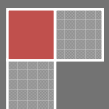


2010

Proposals submission guidelines

Applicable for Firm or Consortium



A: D-4, Clarion Collection (Qutab Hotel)
Shaheed Jeet Singh Marg,
New Delhi 110 016



Sub: Proposal Submission, Guidelines and Template

The National Skill Development Corporation ('NSDC') has been set up under the PM's National Council on Skill Development with the primary mandate of enhancing, supporting and coordinating private sector initiatives for skill development. To fulfill its objectives, NSDC is looking for proposals to create training institutes that are innovative in operating model and can have a 'multiplier' effect for skill development ('Proposal(s)').

May we request you to carefully study the Proposal template (enclosed) to understand NSDC's evaluating guidelines. The proposals, among other parameters, will be evaluated through the following guidelines:

1. Sustainability of Business models in the medium-long term
2. Partnerships with prospective employers, state governments and financial institutions
3. Proposals that target skill sets or student populations with huge unmet needs and focus on large scale, high quality training institutes.

The NSDC will adopt a phased and detailed due-diligence process to select proposals. The detailed evaluation will be done across six set of criteria as below:

1. Employer view of demand for the specific skills
2. Alignment with the NSDCs mission
3. Robustness of overall plan and operating model
4. Ability to leverage partnerships
5. Ability to leverage financial requirements
6. Ability to leverage management capability

You may submit your proposal to the following address.

Yours sincerely,

Dilip Chenoy

Chief Executive Officer & Managing Director,

National Skill Development Corporation

Tel: (011) 4656 0412-416

Email: proposals@nsdcindia.org

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1. Objectives of NSDC

Contribute significantly to the overall skill development target of the country (500 million skilled people by 2022) through “market making” initiatives that act like a catalyst in increasing private sector involvement in equitable skills development.

To fulfill its objective, NSDC is looking for Proposals that are innovative and can have a “multiplier” effect / “ripple” effect in the skill development space, and are targeted at the sectors/ segments with huge unmet needs (e.g. unorganized sector, training of trainers). The Proposal should preferably be focused on utilizing the funds from NSDC for bridging any operational viability gaps rather than for building infrastructure. NSDC will prefer Proposals that ensure sustainability in the long run and include partnerships with employers, state governments, and financial institutions for providing loans to the trainees to fund the course fees and/or self-employment opportunities.

Criteria for consideration of proposals

- 1.1. Proposals should preferably be in the following priority sectors identified by the Planning Commission

Industry	Services
1. Automobile/auto component	11. ITs or software services
2. Electronics hardware	12. ITES – BPO services
3. Textiles and garments	13. Tourism hospitality and travel trade
4. Leather and leather goods	14. Transportation/ logistics/ warehousing and packaging
5. Chemicals and pharmaceuticals	15. Organized retail
6. Gem and jewellery	16. Real estate services
7. Building and construction	17. Media, entertainment, broadcasting, content creation, animation
8. Food processing	18. Healthcare services
9. Handlooms and handicrafts	19. Banking/insurance and finance
10. Building hardware and home furnishings	20. Education/skill development services

- 1.2. Proposals should preferably identify and target the most important gap in skill development in a sector/ region
- 1.3. Proposals should target to cover a significant portion of the priority target segment (unorganized sector, trainers)
- 1.4. Proposals should focus on sustainability of the project
- 1.5. Proposals should focus on scalability in terms of scope, reach and scale of operations.

- 1.6. Proposals should clearly outline the funding requirement from NSDC and should not expect NSDC to fund more than 50 per cent of the total project cost.
- 1.7. NSDC will not fund any land and physical infrastructure (like building etc) requirement of proposals and the NSDC funding is to be used for core skill development purpose only.
- 1.8. NSDC will fund proposals in the form of either loan or equity participation and proposals should not expect any grant funding from NSDC.
- 1.9. The company submitting the Proposal should preferably have prior experience of working in the field of skill development and within the segment it will target.
- 1.10. Proposals should clearly outline the legal structure of the firm/consortium for the proposed fund utilization.

2. Instructions to applicant

- 2.1. In case the Applicant (“Proposal owner”) proposes to apply as a group of entities (the “Consortium”), coming together to implement the Proposal under an existing binding agreement in the form of a Consortium Agreement.
 - a. Such Consortium Agreement should clearly define the roles and responsibilities of individual members and their inter-se relationship, particularly with reference to financial, technical and operating obligations of the individual members for the Proposal.
 - b. Such Consortium Agreement should clearly specify one member as the ‘Lead Member’, who shall be responsible for the execution of the Proposal and respective obligations as may be agreed between NSDC and such Consortium on behalf of the members of such Consortium, who shall issue a Power of Attorney signed by all the members of the Consortium in favour of the Lead Member to act for and on behalf of all the members of the Consortium.
 - c. Such Consortium Agreement should be for a minimum period of 5 (five) years or till the proposed project is executed, whichever is later
 - d. Such Consortium should clearly specify that all Consortium members shall be jointly and severally liable for the execution of the Proposal in accordance with the terms and conditions of the agreement(s) as may be executed with NSDC.
 - e. The Lead Member of the Consortium shall be the single point of contact for NSDC with relation to project execution, monitoring and any matter connected therewith.
 - f. A copy of the Consortium Agreement is required to be submitted along with the Proposal, failing which the Proposal shall be considered incomplete.
 - g. Such members of the Consortium may also enter into a joint venture agreement to execute the Proposal incorporating the above terms, however in all circumstances, the members forming such a joint venture shall remain jointly and severely liable for the execution of the Proposal in accordance with the terms and conditions of the agreement(s) as may be executed with NSDC.
- 2.2. Such Consortium Agreement and/or joint venture agreement as per Clause 2.1 above shall form an integral part of the transaction documents with NSDC.
- 2.3. All proposals submitted to NSDC shall become the property of NSDC, which shall not be liable to be returned to the proposer. NSDC would, however, maintain confidentiality of the information contained within the proposals. NSDC would be entitled to share the proposals and the information contained therein with its advisors, consultants, lawyers etc. and as may otherwise be required to be disclosed under law.
- 2.4. Furthermore, NSDC would have the absolute discretion to reject any proposal without assigning any reason whatsoever.

3. Nature of Likely Impact

Since impact is the key metric to focus on in the skill development area, please provide a brief outline of the outcome of the benefits of the proposed proposal along the following dimensions

Number of people trained in the next 10 years	
Likely increment in the package after training/ upskilling (% or absolute)	
In case of self-employment, likely increase in monthly earnings after training (Rs./month)	
Guaranteed placement percentage (including self- employment)	

The information provided here will be used to track the performance of the company and the yearly funding support will be given based on this performance.

4. Project Description - Target sectors/skills/population

4.1. Project Name/ Objective (word limit of 50 words)

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4.2. Project Coverage: (It will be beneficial to indicate how the proposal is in line with NSDC's mandate of reducing the skill gap in the target sectors ; word limit of 50 words)

a. Sector / skills targeted (kindly indicate the most important sectors/skills)

#	Sector	Function (role in the value chain)	Gaps identified / addressed	Potential benefit to sector

b. Segment targeted in terms of trainee (kindly indicate the specific population segment that the plan is trying to address/mix of students e.g. 60% school dropouts in every batch)

#	Sector	Function (role in the value chain)	Type of trainees (current student pool, drop-outs, up skilling of human resources, national identity etc.,)	Total no. of trainees targeted	No. of trainees per annum (mention for every year, if numbers are different)

5. Overall plan / operating model

Please indicate the details of the overall plan for addressing the gap that the proposal has identified. It will be helpful to indicate how NSDC funding will be used in fulfilling the requirements and in achieving sustainability for the proposed plan. Please adhere to the word limit. Any supporting documents should be attached as Annexures.

- 5.1. Overall plan details (*kindly articulate the overall plan including the number of 'unskilled manpower' and 'upskilled manpower' trained, rollout plan, location, type of training, role of various partners, new or existing infrastructure required; word limit of 100 words*)

- 5.2. Nature of deployment of training program (centralised/decentralised/hybrid), proposed list of courses to be offered along with its fee structure and duration, past turnout from the existing institute in each course, if any, and proposed turnout in each course being offered (*please specify in a word limit of 100 words*).

- 5.3. Please indicate the training location identified and the reasons for choosing the particular training locations (*please specify in a word limit of 50 words*)

- 5.4. Please provide details on how students would be identified and selected for the courses *(please specify in a word limit of 50 words)*

- 5.5. Mode of quality assurance and curriculum followed *(please indicate the accreditations to be taken, the assessment methodology and the authority providing the certification, e.g. the training institute will be accredited with the NCVT; an external jury comprising of industry will do the assessment and will provide the certification; the curriculum will be developed using the help of industry associations; word limit of 50 words)*

- 5.6. Qualification of trainers for these courses *(please indicate the proposed faculty with respect to each course offered, qualification and experience of trainers; proposed salary levels of faculty etc.; word limit of 50 words)*

- 5.7. Please specify a plan for recruiting and retaining faculty at discrete training locations *(please indicate the plan in a word limit of 100 words)*

5.8. Please specify in detail a placement strategy post training for trainees (*please indicate in a word limit of 50 words*)

5.9. Plans for scale up (*it will be helpful to indicate how the plan addresses the issue of scalability; e.g. the plan addresses the issue of scalability by developing 20 satellite centers in different under-developed areas of the state; these satellite centers would be setup in partnership with the State Government to use existing infrastructure like primary schools; word limit of 50 words*)

5.10. Technology usage and innovativeness (ripple effect or multiplier effect) (*please indicate how the program plans to use technology or innovative models to achieve scale / create a ripple effect in skill development; e.g. video conferencing to provide technical education in various centers of India or setup “train the trainers” facility to increase availability of trainers; word limit of 50 words*)

5.11. Outline the monitoring mechanism for successful implementation and smooth running of the project (*in terms of monthly information systems (MIS), or other tracking systems etc., word limit of 50 words*)

6. Proposed / Existing Partnerships

The Applicant shall indicate the partnerships that the plan envisages for smooth running and sustainability of the program and how many of them are already in place

6.1 Partnerships with employers/ industry (*kindly indicate the partnerships that will be needed and the partnerships that are already in place; word limit of 50 words.*)

6.2 Partnership with financial institutions (*e.g. partnerships with microfinance companies to ensure access to all segments; word limit of 50 words*)

6.3 Partnership with other organizations like state governments and NGOs (*nature of the partnership; e.g. MoU with the State govt. to use existing infrastructure of primary schools to reduce costs for capital expenditure; word limit of 50 words*)

7. Financial Plan

Please indicate the critical financial parameters of the proposal along with sufficient backups indicated below: All the supporting documents should be attached as Annexures.

- 7.1 Please provide financial statements including P&L statement, balance sheet and cash flow statement for at least 10 (ten) years of project operations (*please provide soft copies of the worksheets*).
- 7.2 Details of the Capital Expenditure for the next 10 (ten) years of project operations (*kindly specify in detail the list of existing and proposed equipment, technology etc. with costs and their key functions*)
- 7.3 Details of the Operating expenses for the project for the next 10 (ten) years of project operations (*kindly specify in detail the list of discrete annual fixed and recurring expenses for smooth running of the project*)
- 7.4 Details of the Revenue model/ key sources of earning for the project (*please indicate the key revenue streams for the project; e.g. course fees to be paid by the trainees, placement fee from employers, tie-up with State govt./donor agencies/NGOs for partial funding of course fees etc*)
- 7.5 Financial Internal rate of return (IRR) from the project including the major base assumptions in the financial model.
- 7.6 Type and amount of funding required from NSDC like equity investment, soft loan, etc. (*it will be helpful to give a brief rationale around why this funding should be provided by NSDC; word limit 50 words*)

- 7.7 Amount to be funded by NSDC per person trained per week (*please indicate the amount that NSDC has to provide per person trained per week, e.g. Rs. 200 per person per week is to be provided by NSDC as soft loan to lower the cost of training for the students; word limit of 50 words*)

7.8 Amount raised from other sources (including own contribution) (*Provide list of the breakup and funds raised from other sources like banks / financial institutions, State govt., donor agencies, ; word limit 50 words*)

7.9 Financial independence (*please indicate how the Proposal/ program envisaged by you will become self sustainable after the first few years of funding support from NSDC; word limit of 50 words*)

7.10 Key risks associated with project and mitigation strategy (*market, technical, organization and financial risks; word limit of 100 words*)

8. Organization details/ Profile of Management Team

Please indicate the organization details and the prior experience and the qualification of the management team identified. All the supporting documents should be attached as Annexure

- 8.1 Detail of the company applying for the proposal (*please indicate organization name/ country and year of incorporation/ registered office/ contact details/ key activities of the organization/ sector expertise and provide relevant legal documents as Annexures*)

- 8.2 Proposed organization structure (*SBU, SPV, subsidiary company etc; word limit of 50 words*)

- 8.3 Prior experience in skill development space (*word limit of 50 words*)

- 8.4 Educational qualification and experience of the management team (*team member wise; word limit of 50 words*)

- 8.5 Please provide details of key achievements of management/ project team in the area of skill development (*word limit of 50 words*)

- 8.6 Experience of Project Execution Team (please provide detailed CV of the project execution team)

9. Key documents to be attached with proposal

- a. Documents evidencing legal existence of your entity (s) e.g. Certificate of Incorporation / Registration / License under Section 25 of the (Indian) Companies Act, 1956 etc.
- b. Full details of shareholders/ members/ trustees along with documentary evidence supporting the same like register of members / returns submitted with the authorities etc.
- c. Full details of the governing council members / board of directors/ management team looking after day to day affairs of your entity(s) along with documentary evidence supporting the same like register of directors / return submitted with the authorities etc.
- d. Details of registration with tax/other authorities for the purpose of exemptions, if any
- e. Address of the registered office/ corporate / branch offices along with documentary evidence like copy of the registration certificate of the company, lease deeds, property papers etc.
- f. Provide tax and/ or other applicable statutory returns / reportings filed/ made with the government authorities for the last three years or since existence whichever is later along with relevant corporate progress and financial reporting documents like Balance Sheet/ Profit and Loss Account/ Statement of Expense etc
- g. Confirmation certificate in original signed by the head of the applicant entity such as Managing Director/ Chief Executive Officer/ Chairman confirming compliance with all applicable laws including but not limited to labor laws, environmental laws, tax laws, industrial laws, along with applicable supporting documents.
- h. Copies of minutes books of the meetings of the governing council / board of directors/ trustees/ shareholders/ members for the last three years or since inception whichever is later
- i. Details of all secured and unsecured loans / financial assistance availed by your entity(s) from banks / financial institutions / government institutions along with details of any mortgage, charge, hypothecation and pledge created on any property of your entity(s)
- j. Details and documents pertaining to all major contracts / agreements executed by your entity(s) imposing obligation/ liability and/ or special right on your entity(s) including and not limited to employment contracts with key employees.
- k. An Applicant shall provide details regarding pending or threatened litigation / quasi judicial proceedings, notices / orders etc. (if any) in relation to or in manner affecting the rights of your entity (s) to any movable / immovable asset / liability along with relevant documents.
- l. A consortium agreement, if applicable
- m. CV's of project execution team
- n. Soft copies of technical and financial proposal (including excel sheets) in CD