Expression of Interest for Khadi Franchise

EOIs are invited from individuals, companies, agencies, NGOs or firms for a business opportunity in the Khadi sector. Those who wish to set up a Khadi Franchise Sales Outlet should have a showroom/retail sales space of 300 sq. ft. and above, on either ownership or long term lease basis (minimum 5 years), are welcome to apply.

Khadi, a versatile eco and skin friendly fashion fabric is a growing brand with high demand in International markets. It has a market presence of more than 2,500 crores in apparel and more than 55,000 crores in V.I. products. Amazing and inspiring millions of creative minds globally, a Khadi franchise outlet is not only a unique profitable business opportunity to promote heritage steeped products but is also social cause since the sales proceeds directly benefit the artisans.

The detailed terms and conditions for the Khadi franchise can be viewed or downloaded from the KVIC website: www.kvic.org.in link marketing.

For any further clarification, kindly contact Director (Marketing) on: 022-26716680. Alternatively, you can send an email on mkting.kvic@gov.in

Director (Marketing)
APPLICATION FORM FOR OPENING OF FRANCHISE

1. Background
Khadi has a rich history and is a vital part of our ancient heritage. A versatile fashion fabric, Khadi has been used as a tool to navigate India through to its hard won independence. Even today, 71 years later, the fabric continues to inspire creative minds across all International borders. Known as the “Fabric of India”, Khadi has proven to be a culture in itself, one that truly emits the pride of our country’s achievements. It is a symbol of Swadeshi spirit and played vital role in the freedom struggle for the independence of our Country. Khadi has been providing livelihood to lakhs of rural artisans most of them being women over many decades.

Back in the day, the charkha embodied the dignity of labor, equality and unity. Regardless of age, social class or gender, every individual was involved in either spinning or another process in cloth production. It was for this reason that spinning was seen as a means for employment and livelihood, for it generated jobs for millions. 4, 63,171 people have been employed in the Khadi sector as of July 2018. Additionally, there is a continuous growth in the standard of living of these artisans. Their wage rate has increased by 36% to Rs 7.50 per hank.

2. Marketing
Khadi & Village Industries Commission (KVIC) is a major organization of Ministry of Micro, Small and Medium Enterprises (MSME) assigned for generating sustainable employment opportunities to millions of the traditional artisans and entrepreneurs of decentralized non–farm sector in rural India through implementation of KVI activities at a low per capita.

Khadi production is the way forward to a green economy. From a four spindle wooden charkha in 1964 to an e-charkha in 2007, the Khadi sector has greatly progressed. The improvement in technology has, in turn, favored production and sales returns. Rolling an impressive Rs 512.89 Crore Production turnout, the sector has generated a revenue of around Rs 525.69 Crore. There are about 2000 KIs presently undertaking production and sales activities.
3. Products
We have a wide assortment of products from apparel & fashion accessories, home décor & lifestyle accessories to cosmetics and health care under the below two umbrellas:

A. Khadi Products
The hand-spun and hand woven fabric is manufactured in silk, wool and even the lesser known denim, along with the more popularly used khadi cotton. The zero carbon footprint fabric, known for its fine texture, high quality and light weight, is gaining recognition globally for their eco – friendly nature.

We have a wide variety of apparels such as sarees, silk/cotton/woolen fabrics, kurtas, shirts, jackets etc. Fashion accessories include scarves, stoles and more.

B. Village Industries Products
The broad categories of village industry products include mineral based industries such as pottery and lime; Agro based & food processing industries such as pulses; polymer based industries such as leather and soap; forest based industries such as bee keeping, hand-made paper industry and many more.

Some fast selling products include honey, personal care products such as soaps, shampoos, moisturizing creams, handmade paper, herbal products etc.

4. Who can apply for Franchise of Khadi Inda
   i. Any unit whether Proprietorship, Partnership firm/Private Limited company or Limited company.
   ii. Applicant should be financially sound.
   iii. Applicant should have own/rented showroom having area minimum 300 sq.ft. in prime location. Preference will be given to those having AC showroom

5. Application fee: Rs.5900/- towards Application/tender fees (Rs.5,000/- fee + GST @ 18% on Rs.5,000/-) **(Non refundable)** should be submitted along with application form.

6. General Terms and Conditions of the Franchise:
i. Initially the franchise will for a period of three years (3) years ("Validity Period") and may be further extended for a period on such terms and conditions as decided by the Franchisor.

ii. Khadi India Franchisee will have the uniform design and pattern of signage approved by KVIC and display ‘KHADI INDIA’ logo prominently.

iii. Franchisee should have at least minimum sales target of Rs.30 lakhs per quarter and shall report to the Franchisor.

iv. The Franchisee Should have necessary expertise, staff, infrastructure and such other facilities to carry out the Business as a franchisee of the Khadi India.

v. The Franchisee shall be an exclusive sales outlet for the Products of Franchisor and under no circumstances shall deal in any other products.

vi. The Franchisee shall be solely responsible for complying with the provisions of various laws including laws relating to Shops & Establishment, GST, Commercial Tax and all other applicable taxes and shall be responsible for due compliance of the applicable law and payment of statutory liabilities.

vii. The Franchisee shall sell the Products at the prescribed M.R.P provided by the Franchisor/suppliers.

viii. The Franchisee shall not change or remove any packaging material in which each item of the Products is packed or change or remove any label on the Products supplied by Franchisor.

ix. The Franchisee shall sell the Products at the Approved Showroom on its own account and not on behalf of Franchisor.

x. Franchisee shall not sub-lease/sub-franchisee to any other agency without prior approval of the Franchisor.
xi. The Franchisor or any competent authority shall have the full rights to conduct random quality checks at any point of time to ensure the genuine sale of KVI products in the franchise stores or as and when requirement for the same occurs. The franchise should co-operate for the same.

xii. The Franchisee shall not be entitled to claim any Rebate/MDA on the sale of Khadi and Village Industries Products.

xiii. The Franchisee can do the advertisement to develop market promotion of the Products under this Agreement. The Franchisee, prior to carrying out any advertisement shall present the advertisement/publicity material for the approval of the Franchisor. The Franchisor/KVIC on its own may provide advertisement material to the Franchisee and the Franchisee shall use such material for advertisement of the Products. The sales promotion and publicity activities may be worked out jointly between Franchisor and Franchisee, on cost sharing basis.

xiv. If the franchisee executes any business with Franchisor/ DSOs, trade discount will be 20% in Khadi and 25% for Village Industries products to Franchisee.

xv. This Agreement or any interest or benefit herein shall not be in any manner assigned or transferred by the Franchisee to any third party.

xvi. Franchisor shall have the right to terminate the Agreement forthwith by giving a three month notice in writing to the Franchisee.

**Mandatory terms and conditions -**

(A) **Security deposit -**

The Franchisee shall furnish a interest free, refundable security deposit of Rs.1.00 Lakh (Rupees One lakh only) with the Franchisor, in the form of payment through NEFT in **SB A/C No.10176548655 of State Bank of India,**
Vile Parle (West), Mumbai-400056 in favor of “DIRECTORATE OF MARKETING, KVIC” having CIF no. 80138251736, IFSC code SBIN0000515, MICR Code 400002083.

The Franchisor shall release the Security Deposit without any interest to the Franchisee after confirming that Franchisee does not have any dues to be paid to Franchisor. In case of any existing dues or claims, the Security Deposit shall be refunded by the Franchisor to the Franchisee only after adjustment of such dues/claims by the Franchisor.

(B) **Registration:**

If application is considered for Franchise, Registration fee of Rs.11,800/- (Non-refundable Rs.10,000/- registration fee + GST @ 18% on Rs.10,000/-) is to be deposited along with Rs. 1.00 Lakhs being security deposit before signing of agreement.

(C) **Pricing:**

The Franchisor shall decide the MRP of Khadi and Village Industries products as per the directives issued by the Directorate of Marketing on half yearly basis.

(D) **Sales Target -**

The Sales Target may vary according to the Geographical Area/Locality i.e. Prime Location, City and Premises, etc., and shall be decided by the Franchisor, however the minimum average sales target of Rs.1.20 Crore per annum (calculated at an approximate amount of Rs.30,00,000 (Rupees Thirty lakh) per quarter (“Minimum Sales Target”) has to be achieved by the Franchisee.
(E) **Transport**

Transport to carry the goods from supplier’s godown to the showroom of the Franchisee should be mutually agreed between the supplier/sof products and the franchisee. Transportation for replacement and return of products also has to be mutually agreed between the supplier and the franchisee.

(F) **Insurance**

The Franchisee shall preferably insure all furniture and fixtures and civil works at its own cost and expenses. The Franchisee shall at its own cost, preferably take out insurance for the value of the stocks, and cash available at the Showroom.¹

Director, Marketing
KVIC
Application Form

1. Name of company/individual :-

2. Complete Postal address :-

3. Phone/Mobile No. :-

4. E-mail and website, if any :-

5. Name of contact person :-

6. Complete Postal address :-

7. E-mail id :-

8. GST No. (in case of new enterprise GST No. should be obtained before commencement of business) :-

9. Nature of business presently engaged (Experience of marketing of apparels / readymade garments / dress material etc is mandatory) :-

10. Products handled:-

11. Annual turnover of present business:-

12. Type of company/unit whether proprietorship, partnership firm/private limited company or Limited company. Copy of the related registration certificate may be enclosed):-

13. (a) Size & location of the showroom proposed for Franchise in sq. ft (preference for Franchise having A.C Showroom having 300 sq. ft space, Franchise having less than 300 sq. ft space shall also be considered) :-

   (i) SIZE:- ________sq. ft  (ii) Location address:- _______________________

   (b) Whether Air-conditioned (Yes/No):-
   (c) Present activity in the showroom :-

14. If show room is not available presently, proposed site and area (A.C showroom shall be given preference) :-

15. Whether proposed showroom is on rent or ownership:-

16. Manpower available in present business:-
   Number of salesman,
17. Manpower proposed in khadi India Franchise showroom (number of salesman, cashier, Manager): -

18. Whether computerized cash counter, bar coding etc. is available or proposed :-

19. Sales turnover of Khadi & Village Industries products projected per annum in Khadi India Franchise showroom:-

20. Details of Income Tax return for last 3 years (Attach copy of last three years ITR) :-

21. Rs.5900/- towards Application/tender fees (Non refundable) – (Rs.5,000/- fee + GST @ 18% on Rs.5,000/-) Should be submitted along with application form

(NOTE: If application is considered for Franchise, Registration fee of Rs.11,800/- (Non-refundable Rs.10,000/- registration fee + GST @ 18% on Rs.10,000/-) is to be deposited along with Rs. 1.00 Lakhs being security deposit before signing of agreement)

(a) At Par Cheque/DD No._________________________
    Date:_________________________
    Drawn in favor of Directorate of Marketing, KVIC, Mumbai.

(b) Payment through NEFT in SB A/C.No.10176548655, State Bank of India, IFSC code SBIN0000515, CIF no. 80138251736, MICR Code 400002083, Branch-Vile Parle (West), Mumbai-400056 in favor of “DIRECTORATE OF MARKETING, KVIC”.

(c) I agree with all terms and conditions mentioned in the Franchise Agreement.

   Date:_________________________ Signature
   Place:-_______________________ Name
   ____________________________ Designation
   ______________________________ Name of the agency
   ______________________________ Seal & Date