

**TELANGANA STATE HANDICRAFTS DEVELOPMENT CORPORATION LTD.,  
(T.S.GOVERNMENT UNDERTAKING)  
CIN NO. U36912TG2015SGC102188**



**EXPRESSION OF INTEREST DOCUMENT**

**FOR**

**OPENING OF GOLKONDA HANDICRAFTS EMPORIUM  
FRANCHISE IN TELANGANA STATE/ OUTSIDE STATE**

## **TABLE OF CONTENTS**

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<b>No.</b>	<b>Title</b>	<b>Page</b>
1.	Introduction of Golkonda Handicrafts Emporium	03
2.	Document Details	04
3.	General Terms & Conditions	05
4.	Guidelines for submission of EOI Document	05-06
5.	Eligibility Criteria	06-07
6.	Requirements from successful parties	07-08
7.	Operational Responsibilities	08-09
8.	Operations and Accounting Procedures	09
9.	Annexure-I	10-13

**TELANGANA STATE Handicrafts Development Corporation Ltd.,**  
**(A State Govt. undertaking)**  
**Opp.Telephone Exchange, HASTAKALA BHAVAN Musheerabad, HYDERABAD**  
**CIN NO. U36912TG2015SGC102188**

**NOTICE INVITING EXPRESSION OF INTEREST FOR OPENING OF**  
**GOLKONDA HANDICRAFTS FRANCHISE**

**No. 604/HDC/MKTG/Franchise /2017**

**Date: 28.07.2017**

**INTRODUCTION TO GOLKONDA HANDICRAFTS EMPORIUM**

**PREAMBLE**

T.S. Handicrafts Development Corporation was set up in the year 2014 in Telangana State after the bifurcation of A.P. and is having 9 sales emporia (7) in Telangana State and 2 at outside ie., New Delhi and Kolkatta, marketing the handicrafts and artistic Textiles in the name of '**GOLKONDA HANDICRAFTS**' and one Production Unit i.e., Nirmal Industry at Hyderabad for Nirmal Paintings and Furniture. Consequent upon the corporatization,, a need has been felt to expand the channels for distribution in addition to its own outlets. This is necessary as '**GOLKONDA HANDICRAFTS**' has been facing increasing competition from other brands in all types of its products. '**GOLKONDA HANDICRAFTS**' has quickly identified the need to improve its agility and responsiveness in delivery of its products and its services to different customers. This will also help to augment its market share in the emerging art & crafts segment, acquire/ expand into new geographies and also encourage & improve the business of artisans.

'**GOLKONDA HANDICRAFTS**' aim is to have multiple channels of distributing its products. Apart from its own outlets it has decided to expand the base across the country through the franchise mode. This will also contribute to its social objective of encouraging and promoting the artisans in the handicrafts and handloom sector.

## **EXPRESSION OF INTEREST:**

Expressions of interest (EOI) are invited from experienced and financially sound parties for appointment as Franchisees who would be marketing / selling Handicrafts and Handlooms with '**GOLKONDA HANDICRAFTS**' brand name on royalty basis.

The prescribed EOI document may be obtained from the Registered Office at a cost of Rs.2000/- by way of Demand draft in favour – TSHDC Ltd payable at Hyderabad or can also be downloaded from the website **Golkondacrafts.telangana.gov.in**.

The duly filled in EOI document should be submitted along with the Earnest Money Deposit (EMD) of Rs.1,00,000/- by way of demand draft from any nationalized bank drawn in favor of – TSHDC Ltd payable at Hyderabad.

Those submitting the downloaded document shall do so along with the application charges of Rs.2,000/- by way of Demand Draft in favour of – TSHDC Ltd payable at Hyderabad. The last date for submission of EOI document is on or **before 19.8.2017 by 5:00 PM**. The document may be sent through post / courier in a sealed cover at the O/o of the Managing Director, TSHDC Ltd., Hyderabad. TSHDC Ltd is not responsible for any delay or loss of document(s) in transit or post.

### **Issue of EOI document on all working days: From 1.08.2017 to 19.08.2017**

**Cost of EOI document** : Rs.2,000/- (Rupees Two thousand only)

**Earnest Money Deposit (EMD)** : Rs.1,00,000/-(Rupees One lakhs only)

**Last date for submission** : On or before 19.08.2017 by 5:00 PM

**Date of opening of EOI** :

The Managing Director of TSHDC reserves the right to reject any or all of the EOI documents without assigning any reason whatsoever.

For any queries/clarifications regarding the EOI document you may contact during the office hours (Monday to Saturday 10.30 AM to 5.00 PM)

## **GENERAL TERMS & CONDITIONS:**

- 1.** The EOI document should be submitted in a sealed cover and the cover should be super-scribed with "**EXPRESSION OF INTEREST FOR OPENING OF GOLKONDA HANDICRAFTS EMPORIUM FRANCHISE**" AT \_\_\_\_\_ and should be addressed to "The Managing Director, T.S.Handicrafts Dev.Corpn,Ltd.,, Hyderabad and sent through post / courier in sealed cover at the O/o of the Managing Director, T.S.Handicrafts Dev.Corpn,Ltd., Hastakalabhavan Opp.Telephone Exchange, Musheerabad, Hyderabad 500 020.

## **2. SELECTION PROCEDURE:**

In cities where '**GOLKONDA HANDICRAFTS**', we proposes to induct new franchisees, it may invite Expression of Interest (EOI) from the willing parties. Based on the offers received from the parties who choose to participate in the EOI, the parties satisfying the terms of EOI will be short-listed. After evaluation by a designated committee, the contract shall be awarded for a period of five years with the approval of competent authority to the successful party(s) as per the terms and conditions stipulated in the EOI.

## **3. FRANCHISEE NETWORK:**

The '**GOLKONDA HANDICRAFTS**' Franchisee outlets are divided into two categories for the purposes of better control viz. own outlets of '**GOLKONDA HANDICRAFTS**' and the franchisee outlets. Both the outlets will have the same business and social objectives. The franchise will be managed and operated by the selected party while the own outlets will be operated by TSHDC.

**4. INSTRUCTIONS AND GUIDELINES TO THE PARTIES FOR SUBMISSION:**

The EOI document shall be submitted along with the following:

- i. EMD of Rs.1,00,000/- in the form of Demand Draft of any nationalized banks in favour of – TSHDC Ltd payable at Hyderabad.
- ii. Application charges of Rs.2000/- in the form of Demand Draft of any nationalized bank in favour of – TSHDC Ltd payable at Hyderabad if the EOI document is downloaded from the website.
- iii. Attested copy of Registration Certificate and partnership deed from the registrar of Companies.
- iv. Attested copies of GST/ TIN /Pan card.
- v. Attested Copy of Turnover for the last three financial years as per Profit & Loss Statement. The Profit-Loss statement should be certified by a qualified chartered accountant.
- vi. Self-attested statement of experience in dealing with Arts and Crafts items /Gift items /Handloom /Handicraft Goods etc. The statement should mention about the name of the products / services and duration of the experience in dealing with the products/services.
- vii. Proposed layout of space with dimensions and location along with proof of ownership.
- viii. Original power of attorney in case the person other than the party signs the EOI document.
- ix. Attested copy of educational qualification of the proprietor.
- x. All the enclosures should be signed & sealed along with the duly filled application in Annexure 1.
- xi. All the pages of EOI document should be signed and any corrections should be attested.
- xii. Any change in the original EOI document format is liable to be rejected.

## **5. ELIGIBILITY CRITERIA FOR SELECTION**

The eligibility criteria for the selection of the franchise are listed in the table below:

<b>Sl. No.</b>	<b>Criteria</b>	<b>Expected</b>	<b>Weightage in %</b>	<b>Remarks</b>
1.	Educational Qualification	Minimum Under graduate	5%	Relaxed if already in relevant business
2.	Experience	Three years in marketing/selling art goods, handicrafts, gift items, stationery items, etc	10%	Preferable
3.	Average Annual turnover from the existing firm (over the last three years)	Greater than Rs. 1 Cr. For A class cities. Greater than Rs. 25 lacs. For B class cities.	15%	Depending on the type of City
4.	Dedicated & exclusive Space	2000 SFT (Class A) 750 SFT (Class B)	15%	Depending on the type of City
5.	Location	Proximity to commercial place, bus station, railway station or airport.	10%	Preferably road facing
6.	Personnel	Shall recruit 2 salespersons	5%	
7.	Annual Sales potential	Annual sales potential should be minimum Rs. 3 Cr with yearly growth by 10% (Class A cities) Annual sales potential should be Rs. 1 Cr with yearly growth by 10%(Class B cities)	20%	Depending on the type of City Depending on the type of City
8.	IT infrastructure	Should invest in two desktop machines and internet connectivity.	5%	Mandated
9.	Exclusivity	Shall market and sell only Golkonda Handicrafts products.	5%	Preferable
10.	Interview		10%	By the Committee

The applicants will be ranked and selected based on the weightages given above. In case of equal scores the decision of selection will rest with TSHDC. Successful parties will be intimated accordingly.

**6. REQUIREMENT FROM SUCCESSFUL PARTIES:**

The following lists the requirements that are to be subscribed by the party that is selected as Golkonda Handicrafts Emporium franchisee ;

1. Non Refundable set up cost of Rs.3,00,000/- (Rupees Three lakhs) for Class "A" Cities and Rs.1.50 lakhs for Class "B" Cities.
2. The EMD will be returned after the formal agreement is signed by both the parties.
3. Non Refundable service fee of Rs.1,00,000/- per year for Class "A" Cities and Rs.25,000/- per year for Class "B" Cities is to be paid at the beginning of each financial year.
4. Any cost incurred in promotional, advertisement, trade shows, trainings etc, will be shared equally between all own outlets and franchises.
5. Franchise outlets should be kept open on all seven days from 10:00 AM to 8:00 PM.
6. All franchisees should create uniform ambience both inside and outside the outlets as per the guideline of Golkonda Handicrafts Emporium.
7. The specifications of the products shall be defined by the franchisee to determine the cost and the time window for delivery.
8. All the orders for the goods from Golkonda Handicrafts Emporium by the franchisee shall be indented with the 50% advance of the value of the goods and the balance 50% in the form of Bank Guarantee (BG) for three months.
9. The Corporation margin fee of 5% of the indent value shall be paid in advance at the time of indenting.
10. The BG will be returned after payment of the balance 50% within 60 days. The default of payment will result in the invocation of BG.
11. Golkonda Handicrafts Emporium, reserves the rights to seek/verify the bank statements of the franchisees.
12. The Franchisee shall continue to be liable for balance if any and no interest will be paid on any deposits.
13. Golkonda Handicrafts Emporium reserves the right to increase the amount of BG at any time in its sole discretion with respect to any/some/all franchisees.



14. Successful parties shall enter into agreement within 30 days from the date of issue of the offer letter.

**7. OPERATIONAL RESPONSIBILITIES OF FRANCHISEE:**

1. The selected franchisee shall follow the guidelines and processes as specified in the operational manual that will be supplied by Golkonda Handicrafts Emporium after the agreement.
2. The franchisee shall generate market demand and sales leads by conducting its own surveys / studies.
3. The Franchisee shall be solely responsible for providing services after sales.
4. The Franchisee shall display and distribute any promotional material supplied by Golkonda Handicrafts Emporium at its own costs.
5. The stocks indented and supplied shall be stored at their own risk.
6. The Franchise shall not sublet the franchise business.
7. The Franchise shall insure their own showrooms and goods.

**8. OPERATIONS & ACCOUNTING PROCEDURES:**

1. Golkonda Handicrafts Emporium will supply the operational manual that will be updated periodically.
2. The indented goods will be shipped directly by the artisans at the behest of Golkonda Handicrafts Emporium.
3. The franchise will market only the products that are affixed with Golkonda Handicrafts Emporium label.
4. The barcode labels along with the price tags will be supplied by Golkonda Handicrafts Emporium at the time of shipments of goods.
5. The lead time for the supply of good will range from 45 to 60 days after the receipt of the payments.
6. On need basis Golkonda Handicrafts Emporium will provide for the design intervention at no cost.
7. Golkonda Handicrafts Emporium will provide the annual training for two personnel of all franchises at no cost. The schedule of the trainings will be announced in the beginning of the year.

8. Golkonda Handicrafts Emporium will conduct a half yearly audit to review accounts, stocks, sales procedures, etc.
9. Golkonda Handicrafts Emporium will appoint an external auditor to conduct the annual audit at the cost of franchise.

### **9. References**

Two references along with the name, profession and full address shall be provided.

**1.**

**2.**

### **10. Specify any other information.**

**Annexure-I**

**Particulars of Applicant seeking Franchise**

1. Name of the Applicant :

2. Residential address of the Applicant :

3. Name of the firm / business owned :

4. Registered Address :

Telephone No. (s) :

Fax :

E-mail :

5. EMD vide DD No. \_\_\_\_\_ Dated \_\_\_\_\_ for Rs. \_\_\_\_\_ drawn from \_\_\_\_\_ in favour of TSHDC payable at Hyderabad is enclosed.

Application cost if downloaded from the website. DD No. \_\_\_\_\_ Dated \_\_\_\_\_ for Rs. \_\_\_\_\_ drawn from \_\_\_\_\_ in favour of TSHDC payable at Hyderabad is enclosed.

6. Status of the applicant relevant to point no. 2 (with supporting documents) Tick the relevant one

a. Proprietorship

b. Partnership

c. Private Limited

d. Public Limited

e. Date of inception of the firm / organization :

f. GST No. (if any) :

g. PAN No / GIR No. :

7. Turnover details of the firm / organization over the last three years (documents enclosed)

2014-15	
2015-16	
2016-17	

8. Name of the Director / Proprietor (Who will manage the Franchisee ship)

9. Residential Address of the Director / Proprietor

10. Qualification of the Director / Proprietor

11. Name of the Banker with address and contact number(s)

12. Present activity with details, and the names of the organizations for which the applicant is acting as Franchisee / wholesaler/Franchisee etc

13. Name and address of the proposed location (for Franchisee)

14. Number of Franchisees of similar outlets operating in the area:

15. Years of experience in the above area:

16. Have you applied for more than one Franchisee ship If Yes, give details:

(a) Site address:

Showroom:

(b) Area - Showroom: Floor: Gr./1st/\_\_\_\_

(c) Location of showroom

Market Place

Commercial Complex

Office Block

Residential Area

(d) Ownership Category

Owned

Rented/Leased

(e) Possession

Already in possession

Possession can be taken within \_\_\_\_\_ days

17. Time required to start the full-fledged franchisee operations from the date of signing the agreement:

(Minimum Time = Fifteen days)

(Expected Time = One month)

(Maximum Time = Two months)

18. Selection Criteria table (Pls fill the correct information)

<b>S. No.</b>	<b>Criteria</b>	<b>Your Replies</b>
1.	Educational Qualification.	
2.	Experience in handicrafts and similar goods (in years).	
3.	Average Annual turnover from the existing firm (over the last three years) if any.	
4.	Dedicated & exclusive Space in sft	
5.	Location (name of city with the landmark).	
6.	Personnel planned to be employed	
6.	Annual Sales potential in Rs.	
8.	IT infrastructure planned for procurement.	
9.	Exclusivity of products (Yes / No)	

### **DECLARATION**

I ....., on behalf of ..... having gone through the terms & conditions defined in the document of Invitation for Expression of Interest for Golkonda Handicrafts Emporium Franchisee, agree to abide by the same in case the Franchise is awarded to me / our firm / company. I am also certifying that the information provided by is correct to best of my knowledge.

Name of the Signatory

For and on behalf of

Signature of the Party