >10 ft
- On the ground floor (single plate only)

INVESTMENT

The Franchisee will be required to make an initial investment of about Rs. 20 lacs towards capital expenditure and bank guarantee.

MARGIN

The Franchisee will get a 20% margin on net sales. This will be transferred to the franchisee account within the first seven days of the following month.

STOCKS AND DISCOUNTS

Store stock will be entirely on New U's books. Unsold and discounts will be covered by New U. Any leakages, shrinkages, losses due to fire, theft, riots, natural calamities, etc are the Franchisee's responsibility.

TERMS OF FRANCHISE

The franchise agreement is for an initial term of 3 years and can be renewed for an additional 2 terms of 3 years each by New U at its sole discretion.

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TERMS AND CONDITIONS

PERSONNEL AND TRAINING

New U shall provide guidance and advisory help for recruitments by the Franchisee. New U shall provide preliminary and periodical training to the key personnel of the Franchisee.

SUPPLY OF MATERIALS

The Franchisee shall sell only the products as specified by New U. The materials or products shall be supplied to the Franchisee by New U.

NON-COMPETITION

During the period of the franchise and for a period of 2 years after the expiry of the franchise agreement, neither the Franchisee nor any of its Directors, Shareholders, Key Employees will engage in any activity that competes directly or indirectly with the Franchisor without the written permission of New U.

DEFAULT AND TERMINATION

In the event that the terms & conditions of the signed license agreement are not adhered to by the franchisee, New U reserves the right to terminate the franchise agreement any time by serving a 30 days notice.

STORE FRONT AND INTERIORS



ROLES AND RESPONSIBILITIES – FRANCHISEE

The Franchisee shall setup and operate retail outlets as per New U's specifications in the assigned trade area/ territory. Running of the New U's outlet/s includes the following responsibilities:

- Making the required investments in the setting up of the retail outlet/s.
- Doing up and maintaining the store interiors and frontage as per New U's requirements.
- Operating the business of the retail outlet/s under the Trade Name of New U.
- Promoting sales of the retail outlets.
- Procuring all required licenses, permissions and sanctions for running of the retail outlet/s and getting the same renewed.
- To bear all Government/Statutory taxes and levies for the operation of the retail outlet/s.
- Carrying out day-to-day maintenance of the outlet/s, bearing all operating and capital expenditures, upgrading, renovating the outlet/s etc.
- Collecting the sales money and transferring the same to the company appointed agency twice a week and making timely payments to staff, statutory authorities and others for the smooth running of the outlet/s.

ROLES AND RESPONSIBILITIES – NEW U

New U shall provide its support and cooperation to the Franchisee in setting up and operation of the retail outlet/s including:

- Approving the sites for retail outlet/s and recommending qualified architects, designers, consultants and vendors for setting up of the outlet/s.
- Ensuring adequate and timely supply & replenishment of stocks to the franchisee.
- Support in project planning and finalizing technical requirements.
- Defining design norms and equipment specifications.
- Providing guidance and advisory help for recruitments, training and inducting people.
- Operational and other audits of the outlets.
- Conducting periodical review of the business and recommending business promotion plans.
- Defining Operational and other guidelines for the operation of the outlet/s.
- Supporting local sales, marketing and business promotion activities.
- Permission to operate the retail outlet/s under the Trade Name of New U.

For enquiries, please contact:

Ms Mita Chopra

newu.franchisee@dabur.com

+91 9716902818

+91 124 4590300

