

So you want to buy a

# Franchise

In June 2026, Delhi police arrested three directors of a café “franchise” after 1,069 people put in ₹4.17 crore for guaranteed monthly returns. The same night J's phone offers him a franchise. He builds a ₹21 lakh chai outlet on paper and follows ₹100 of sales to the last rupee: GST he can't claim back, the royalty floor, the delivery app, rent, staff and the EMI. Plus what the big chains' own filings say, fake franchise websites, and J's ten-point checklist.

## THE REEL'S PROMISE

### A share of sales every month

Give us a few lakh, and we pay you a share of the sales every month. Famous name, ready menu, “you just invest, we run it.”

## WHAT J DID NOT KNOW YET

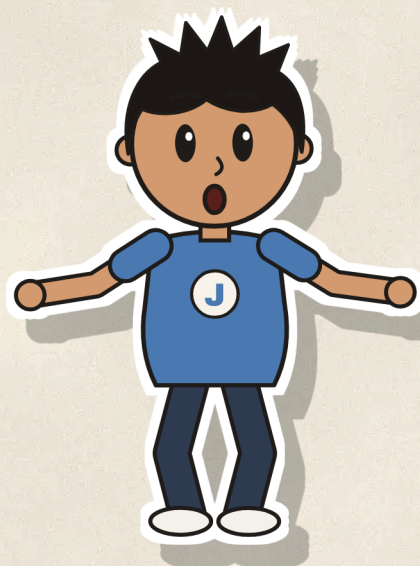
### The flaw

Everyone is paid before the owner: the tax office, the brand, the app, the landlord, the staff and the bank. Of every ₹100 sold, J keeps ₹8.52. The brand takes ₹6.74, good month or bad.

## THE REAL BILL

|                       |         |
|-----------------------|---------|
| Sold                  | ₹100.00 |
| Tax + food            | -₹38.09 |
| The brand             | -₹6.74  |
| App, rent, staff, EMI | -₹46.65 |

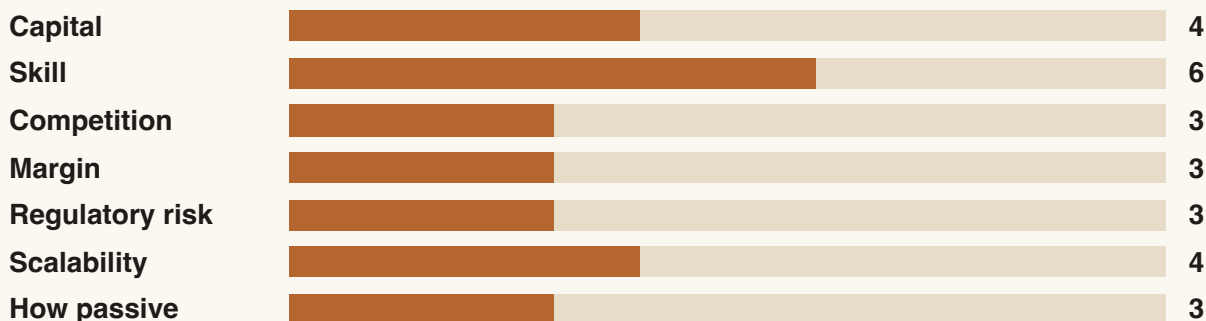
J keeps **₹8.52** of every ₹100 sold



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# The scorecard: **26/70**



Ten points each, higher is better. Season average per question: Capital 5.2 · Skill 4.8 · Competition 2.7 · Margin 3.5 · Regulatory risk 2.7 · Scalability 5.3 · How passive 2.7.

## Two years, run two ways **ILLUSTRATION**

### The good version

The street is right and the brand is strong: ₹6 lakh of sales a month from month four, about ₹90,000 a month after the EMI, the ₹21 lakh back in about 19 months.

### The realistic version

Sales settle at ₹4 lakh: a few thousand short every month after the EMI. At month 18 J wants out and gets back the ₹3.6 lakh deposit and a few lakh for the fittings.

## J's checklist before you start

1. Search the brand on IP India's free trademark search: the brand should own the name it sells.
2. Never pay a franchise fee to a website link or a personal account. Big chains like Domino's, McDonald's and KFC don't sell single outlets to individuals.
3. A guaranteed monthly return is a reason to walk away, or to get a lawyer to read it first.
4. Talk to five existing owners you find yourself, not the three the brand suggests, and ask what they sell in a day.
5. Read the royalty clause for “whichever is higher”, and list what you must buy only from the brand, at what price.
6. Get territory and exit terms in writing: how close the next outlet can open, and what is refunded if you leave.
7. Work out your own break-even sales per day with your rent, staff and EMI, then check it still works if sales are a third lower.

## J's Wall after 6 stops

Calculator: [learnbusinesswithj.in/free/](http://learnbusinesswithj.in/free/)

Every number is sourced on the next page

# Where the numbers come from

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