

FRANCHISEE AGREEMENT

MISSION RIEV

(RURALISING INDIA EMPOWERING VILLAGES)

A 21st Century Initiative of IIRD on taking away all worries of the communities
and spreading smiles on the faces of the people

FOR DISTRICT LEVEL FRANCHISEE

AND / OR

FOR BLOCK LEVEL FRANCHISEE

For the State of Himachal Pradesh and Haryana

Issued By:

JCS Ravikant S Wawge, Mission Head

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20th April 2022

MISSION RIEV

FRANCHISEE AGREEMENT

The undersigned:

1. Mission RIEV, a socio-economic venture of IIRD Shimla, having its registered office at Bypass Road Shanan, Sanjauli, Shimla, hereinafter referred to as: ‘Franchisor’, duly represented by _____ Officer in Charge authorised by IIRD; The First Party

And

2. _____ residing at _____ having occupation as _____ duly represented by self, hereinafter referred to as: Franchisee; The Second Party

Referred individually as First Party, Second Party and together as Parties hereafter,

The parties agree to operate together as specified as under:

A. Whereas-

1) The First Party have conceptualised, developed, owned and maintained Mission RIEV as a socio-economic enterprise having deliverable model of citizen services operated through unified and integrated web application that assesses the needs of individuals and families and further automates, administers, operationalizes the delivery of services and products as identified in the need analysis of citizens and physically provided through human interventions by connecting the resources through skilled and trained human resource providing them employment and fulfilling the needs of citizens at affordable cost in the least possible time with preapproved quality, standards and processes prescribed from time to time and case to case from Secretariat of Mission RIEV situated at IIRD Shimla. The Model has potential of huge skill development and employment creation at various levels such as Panchayat, Block, District and State.

2) The First Party has invited interest of the entrepreneurs to partner in action as a franchisee of Mission RIEV by depositing requisite fee for starting its operations in the predefined area having identified population by serving the communities in low cost offered by Mission RIEV through the human resource formally engaged with Mission RIEV through the Franchisee having predefined remuneration structure and for share of the revenue surplus eventually earned through these operations

3) By the means of showing interest and subscribing with requisite fee for mission RIEV for specific region, the Second Party is supposed to launch Mission RIEV in the region with an objective of supporting the population in terms of services of Mission RIEV and that the Second Party is taking responsibilities of implementing the Mission RIEV in the region and

undertake day to day operations, business development and promotion of Mission RIEV under supervision of the Mission Head or its team at Secretariat of Mission RIEV

B. Whereas-

1) The Second Party has shown its interest and agreed to deposit fee of Rs _____ in Mission RIEV for operations with the pre-agreed understanding of profit sharing between RIEV Secretariat, State Mission, District Mission, Block/ City and Panchayat / Ward Mission and limited to the demographic region of predefined area as below:

Block	District	Number of Blocks
Number of Gram Panchayats	Number of Gram Panchayats	
Number of Townships	Number of Townships	
Estimated Population	Estimated Population	
Estimated Number of Families	Estimated Number of Families	
Estimated Geographical Area	Estimated Geographical Area	

This Block Level / District Level Agreement is meant forBlock / District of the State of Haryana / Himachal Pradesh.

2) The Second Party shall exclusively work as a Franchisee of Mission RIEV for the specified region only.

3) The Second Party shall Pay:

For Block Franchisee (Non-Refundable)	For District Franchisee (Non-Refundable)
Rs. 10.00 Lakh plus GST For License Key; Access to Mission RIEV Services and Authorisation to Start Business	Rs. 50.00 Lakh plus GST For License Key; Access to Mission RIEV Services and Authorisation to Start Business
Rs.5.00 Lakh Interest free refundable Security within 6 months	Rs.10.00 Lakh Interest free refundable Security within 6 months

The sample details of the revenue model have been given as **Annexure 1 as Sample Revenue Model.**

C. Whereas both the parties shall agree and have understanding that-

Roles & Responsibilities

- a) The First Party shall implement the Mission RIEV through the Second Party in the agreed region area for the agreed population during the agreed duration.
- b) The Second Party shall facilitate on ground to maintain the discipline, standards, quality and delivery excellence prescribed time to time by the First Party
- c) The Second Party shall set up the Office of the Mission RIEV in the region and shall create the required infrastructure in the office essential for starting and conducting its operations in the Region. The Second Party shall be responsible for exploring premises, location and the facilities to set up the Office as per the instructions and standards as communicated by the First Party. Due approval need to be taken from the First Party by Second Party in case of deviation from the standards.

- d) The First Party shall facilitate the Second Party to commence the operations by providing necessary training, guidance and support.
- e) The First Party shall facilitate the Second Party in recruitment resources from the region and on board them in Mission RIEV through the HR process, Operational Process and IT Systems deployed by the First Party.
- f) The Second Party shall ensure that daily, weekly and periodic schedules of operations and plans are maintained at office and adhered to by all the staff members. The Second Party shall be responsible for generation of business in the region and link various services, businesses and vendors from the region into Mission RIEV as affiliates through the First Party. The Second Party shall be responsible to conduct need analysis, sell the services and products as needed by the assessed households as per the prices and quality standards set by Mission RIEV.
- g) The First Party may conduct various campaigns, events, programmes for promotion and delivery of the Mission and its various divisions & services. The Second Party shall ensure logistic support, facilitation and execution of the same in their operational area through its team.
- h) The attendance, performance, assignments, delivery and remunerations shall be directly administered by the First Party out of the revenue generated in the region and the Second Party shall validate and endorse the same before the payments are made for the staff, clients, and vendors of the franchisee. Any claims of payment arising at franchise level shall be preapproved from the RIEV Secretariat before the commencement of activities that raises payment claims.

Specific roles and responsibilities are given as per the **Annexure 2 as Responsibility Matrix**

Human Resource and Style of Functioning:

- i) The Second Party shall recruit the Human Resource as per HR Guidelines of the Mission RIEV who will perform and earn commissions for the work done as per dashboard and such human resource shall not be on the pay role of Mission RIEV and shall not be treated as the employee of the Mission RIEV or its parent entity.
- j) The functioning shall start with enrolment of families as members, making their need assessment, delivering services by Panchayat/ ward, Block, District and State levels as per the nature of the service(s) with appropriate process defined by the online application.

The specific details of the functioning have been given as **Annexure 3 as Functioning Matrix**

Duration

- k) The initial Tenure of the Franchise shall be for Two years after formal launch of the Mission in the jurisdiction of the Franchisee.

Renewal of the Agreement / License:

- l) The agreement shall be subject to renewal based on the revised terms and conditions of the Mission RIEV and mutual agreement.

Risk Bearing

m) Both Parties shall bear the risk of Loss from the operations in the region

n) In case of total Loss due to risk mentioned in 'clause O' booked after completion of the tenure of the franchise, the First Party safeguards the Second Party only up to the Guaranteed amount of 12% of the Pre-approved Initial Investment / Franchisee Fee after adjustment of the recoverable to make it total 12% after the consolidation of operations, scraps and sales. However, the provision of extension of the agreement after normal situation shall be worked out by the parties jointly. The first party nowhere guarantees the recovery of investment made by the franchise in case of any loss.

o) The unavoidable risks involved can be any of the following

Business Risk: In case government declares freebees and free citizen services then there shall be risk of erosion in sales

Lockdown and Pandemic: Any situation of Lockdown and Pandemic that stops business operations shall have negative impact on earnings

Social and Political Unrest, Natural Calamities: This may restrict the operations resulting in loss of business

p) The risk of capabilities of the Franchise: The abilities of the Franchise to run social enterprises and operate large projects involving sizable human resources and linkages may affect the growth and profitability

q) The First Party has put in place a robust system, procedures and processes to mitigate risk and safeguard the operations, investment and interests of the stakeholders including, investors, franchisees, subscribers, customers and overall business. Any situation arising out of the scope and reach of Mission RIEV shall be mutually discussed and addressed by the Parties.

Termination

r) This agreement can be terminated by either side upon giving notice of three months.

s) In Case of breach of agreement, fraudulent practices, not adhering to terms and Conditions of the contract or upon repeated non-performance subsequently for three quarters, the First Party can immediately terminate the agreement

t) In Case of Termination on fraudulent practices or breach of agreement, the First Party may deduct reasonable amount from the security deposit to recover any losses or compensate against the abruptly cessation of business in the region.

Withdrawal

u) The Second Party may withdraw from the agreement not before six months of the operations. Valid reason should be produced by the Second Party to withdraw. In the case the Security deposit shall have six month further lock in post withdrawal. Post Lock in period the deposit shall be refunded without interest.

Legal Jurisdiction

v) Any dispute between the parties shall be subject to the Governing Council of Mission RIEV at level one; IIRD Board of Directors at level two, Arbitrator at level 3 and the courts in Shimla under the jurisdiction of the High Court of Himachal Pradesh Shimla.

Rollout Plan and Business Probability Assumption

w) After signing the Franchisee Agreement, the mission operations shall be rolled out in the region of the Franchisee as per the following plan:

- 1) Basic orientation on the Mission RIEV Modalities and Application -Within 15 days
- 2) Facilitation in selection of Block & Panchayat /Wards Teams - Within one month
- 3) Training of the Team – Within two months
- 4) Identification & finalisation of region specific service modalities-Within three months
- 5) Formally rolling out in field -- Within 3rd /4th month

After the first three months of preparatory period, it is expected that the next 3 months' time may take to build rapport with the communities with slow business growth. However, the work in full swing can be expected after 5th or 6th months onward.

D. Whereas both the parties shall adhere to the following Terms & Conditions

1) The Second Party shall disclose all the investments made by them in the region for business development and other expenses made for creation and maintenance of infrastructure, initial set up, meeting preliminary expenses for operationalizing the mission in the agreed region, pay initial remunerations and commissions during initial period of launching if any.

2) The Second Party shall keep all records through RIEV Portal only and as directed from time to time. The Second Party shall be available on call for any enquiry, discussion, planning and implementation meetings of the Mission.

3) The selection, training and recruitment of the personnel required in the agreed region shall be done by the First Party technically with the logistic arrangement of the Second Party while in the process of recruitment, promotion, and mobilization of candidates for interviews the Second Party shall publicise the opportunities to the local candidates and motivate them to apply for the recruitment under Mission RIEV

4) The Second Party shall ensure that the candidates recruited are being deployed only on the allocated responsibilities and shall not engage them in any of the activities not intended under Mission RIEV

5) The Second Party shall not publish any material, advertisement, literature, brochures without approval from RIEV Secretariat and shall use only approved and authorised material only

6) The Second Party shall not make any communication on behalf of Mission RIEV unless authorised specifically

7) Any operational Revenue or Loss shall be distributed amongst the parties with preapproved terms as per annexure 1

8) The First Party shall not provide franchise to any other party / person during the tenure of the Second Party.

9) The performance of the Franchise shall be reviewed every quarter

10) The routine work schedules of the staff and their business development plans shall be developed by the Second Party and their work schedules shall be prepared and communicated by the Second Party to the First Party where as the assignments, work profiles, targets, services and products for sale shall be prepared and provided to the Franchisee by First Party

11) The administrative and operation control shall be provided by First Party and the execution on ground shall be exercised by the Second Party under supervision of the First Party

12) The remuneration of the associated personnel in the form of commission agents shall be given as per the service agreement and employment contract mutually agreed between the Franchise and the Team in light of the calculation of earnings by the individual as reflected in the dashboard of the team.

13) The revenue surplus and loss assessment shall be done quarterly and the return on investment shall be appropriated annually

14) During the active tenure term of this agreement and for the period of two years thereafter the Second Party shall not, directly or indirectly, without the consent of the First Party, for franchisee or on behalf of or in conjunction with any other person, partnership, cooperation or limited liability company, own, maintain, engage in, participate in or have any interest in the operation of any business that offers products or services essentially the same as, or substantially similar to the Products, Services that are part of the Franchisor's Franchise System, except other Franchises offered by Franchisor if any (any business varying on such activities hereinafter referred to as: "Competing Business").

15) During the active tenure term of this agreement and for the period of two years thereafter the Second Party will not either directly or indirectly on its own behalf or in the service or on behalf of others solicit, divert, or hire away, or attempt to solicit, divert, or hire away to the franchised business or any Competing Business any person employed by First Party, whether or not such an employee is a full time or temporary employee of the First Party.

Similarly, the First Party, during the active tenure term of this agreement, will not either directly or indirectly on its own behalf or in the service or on behalf of others solicit, divert, or hire away, or attempt to solicit, divert, or hire away to the franchised business or any Competing Business without the consent of the Second Party

Force Majeure : Both the parties shall forgive each other in case of non-performance or non-aiding by the commitments due to the reasons beyond control like natural calamity and others.

This agreement alongwith annexures has been read, understood and signed today on dated..... At..... by both the parties as below:

For First Party

For Second Party

JCS Ravikant S Wawge
Mission Head

Name
Address

Witness 1

Witness 1

Witness 2

Witness 2

Annexure 1
Revenue Model

Business Revenue Estimation For the Village Panchayat of 250 households SERVICES DIVISIONS	Avg Service Price of all the services within the division	Avg No of Families buying	Frequency of buying in year	REVENUE PER VILLAGE PER SERVICE GROUP
Agro Based Services	300	90	2	54000
Rural Produce Marketing Services	1000	75	2	150000
Comprehensive Health Services	200	60	1	12000
Licenses, Utility and Online Services	100	40	1	4000
Entrepreneurship and Business Services	500	20	1	10000
Banking, Finance and Insurance Services	400	50	1	20000
Integrated Risk Management & Social Security Services	100	20	1	2000
Education, Training Counselling Services	300	40	1	12000
Land and Property Management Services	300	10	1	3000
Institutional and Area Adoption Support Services	1000	1	1	1000
NRI Dependent Support Services	500	0	1	0
Democratic and Electioneering Services	100	1	1	100
TOTAL SALE OF SERVICES				268100
SALE OF RIEV BRANDED PRODUCTS	500	100	2	100000
ANNUAL MEMBERSHIP OF RIEV	2000	100	1	200000
LIFE MEMBERSHIP OF RIEV	10000	10	1	100000
TOTAL REVENUE PER PANCHAYAT	-	-	-	668100
PER PANCHAYAT REVENUE Distribution				
70% Block+Panchayat				467670
10% District Level				66810
20% State Level				133620
Number of Panchayats per Block Targeted				50
TOTAL REVENUE PER BLOCK				33405000
DISTRIBUTION OF REVENUE SHARE IN THE STATE				
70% of Block+Panchayat				23383500
10% District Level				3340500
No of Blocks Targeted				10
TOTAL REVENUE PER DISTRICT				33405000
20% State Level				6681000
Total District Targeted				10
TOTAL REVENUE PER STATE				66810000
CALCULATION OF NET PROFIT	PERIOD	BLOCK	DISTRICT	STATE
<u>Expenses Heads</u>				
Office Expenses				

Sample Franchisee Agreement for Rolling Out Mission RIEV for internal circulation only

Rent	Per annum	120000	240000	360000
Stationery	Per annum	10000	10000	10000
Training Expenses	Per annum	75000	500000	100000
Travels & Visits	Per annum	1800000	1000000	1000000
Eevnts Activities & Promotion	Per annum	1500000	1000000	1500000
IT Facilities	Per annum	500000	500000	1500000
Electricity, Telecommunications & Internet	Per annum	50000	50000	150000
Contingencies	Per annum	500000	500000	500000
Salaries, Commissions, Remmunerations	Per annum	8400000	12960000	26700000
RIEV Franchisee Cost	One Time	1000000	5000000	10000000
TOTAL EXPENSES (E)		13955000	21760000	41820000
Revenue Calculated B, D, C, Above (R)		23383500	33405000	66810000
TOTAL PROFIT (R - E) After Proper Rollout		9428500	11645000	24990000

Salary computation

Block				
Per Panchayat 1 total 50 @ 10000 pm	6000000			
Per Block 10 @ 20000 pm	2400000			
TOTAL	8400000			
District				
Per Block 2 @ 30000 pm	720000	Per 10 Blocks	7200000	
Block Experts 12 @ 40000	5760000		5760000	
TOTAL	6480000		12960000	
State				
15 Experts @ 75000	13500000		13500000	
Per District Account Manager @ 60000	720000	Per 10 Districts	7200000	
Support Staff 10 @ 50000	6000000		6000000	
TOTAL	20220000		26700000	

Annexure 2 Functioning Matrix

Block Franchisee	Function	Description
	Setting up of Block Office and Branding	As be prescribed by the Mission RIEV separately
	Selection of Team	Initially one person per gram panchayat / township ward as Service Associates And around 10 people at Block level initially as Programme Officer
	Training of Team – Logistic support by Franchisee and Technical Training by Mission RIEV Secretariat	Understanding Mission RIEV Model Need Assessment & Service Delivery Mechanism Operating through Mission RIEV Application
	Initiating Membership Enrolment online – One Entire Family One Member	Voluntary Member –No Fee- No Service Discount Annual Member – Fee Rs. 2000/- Discount 10% Lifetime Member- Fee Rs. 10,000/- Discount 10%
	Need Assessment Online	By taking suitable time from families – Individual specific assessment; common service related assessment. Describing portal based available services with price Freezing immediately needed services with online partial payment through the portal and generating online contract.
	Service Delivery	Getting First Step completed from First level at GP / ward as described in the dashboard of the particular team member Getting 2 nd step of the service delivery completed at the Block level through the Programme Officer concerned. If any service needs 3 rd step, escalating it to Distt Level. Once service gets completed at Block or Distt or State level– deliver to the member concerned and seek feedback
District Franchisee	Setting up of District Office and Branding	As be prescribed by the Mission RIEV separately
	Selection of Team	One Programme Manager (Operations) for each Block 10 people at District level initially as Programme Manager (Thematic)
	Training of Team – Logistic support by Franchisee and Technical Training by the Mission RIEV Secretariat	Understanding Mission RIEV Model Need Assessment & Service Delivery Mechanism Identification and standardisation of Services Operating through Mission RIEV Application Brand building and constituting Advisory Boards
	Service Delivery	Reviewing of the steps completed at 1 st and 2 nd stage in the dashboard and performing the action to complete the 3 rd step as per dashboard If any service needs 4 th step, escalating it to the State Level / Mission Secretariat.
	Support to the Block Franchisee(s)	Providing handholding support to the Block Teams Preparing monthly and quarterly action plans and facilitating the Block Teams in achieving the targets.

Sample Franchisee Agreement for Rolling Out Mission RIEV for internal circulation only

	Coordination with the Mission RIEV State Office or Secretariat	For addition, deletion or modifications in service modalities or any technical support.
Mission RIEV Secretariat or State Office	Setting up of State Office as per need	As be prescribed by the Mission RIEV separately
	Selection of Team	To be headed by the Mission Head and supported by the CEO / COO and the Thematic as well as Operation experts. Initially one person per service division and one associate per deliverable service Account Manager per district for all technical troubleshooting HR / Finance / Logistics / Partnerships / Franchisee Management /Service Delivery / Product Development / Marketing / Administration / Legal / Quality and Compliances
	Service Delivery	Reviewing of the steps completed at 1 st , 2 nd and 3 rd stage in the dashboard and performing the action to complete the 4 th step as per dashboard and closing the service after getting feedback from the 1 st level of the the delivered services. Finalising modalities of any new services and modifying the service modalities as per recommendations of the District Level Team / Franchisee.
	Release of payment	To the Franchisee and the team as per dashboard as mutually agreed upon between Mission RIEV and Franchisee
	Quality Control and Compliances	Taking due care of the quality of services, service delivery, operations and the regulatory compliances
	Others	As per the need of making this Mission a grand success to take away worries of the people and bring smiles on the faces of everyone.

Annexure 3
Responsibility Matrix

Responsibility Area	Block Franchisee	District Franchisee	Mission Secretariat / State Office
Creation of Business Ecosystem	Multi engagement of human resource and rapport building	Contributing in designing district specific services	Through Robust IT Platform and Linkages
Business Creation	By way of Membership, Contract Generation through Need Assessment and Service Delivery at level 1 and level 2.	Service completion at level 3 and handholding support to Block Franchisee	Service completion at level 4 and regulating service delivery system
Business Promotion	Providing local support	Creation of Advisory Board(s), and implementing promotion and Brand Building plan	Designing promotion plan – state-wide, district-wide and block-wide
Timely delivery of Services and Quality Assurance	Performing as per set standards	Monitoring to ensure standards are met and timeline is ascertained	Defining service delivery mechanism and quality parameters
Financial Management	Contributing in defining service charges and ensuring timely payment through portal online	Setting service as well as financial targets for the district and blocks general and service specific	Releasing the payment on monthly basis as per the dashboard
Regulatory Compliances	Performing as per guidelines	Monitoring the compliances levels	Defining the process and parameters
Technical and Technological Support	Sharing opinions on working experience with the technological platform	Collecting, Analysing and Submitted Feedback for App upgradation	Continuing upgrading Application as per feedback and Creating App
Sustainability	Working towards more penetration to solve problems of communities	Mobilising necessary resources from Govt. and non –govt. entities.	Development of Vision – Sustainability Plan
Others	Need Based	Need Based	Need Based