

INVITATION OF EXPRESSION OF INTEREST
FOR JDP ACTIVITIES IN COMMON FACILITY CENTRES AT SELECTED
IDENTIFIED CLUSTERS ENGAGED IN PRODUCTION OF JUTE DIVERSIFIED
PRODUCTS (JDP)

Last Date of Submission of Proposal and opening of Bids 24.08.2015

1. Introduction

National Jute Board under the aegis of Ministry of Textiles, Govt. of India has developed large numbers of clusters of Women Self Help Groups (WSHGs) throughout country engaged in manufacture of various types of Jute Diversified Products (JDP) ranging from shopping/fancy bags, braided handicrafts, handloom products, footwear, motifs, floor coverings *etc.* through interventions such as training, supply of machines and marketing support.

These WSHGs do not have much exposure to the changing market trend due to change in taste and preferences of consumers. NJB proposes to have Common Facility Centres (CFC) for these WSHGs initially in five locations (Phase -1) as mentioned below;

1. Fulia, Ranaghat, Nadia, WB
2. Deganga, North 24 Paraganas, WB
3. Mogra, Hooghly, WB
4. Katihar, Bihar
5. Barpeta, Assam

The CFC shall be established at a location, easily accessible to the members of the WSHGs. The CFCs would aim to bridge the gap between the market and the artisans/members. The clusters are expected to become regular sources of supplies for high value products, both in domestic and international markets. Such process may take one year or more and needs to be handled by competent organizations having well established backward and forward linkages both in domestic and international markets by imparting skill training, providing designs and raw materials and buying back their production.

The indicative Jute Diversified Products (JDPs) having wide demands are **classified into the five different product groups**, as listed below:

- 1) **Shopping Bags (SB):** includes Shopping, Promotional and Carry bags.
- 2) **Utility Products (UP):** Office Stationery, Utility bags, Fancy and designers' value added bags - including file covers, pen stand, calendars, wallets and clutches, school bags, office bags, sports travel bags, laptop bags, brief cases, suitcases *etc.*
- 3) **Handicrafts (HC):** Jute handicrafts – braided, non-braided, moulded, *etc.* including motifs, jewelry ornaments, flower bouquet, hammock, footwear & slippers *etc.*
- 4) **Handloom Products (HL):** Decorative fabrics, floor coverings, mats and matting, *etc.*
- 5) **Other Products (OP):** Other innovative and value added jute products including Fashion Garments and Accessories.

The products should predominantly use jute but depending on necessity also use jute blended fabrics, leather and other materials.

The Common Facility Centers (CFC) being proposed may be equipped with suitable modern machineries required for bulk production of quality JDPs and other infrastructural facilities /

inventory of raw materials, storage for bulk production, Training hall, and Computer - center with E-commerce facilities, Retiring room for outstation trainers, customers et. al. The selected agencies will be allowed to use facilities, for identifying the product, imparting training, production and marketing *etc.* in these CFCs for the members of the WSHGs in the respective cluster only.

NJB intends to enlist support services from reputed Manufacturers, Exporters, Merchant traders and Institutions engaged in Product identification, Skill Training, Bulk Production and marketing of Jute Diversified Products. Accordingly, NJB invites Expression of Interest from such organizations to act as a catalyst to develop these clusters as sustainable production cum revenue base for bulk supplies of quality Jute Diversified Products (JDPs) through various need based interventions such as product identification, skill development programs, imparting training to the member artisans of the WSHGs and supply of raw materials and finally marketing of finished products as per the requirement of the agency.

2. Objectives

- i. To make the stakeholders educated about consumer preferences in terms of product design, colors, size and utility *etc.* in different parts of India and some selected international markets.
- ii. To act as Master Trainer for providing design, design guidelines and other related services to the cluster on continuous basis and establish a “Design Bank” to cater to the need of Retail / Wholesale traders, Merchant Traders, Exporters, Entrepreneurs and other several channels *etc.*
- iii. To disseminate the design portfolios among the various groups in the defined clusters;
- iv. To assist the WSHGs through skill development programs, so that they are competent to bulk produce orders both domestic and international markets.
- v. To provide an access to international and domestic design trends to independent groups which will become regular sources of suppliers of quality JDPs in the markets, both domestic and international and thus have sustained revenue earning through their production.

3. Category of Agency/Master Trainers for submitting proposals

- A. Established manufacturers and exporters of JDPs having minimum annual turnover of Rs. 300.00 lakh or more of which at least Rs. 100 lakh should be in jute, in any of the last three financial years.
- B. Established manufacturers and exporters of JDPs having minimum annual turnover of Rs. 100.00 lakh or more of which at least Rs. 30 lakh should be in jute in any of the last three financial years.
- C. Recognized institutions / agencies having at least five years’ experience in promotion and development of WSHGs in the field of production and marketing of JDPs and having annual turnover of at least Rs. 20.00 lakh or more.

4. Eligibility of the applicant

1. The applicant should be a registered company / society / trust or any other entity of repute with sound experience in performing above mentioned services especially to Women Self Help Groups (WSHGs) and rural artisans.
2. The applicant should have experience of working in the JDP sector and should possess sound track record for promotion and development of JDP sector.
3. The applicant should have its own design and production unit with trained employees.
4. The applicant should have its own marketing network and channels including through popular e-commerce sites such as Flipkart, India MART, etc.
5. The applicant preferably should have fair presence in domestic and international markets.

5. Suggested Activities

- 1) To study the existing cluster, their activities and identify JDPs.
- 2) To assess their abilities to develop as a quality JDP manufacturer.
- 3) To undertake regular skill up-gradation training in batches to eligible WSHG members in the cluster, both existing and new entrants. These trained members should be able to impart training to other artisans for development.
- 4) To tie up with and/or hire reputed designer and design house for development of new product ranges and concepts. They may have access to NID's services through NJB.
- 5) WSHGs to be encouraged for bulk production through regular supply orders for quality JDPs and having regular revenue channels in addition to the revenue sharing arrangements.
- 6) To create design and product library for all types of JDPs. To cater to at least 300 women per cluster.
- 7) There shall be only one agency operating in each of the CFCs.

6. Measurable Minimum Targets for Training & Procurement of JDPs from the cluster:

There will be two fold minimum targets which have to be achieved by the selected agency(ies), measurable after each quarter –

(1) No. of trainees to be covered– The trainings may include advanced and design trainings, entrepreneurship and market skill training to new as well as to the trainees trained earlier. Thus in a quarter there can be combination of two trainings, all for fresh candidates or one for trainees from earlier batches for advanced and one for fresh trainees, or by the 7th - 8th quarters only for advanced trainings. Only members of the established WSHGs in the cluster shall be undertaken for the training.

(2) Value of products (the marked selling price) lifted from the cluster by the agency: It is expected that the agency will provide cost of raw materials and other expenses. The trained workers will produce their products in the CFC or in their suitable work place and they will be allowed revenue sharing for their products equal to minimum of 25% of the value of production lifted by the agency.

TABLE – I

Sl. No.	Time Frame w.e.f. the date of Signing of MOU	No. of Trainings & Trainees			Average value of the product to be lifted and share of revenue to be earned by the members of WSHGs (Rs. lakhs)					
		Category A	Category B	Category C	Category A		Category B		Category C	
	Quarter	No. of Trainees	No. of Trainees	No. of Trainees	Value of products	Trainees share to revenue	Value of products	Trainees share to revenue	Value of products	Trainees share to revenue
1	Q1	60	80	30	4.00	1.00	3.20	0.80	2.00	0.50
2	Q2	60	80	30	6.00	1.50	4.00	1.00	3.20	0.80
3	Q3	80	40	60	10.00	2.50	6.00	1.50	4.00	1.00
4	Q4	80	40	60	12.00	3.00	8.80	2.20	6.00	1.50
5	Q5	100	60	100	16.00	4.00	10.00	2.50	8.80	2.20
6	Q6	80	80	80	20.00	5.00	12.00	3.00	10.00	2.50
7	Q7	40	80	40	24.00	6.00	16.00	4.00	12.00	3.00
8	Q8	40	40	40	28.00	7.00	20.00	5.00	14.00	3.50
9	Total	540	500	440	120.00	30.00	80.00	20.00	60.00	15.00
10	Actual no. of Beneficiaries excluding repeat trainings	260	240	200						

The targets mentioned above are minimum. Any failure to achieve the target in a particular quarter, shall have to be recouped in the next quarter, in addition to achieving the targets of the current quarters. The backlog cannot be carried forward to more than one quarter.

7. Duration of the Project: 2 years

The duration of the project is 24 months from the date of MoU, divided into 8 quarters. The failure of the agency to achieve the targets in any quarter and failure to recoup it in the next quarter also will render the MoU not maintainable and the MoU will be terminated. NJB has the right to deploy any other agency substituting upon approval by competent authority.

8. Payments Terms:

The following two type of payments will be released by NJB under the scheme:

(1) Payments for the trainings will be released in 5 installments as under;

- I. 1st installment (10% of the bid value) along with the work order.
- II. 2nd installment (20% of the bid value) on performance of the trainings and production output in terms of value of the production lifted by the agency after 2nd quarter, as shown in Table-I
- III. 3rd installment (20% of the bid value) on performance of the trainings and production output in terms of value of the production lifted by the agency after 4th quarter, as shown in Table-I

- IV. 4th installment(20% of the bid value) on performance of the trainings and production output in terms of value of the production lifted by the agency after 6th quarter, as shown in Table-I
- V. 5th installment (30% of the bid value) on performance of the trainings and production output in terms of value of the production lifted by the agency after 8th quarter, as shown in Table-I

(2) As per para 6(2), the trained workers will produce their products in the CFC or in their suitable work place and they will be allowed revenue sharing for their products equal to minimum of 25% of the value of production lifted by the agency. The agencies may allow higher shares of revenues to the trained WSHG beneficiaries. The revenue sharing with the beneficiaries is primarily the responsibility of the Agency. 50% of this amount, subject to a cap of 15% of the value of goods lifted will be paid by NJB through direct bank transfer. The agency's share based on the value of production lifted by them from the trained WSHG beneficiaries will also be paid by the agency through direct bank transfer. The agency will forward the list along with the supporting documents and bank details of the beneficiaries from whom the products were lifted, on monthly basis to NJB for consideration of releasing the NJB's share.

[Example: Suppose the agency lifts goods worth Rs. 1000/- from a beneficiary in a month. The agency can pay to the beneficiary minimum Rs. 125/-(i.e. 12.5%) and NJB will also remit Rs. 125/- to the beneficiary directly. In case the agency pays Rs. 150/- (i.e. 15%) to the beneficiary, NJB will also remit Rs. 150/- to the beneficiary. But if the agency pays Rs. 200/- to the beneficiary, NJB's remittance will be limited to Rs. 150/-(i.e 15%) only.]

(3) NJB will have the right to recover the unutilized funds, if any, in the hands of the agency or any fund utilized by the agency for the purpose for which it was not sanctioned or disbursed.

This procedure will monitor and ensure the actual performance by the trainees and the agencies on monthly / quarterly basis. There may be meeting being convened by NJB and local authorities for monitoring and reviewing the CFCs.

9. Role of NJB

In order to supplement the efforts from the enlisted agency, NJB may also involve the WSHGs of the cluster in NJB's various ongoing activities like;

1. Providing modern machinery to the WSHGs required for bulk production;
2. Arranging space for undertaking bulk /regular production;
3. Arranging space for proper stocking of finished products;
4. Provide funds for tool kits to individual beneficiaries through direct bank transfer;
5. Provide facilities for online E-marketing/ E-Commerce;
6. Priority in participation in the fairs organized by NJB;
7. Participation in the Design Development workshops;
8. Diverting bulk enquiries, if any, to WSHGs for executions;
9. Promoting WSHGs on NJB's website and other online media;
10. Arranging availability of raw materials to the cluster for execution of bulk orders.
11. Booklets, leaflets etc. to be published in local and other languages for publicity etc.
12. Provide access to the NID for designs.
13. Encouraging the formation of Federation of WSHGs for taking charge of operation of CFC.

10. Guidelines for utilization of Funds:

A: for Training part

1. The agency is required to achieve the measurable minimum targets on quarterly basis as mentioned in Table -1. The agency will submit a quarterly progress report highlighting the physical and financial parameters and indicating the achievement of measurable minimum targets.
2. The agency would have to submit requisition of fund as per schedule along with Utilization Certificate (U/C) in the format of GFR 19A (of earlier releases), pre-receipt bill, Surety Bond *etc.* as required in the relevant rules.
3. The agency will also submit all the original bills along with statement of utilization duly certified by Chartered Accountants.
4. The agency has to structure and develop the cluster so that it becomes self sustaining with a positive revenue stream.
5. The agency shall ensure health and safety standards in work place. It shall also comply with Social, Ethical, Quality and environmental compliance standards;
6. The agency may tie up with other institutions of repute for its various endeavors like establishing raw material banks, new design bank, other training programs and marketing channels and franchisee *etc.*

B: for Earnings to the Trainees:

1. The agency will submit on monthly basis a return of the value of the products lifted by them clearly showing the name of the trainee from whom the product is lifted.
2. This monthly return will also disclose the trainee wise details of compensation paid to the trainees against the lifting of products from them, which will be minimum 12.5% of the value of the products lifted, with necessary supporting, as may be prescribed.
3. On receipt of the same NJB will release its share from 12.5% to 15% to the trainees through Direct Bank Transfer to their bank account.
4. The monthly information provided will have to tally with the quarterly returns submitted by the agency for their training and activity details.

11. Agency Selection Criteria

The agency shall be selected by the committee constituted by the Secretary National Jute Board, and Ministry of Textiles. More than one agency can be engaged and can operate in any of the declared 5 clusters.

The selection of Agency shall be on a Quality and Cost Based Selection (QCBS) system *i.e.* 70:30 (Technical score: Financial score) and procedure as prescribed below:

In final Evaluation, the weightage of the Technical Bid would be 70% and weightage of the financial Bid would be 30%. The Financial Marks would be determined by the formula:

$$\text{Financial Marks (F)} = 100 \times \frac{\text{Financial Index given by the Lowest bidder}}{\text{Financial Index Given by the Bidder}}$$

The Bids would be finally evaluated on Total Marks determined by following formula

$$\text{Total Marks(M)} = (0.7\text{XT}) + (0.3\text{XF})$$

Where T=Technical Marks (out of 100) awarded against guidelines described in Annexure – I
F= Financial Marks

The bidder obtaining highest Total Marks would be selected.

11.1 Procedure for submission of Request for Proposal (RFP)

The offers are to be submitted in three sealed covers and all the documents should have page number, total pages and signature of the authorized persons from the bidding agency as follows:

11.1.1 First Cover - Technical Bid:

Following should be submitted in Technical Bid:

1. Agency Profiles in brief with details of experience in designing / product development, training, production and marketing in JDP sector including award won and details of its creativity, work done in the past in connection to the scope of the work suggested.
2. Proof of Experience and handling relevant activities mentioned.
3. Copies of the audited Balance Sheet for the last three years should be enclosed duly signed by the Chartered Accountant along with the latest Income Tax returns filed in the last three years.
4. Details of PAN, Service Tax & VAT.
5. Any other supporting documents relevant to the selection criteria as per Annexure –I.

11.1.2 Second Cover – Approach Note

Approach note should highlight the need of the quality training focusing on development of Jute Diversified Sector through product identification, quality training with design inputs, bulk production and market sales, promotion of these JDPs in domestic and international market. (Refer Annexure I for scoring pattern).

11.2 Third Cover – Financial Bid

Any agency can submit bids for all or any of the clusters. Separate sealed Financial bids in **format 1B** shall be submitted for separate clusters, superscribing the envelop of the Financial Bid as “Financial bid for Cluster.....” and put inside the main envelop of the Bid.

The Financial bid will consist of quotation of total bid for the agency for a period of eight quarters. The fee should be inclusive of all type of expenses and cost towards conceptualizing, survey of product portfolio of the cluster, design development, supply of raw materials, product development, training, production, branding, sales marketing and promotion *etc.* ***The cost of the training should be indicated separately as the disbursement of payment will be linked to the performance of training and revenue sharing.***

Note – After evaluation of the Technical Bids with design illustration and description, the qualified bidder shall be called for presentation. The financial bid of the successful bidder only will be opened. Lowest Bidder may not be the only consideration and more emphasis would be on the products identifications, forward linkages of the WSHGs with the sustainable markets in domestic and international and continued revenue sharing for all the beneficiaries of the CFC.

12. Format for Concept/Approach Note

1. Executive Summary
2. Concept Note for the services to be offered for various product category
3. The agency composition and designer's background including total experience in Jute Diversified Sector
4. Detailing of key activities with timeline
5. Manpower planning including organization chart
6. Marketing and market promotion plans
7. Expected Revenue Generation 6months onwards
8. Project scheduling
9. Deliverables with objectively measurable targets
10. Expected Socio-economic benefits of the cluster

13. Documents to be furnished

1. Memorandum & Article of Association of the agency , if applicable
2. Details of the Agency , wherever applicable, copies of;
 - a. Registration Certificate
 - b. PAN Card number
 - c. Annual Reports for last three financial years
 - d. Audited financial statements for last three years
 - e. Any other documents establishing the credential of the agency

Other supporting documents (Profiles of the Trainers / designers proposed to engaged, project experience certificates as per the selection criteria as mentioned in the Annexure – I)

14. Other information

1. Pre-bid conference will be held on 14/8/2015 at the Conference Hall of National Jute Board (3A & 3B Park Plaza, 71, Park Street, Kolkata – 700016) at 11.00 AM. Bidders may request for clarification to this EoI by sending email to our address jute@njbindia.in. quoting subject as “EoI for CFC – JDPs” and also by fax to 033-22172456 quoting subject as “EoI for CFC – JDPs”
2. Proposals/quotation of the bids must remain valid for a period of 180 days of the submission.
3. The successful bidder would be required to submit and keep active for life of the Project a performance guarantee for equal to 15% of the bid amount for successful performance of the activities in the contract.
4. The Performance Guarantee deposits will be released to the agency on the pro-rata basis after six months of successful completion, subsequent reviews by the committee nominated and handing over of the project on being satisfied about the proper execution of the project.
5. National Jute Board will provide the format of Performance Guarantee to the successful bidders.

6. The selected agency has to sign an Agreement with National Jute Board for rendering satisfactory services and completion of the projects in a time bound manner.
7. The Agreement shall include provisions for taking performance guarantee, damages for delay or award for early completion besides other clauses as are finalized by NJB.

15. Last date for submission of EoI

The last date for submission of EoI is 24th August 2015 (upto 1.00 pm.). The EoI received after due date shall not be accepted. The EoI should be addressed to The Secretary, National Jute Board, 3A&3B Park Plaza, 71, Park Street, Kolkata – 700016. The envelop should be clearly marked “EoI FOR JDP ACTIVITIES IN CFCs ENGAGED IN PRODUCTION OF JDPs”. Please note that the contents of the Financial Bid should not be a part of Technical bid under any circumstances. The Bids will be opened on 24th August 2015 at 2.30 PM.

16. Presentation

The Bidders, if found eligible after opening of Packet A, will be required to make a presentation on 24th August 2015 itself at 4.30 PM. The presentation will highlight on the specifics of their approach, methodology and concept plan along with the proposed product portfolio and expected target customers. The presentation should be short with maximum 10 slides, out of which maximum two slides can be for introducing the bidder.

17. Rights of National Jute Board

The National Jute Board (NJB) reserves the right to accept /reject the proposals received without assigning any reasons whatsoever, or may call for any additional information/ clarification, if so required. NJB also reserves the right to recover the excess payment arising due to non performance of the agency as per terms of reference agreed upon.

18. Additional activities by WSHGs

The WSHGs shall have liberty to earn more from by producing additional quantity and selling their products at different fairs and also through their own channels and further they may form a Society / Federation to start their operation so that they can become self-sufficient before and after two years.

19. Court Jurisdiction

This shall be subject to the exclusive jurisdiction of Kolkata High Courts.

20. Miscellaneous

In case any further clarification or information is required, The Secretary, National Jute Board may be contacted with prior appointment.

TECHNICAL EVALUATION CRITERIA: Total Marks = 100

Sl. No.	Heading	Description	Criteria for point allotment		Maximum points
1	Agency Experience (Max. Points – 30)	1) Proven and demonstrable experience in JDP sector for Product design & development , Training, Production and Sales& Marketing	All Categories	>10years = 10 5-10 Years=7 < 5years = 5	10
		2) Details of Designing, Training, Creativity, Production, Supply of Raw Materials, Sales of different Product portfolios	Relative grading		10
		3) Similar Projects implemented with Govt. agencies	All Categories	>5 projects = 5 2-4 projects= 3 <2 projects = 1	5
		4) Key Personnel Sufficiently qualified and having experience in imparting skill / craftsmanship trainings, entrepreneurship training, etc.Evaluation will be made on the profiles of the team leader and other team members and their relevant experience.			5
3	Project Methodology, approach note for services to offered and work plan. (Max. Points–60)	Concept Note , Approach and methodology,workplan, measurable targets and benefit (designs, expertise, raw materials, market linkages and sustained income/ revenue sharing <i>etc.</i>) to the WSHGs in the cluster	Bidder to provide approach methodology and concept note, details of the services to be offered, work plan and benefit to the WSHGs in the cluster. The agency may be required to make presentation, if desired)		20
		Measurable targets and benefits	A statement in format 1A to be submitted. If the minimum target is quoted, 25 marks will be awarded. Higher target will fetch higher proportionate marks subject to maximum of 40 marks		40
4	PRESENTATION ON THE PROPOSAL (10) – ref. para 17.				10
TOTAL MARKS					100

(Signature of the Agency)

The decision of the Evaluation Committee in this regard will be final.

Format 1A

Category of the Agency	Product		No. of Trainees	Average minimum value of the product to be lifted and revenue to be shared by the trained members of the WSHGs (Rs. lakhs)		Technical Marks obtained
A / B / C	SB/ UP/ HC/ HL/ OP	Quarter		Value of products (Rs. Lakh)	Revenue to be shared by the trainees (Rs. Lakh)	Target & Benefit Index (Min: 10 Max 20)
		Q1				
		Q2				
		Q3				
		Q4				
		Q5				
		Q6				
		Q7				
		Q8				
		Total		y		
		Actual no. of Beneficiaries	x			$\frac{25 \times (x,y)}{[\text{Minimum of } (x,y) \text{ of respective category in Table 1}]}$

Example:

(1) If a Category A Agency proposes 260 trainees and lifting of products worth Rs.120 lakhs against the minimum prescribed in Table 1 i.e. 260 trainees and lifting of products worth Rs.120 lakhs his index will be:

$$\frac{25 \times (260 \times 12000000)}{[260 \times 1200000]} = 25$$

(2) If a Category A Agency proposes for 300 trainees and lifting of products worth Rs.160 lakhs against the minimum prescribed in Table 1 i.e. 260 trainees and lifting of products worth Rs.120 lakhs his index will be:

$$\frac{25 \times (300 \times 16000000)}{[260 \times 1200000]} = 38.46 \quad \text{Limited to } 25$$

1. Selection will be made on the assessment of the technical bid, Concept Note and its presentation made to the selection committee.
2. Qualification and the relevant experience for handling similar projects.
3. Technical expertise of the personnel and experience of the key staff handling the related projects.
4. Eligible agencies would be called for a presentation before committee.
5. Financial bid shall be opened for all eligible agencies.
6. The NJB / committee reserve the rights to recommend amendments in the proposed projects. The selection in that case will be subject to incorporation of those amendments.
7. Decision of the committee shall be final and binding on all the applicants.

During evaluation of proposal submitted by the agencies, the following points will be of importance.

1. Experience of Trainers, Designers, Sales & Market linkages in JDP sector for all product categories.
2. Project of similar assignment earlier.
3. Proposal submitted and its suitability with the suggested concept.
4. Benefits to WSHGs / Artisans (Skill development, Production, Marketing, and Revenue sharing, *etc.*)
5. Turnover and Net Profit for last three years.
6. Target & Benefit Index as per format 1A.

FINANCIAL BID

Category of the Agency	Product	Average value of the product to be lifted and revenue to be shared by the trained members of the WSHGs (Rs. lakhs)				Financial Index	
		Quarter	No. of Trainees	Value of products (Rs. Lakh)	Compensation to trainees (Rs. Lakh)		
A / B / C	SB/ UP/ HC/ HL/ OP	Q1				$FI = X \times \frac{\text{Y of Table 1 of respective class of agency}}{\text{Y quoted in Tech bid}} \times \frac{12.5\%}{\% \text{ of rev. sharing agreed}}$	
		Q2					
		Q3					
		Q4					
		Q5					
		Q6					
		Q7					
		Q8					
		Total		Y			

X = Total cost of Training quoted for 8 quarters :Rs.....

(Rupees.....)

Signature:

Example of Financial Bid Evaluation

FI = Financial Bid Index

(The more the Index, the less competitive it is)

(Presuming - Category A agency)

- (1) Suppose an agency quotes Rs. 10,00,000/- for the training and declares value of products to be lifted is Rs 140,00,000/- . He agrees to pay 12.5% as revenue sharing to beneficiaries (total benefit to beneficiary – 25%). His Index will be :

$$\text{FI} = 1000000 \times \frac{12000000}{14000000} \times \frac{12.5\%}{12.5\%} = 857142$$

- (2) Suppose an agency quotes Rs. 15,00,000/- for the training and declares value of products to be lifted is Rs 140,00,000/- . He agrees to pay 12.5% as revenue sharing to beneficiaries (total benefit to beneficiary – 25%). His Index will be:

$$\text{FI} = 1500000 \times \frac{12000000}{14000000} \times \frac{12.5\%}{12.5\%} = 1285714$$

- (3) Suppose an agency quotes Rs. 10,00,000/- for the training and declares value of products to be lifted is Rs 140,00,000/-. He agrees to pay 15% as revenue sharing to beneficiaries (total benefit to beneficiary – 25%). His Index will be :

$$\text{FI} = 1000000 \times \frac{12000000}{14000000} \times \frac{12.5\%}{15\%} = 714285$$

- (4) Suppose an agency quotes Rs. 10,00,000/- for the training and declares value of products to be lifted is Rs 140,00,000/- . He agrees to pay 25% as revenue sharing to beneficiaries (total benefit to beneficiary – 40%). His Index will be :

$$\text{FI} = 1000000 \times \frac{6000000}{14000000} \times \frac{12.5\%}{25\%} = 428571$$