

DIRECTORATE OF MARKETING
KHADI AND VILLAGE INDUSTRIES COMMISSION
3, IRLA ROAD, VILE PARLE (WEST), MUMBAI-56

Application for Khadi India Franchise

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

Khadi, a versatile and skin friendly fashion fabric is a growing brand with high demand in national and international markets. It has a market presence of more than 4000 crores in apparel and more than 90,000 crores in VI products. Amazing and inspiring millions of creative minds globally, a Khadi outlet is not only a unique profitable business opportunity to promote heritage steeped products but also social cause since the sales proceeds directly benefit the artisans.

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

Dy. Chief Executive Officer (Marketing)

KVIC, Mumbai-56.

The details of the scheme are as under:

1. Products

KVIC has a wide assortment of products from food, apparel, fashion accessories, home décor, and lifestyle accessories to cosmetics and health care under its 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 ecofriendly nature. KVIC has 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 village industry products are highly unique and distinct, providing a designer touch to its customer. Pure, natural and environment friendly are the key features contributing to the cause. They include mineral based products such as pottery & lime; Agro based & food processing products such as pulses, masala powders, pappads, ghani oils; polymer based products such as soap, cosmetic items, leather; forest based products such as honey, hand-made paper items etc. and many more. Some fast selling products include honey, personal care products such as soaps, shampoos, moisturizing creams, handmade paper, herbal products etc.

2. Eligibility Conditions:

- a. Any individual or unit whether Proprietorship, Partnership firm/Private Limited company, Limited company, NGO, Self Help Group and any other legal entities.
 - b. Applicant should be financially sound and PAN Card holder.
 - c. **ITR for the last 3 years required to be submitted with application.**
 - d. Applicant shall have own/long leased (05 years and above) showroom having area minimum 300 sq.ft. in prime location. **Preference will be given to those having AC showroom.**
- 3. Application fee:** Rs.5900/- towards Application fees (Rs.5,000/- fee + GST @ 18% - **Non-refundable**) to be submitted along with application form.

4. Mandatory Requirements -

A. Security deposit -

i. The Franchise shall furnish an interest free, refundable security deposit of Rs.50000.00 (Rupees Fifty Thousand only) with KVIC, 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.**

B. If application is considered for Franchise, Registration fee of Rs.11, 800/- (Rs.10,000/- registration fee + GST @ 18%) is to be deposited alongwith the security deposit of Rs.50,000.00 (Rupees Fifty Thousand only) before signing of agreement. In case the applicant withdraws from establishing the Franchise after sanction (before setting up), then 50% of Registration Charges (Rs.5,000/-) may be refunded.

C. Procurement:

Franchise is free to procure Khadi items from any certified Khadi Institutions having valid Khadi Mark Certificate and VI items from any approved REGP/PMEGP units. The Franchise will have to provide the details/credentials of their suppliers to KVIC.

D. Pricing:

The Franchise is free to decide the MRP of Khadi and Village Industries products with supplier Khadi Institutions/Units/DSOs. KVIC shall not be a party in the financial dealings between the Supplier & Franchise.

E. Transport -

KVIC shall not be a party in the products transport/conveyance between the Supplier & Franchise. Transportation/replacement/return of products etc. is to be agreed upon between the supplier and the franchise.

F. Insurance -

The Franchise may insure all stock, furniture and fixtures and civil works at own cost and expenses. KVIC shall not be a party in any loss happened to Franchise.

G. Khadi Mark

Franchise has to mandatorily secure Khadi Mark before commencement of operation by remitting Rs.50,000.00 (Rupees Fifty Thousand only) to KVIC over and above the security deposit. **The validity of Khadi Mark usage by the Franchise shall be for a period of 5 years.**

H. Royalty Margin:

The Franchise has to remit Royalty Margin to KVIC based on the Annual Sales as below:

Annual Sales (Rs.)	Royalty Margin (%)
Upto 12 lakh	3%
From 12 to 30 lakh	2.5%
Above 30 lakh	2%

Royalty Margin is payable strictly on yearly basis.

I. Billing Software:

The Franchise has to make all its operational transactions such as purchase details, billing, stock inventory, payments to suppliers etc. through the KVIC's KIMIS online software only, installed in Franchise's computer. **No manual billing and any other billing software is permitted.**

J. Khadi Trade Mark Usage:

The Franchise shall be entitled to use Khadi Trade Mark in the Khadi India Franchise outlet only.

K. Value Addition:

Value addition to the products (readymades) can be done by the Franchise in accordance with the Khadi Mark regulations.

L. Defective and Short of Materials from DSOs:

Any defective KVI items procured from any DSOs of KVIC by the Franchise will have to be replaced/ exchanged within 15 days from date of procurement.

5. General Terms and Conditions:

- a Initially the franchise will be offered for a period of **Five years (05) years**

("Validity Period") and may be extended on the discretion of KVIC.

- b. Khadi India Franchise will have to operate with the uniform design and pattern of signage approved by KVIC and will display 'KHADI INDIA' logo prominently.
- c. There shall not be any prescribed minimum sales target per annum.
- d. The Franchise shall have necessary expertise, staff, infrastructure and other facilities to carry out the Business as a franchisee of the Khadi India.
- e. The Franchise shall be of exclusive sales outlet for the products of KVI sector
- f. Khadi Fabric/Ready-mades should be sourced from approved KVI Institutions having Khadi Mark Certificate and Village Industries Products from manufacturing units (KI/REGP/PMEGP) approved by KVIC or its approved agency.
- g. The Franchise shall not deal in any other products other than KVI products in the franchise outlet in any circumstances.
- h. The Franchise shall be solely responsible for complying with the provisions of various laws including laws relating to Shops & Establishment, legal metrology, GST, Commercial Tax, all other taxes applicable and shall be responsible for due compliance of law and payment of statutory liabilities.
- i. The Franchise can fix the M.R.P in consultation with its suppliers.
- j. The Franchise has to sell the KVI products at the sales outlet as a franchise of KVIC and shall not project itself as DSO of KVIC.
- k. Franchise shall not sub-lease/sub-franchisee to any other agency/third party
- l. KVIC shall have the full rights to conduct random checks at any time to ensure the quality and sale of KVI products in the franchise stores. The franchise should co-operate for the same.
- m. The Franchise shall not be entitled to claim any Rebate/MDA/Discount on the sale of KVI Products from KVIC. But Franchise can offer the same as an own market promotion measure from their trade margins.
- n. The Franchise can advertise towards its own market promotion of the KVI products, only in 'franchise's capacity'.
- o. Whenever, the franchise purchases the products from Dept. Sales Outlets/KGBs of KVIC, trade discount of 35% on Khadi products and 25% on Village Industries products will be offered to the franchise.**
- p. KVIC as the Franchisor have the right to suspend or terminate the Franchise Agreement in case of violation of any of the agreed terms and conditions or any other valid reason.

- q. **The applicant has to setup the Franchise outlet and start operation within 6 months from the date of grant of Franchise failing which the approval shall be cancelled.**
- r. **Change of ownership of Franchise:** For changing the ownership of Khadi India Franchise, the owner has to surrender the existing license to KVIC and apply as a fresh applicant.

Dy. Chief Executive Officer (Marketing)

KVIC, Mumbai-56

Online Application Form for Domestic Khadi India Franchise

1. Name of company/individual :-
2. Complete Postal address :-
3. Phone/Mobile No. :-
4. E-mail and website, if any :-
5. Name of the Proprietor/Director :-
6. Complete Postal address :-
7. E- mail id :-
8. ID proof:-
9. GST No. (in case of new enterprise GST No. should be obtained before commencement of business) :-
- 10. Nature of business presently engaged (Experience of marketing of apparels / readymade garments / dress material etc.):-**
11. Products handled:-
12. Annual turnover of present business (if applicable). :-
(documentary proof to be attached)
13. Type of company/unit whether proprietorship, partnership firm/private limited company, Limited company, NGO, Self Help Group or any other Legal Identity. Copy of the related Registration Certificate and Memorandum of Association to be attached
14. (a) Size & location of the showroom proposed for Franchise in sq. ft
(preferably A.C Showroom of 300 sq. ft space)

Paste
Photo

(i) SIZE:- _____sq. ft (ii) Location address:-

(b) Whether Air-conditioned (Yes/No):-

(c) Present activity in the showroom :-

15. If show room is not available presently, proposed site and area
(A.C showroom shall be given preference):-
16. Whether proposed showroom is on rent or ownership (please attach the lease agreement or ownership deed):-
17. Manpower available in present business:-
Number of salesman, Cashier, Manager
18. Manpower proposed in Khadi India Franchise showroom (Number of salesman, cashier, Manager):-
19. Whether computerized cash counter, bar coding etc. is available or proposed to procure on allotment:-
20. Sales turnover of Khadi & Village Industries products projected per annum in the proposed Khadi India Franchise showroom:-
21. Details of Income Tax return for last 3 years
(Attach copy of the PAN & last three years ITR):-
22. Details of Application fee of Rs.5900/- (Nonrefundable) –
(Rs.5,000/- fee + GST @ 18%) remitted to designated KVIC A/c.
23. Details of Registration fees of Rs.11800/- (Rs.10,000/- + GST @ 18%)
(Remittance to designated KVIC A/c after confirmation only).

24. Details of Security Deposit of Rs.50000.00 (Remittance to designated KVIC A/c after confirmation only).

25. Details of fee for Khadi Mark, Rs.50000.00 (Remittance to designated KVIC A/c after confirmation only).

Declaration

Certified that the information furnished above are true and correct to the best of my knowledge and I will be responsible for the same. Further,I will abide by the terms and conditions of operating Khadi India Franchisee prescribed by KVIC.

Date:
Place:-

Signature
Name
Designation
Name of the agency
Seal &Date