

**MEMORANDUM OF UNDERSTANDING**

**THIS MEMORANDUM OF UNDERSTANDING IS MADE THIS**  
**the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_;**

**BETWEEN**

National Jute Board (NJB), having its Head Office at 3A & 3 B, **Park Plaza**  
71 Park Street, Kolkata – 700016, being the implementing Agency, hereinafter  
referred to as “the Board”, and henceforth shall be known as the Party of the 1<sup>st</sup> Part.

**AND**

\_\_\_\_\_ having its Registered  
Office at \_\_\_\_\_  
hereinafter referred to as the “Operating Agency”, (OA) for establishment of Jute Raw  
Material Bank (**JRMB**) at ..... for  
operation in the district ..... of .....State and its adjoining areas  
of ..... and henceforth shall be known  
as the Party of the 2<sup>nd</sup> Part.

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**WHEREAS** NJB grants privileges to the Operating Agency (OA) \_\_\_\_\_ for establishment for a Jute Raw Materials Bank at \_\_\_\_\_ as per the terms and conditions of Jute Raw Materials Bank Scheme (JRMB) of NJB, for the purpose of supply of jute and products' related raw materials as defined in the scheme to the weavers (handlooms/pwerlooms), artisan, MSME's, WSHG's/SHG's, NGO's, Societies etc. engaged in the production of Jute Diversified Products at reasonable prices i.e. mill gate price plus the actual transportation cost.

**AND WHEREAS** this M.O.U. shall remain valid till 31st March 2017 and further extended upto 4 years from the date of signing subject to satisfactory performance and achievement of targets or until termination (whichever is earlier) at the instance of either party at any time by giving the other party a notice of one month in writing to be sent under Registered Cover with A/D or by Speed Post with A/D to the registered address as mentioned above. In the event of such termination, the Board shall settle all the unadjusted claims on *pro rata* basis along with any other dues as the case may be. The OA shall be similarly bound, in such case, to refund all unutilized advances, if any. The Terms and Conditions of the agreement may be modified or substituted by a fresh M.O.U. as and when deemed fit by the BOARD by issuing a notice of one month.

**AND WHEREAS** in observance of this M.O.U., we the undersigned on behalf of BOARD and Operating Agency (OA) respectively do hereby agree to the opening and operation of Jute Raw Materials Bank on the terms and Conditions as detailed hereunder **AND NOW THIS MEMORANDUM OF UNDERSTANDING WITNESSETH AS FOLLOWS:-**

## **ACTIVITIES TO BE UNDERTAKEN BY THE OPERATING AGENCY OF JRMB**

1. To survey and identify the existing as well as the potential clusters, where JDPs activities can be undertaken for production of JDPs through WSHGs/Artisans/Entrepreneurs etc. on sustainable basis.
2. To create awareness among the targeted beneficiaries about the JDPs, their applications and utilities.
3. To assess the requirements of jute materials by the WSHGs/Artisans/Entrepreneurs etc. for manufacturing JDPs as per the market trend and to supply the same as per their requirements.
4. To undertake regular updating of jute production units such as WSHGs, artisans, entrepreneurs in their respective areas and maintain a data base for the same and forward the same to NJB on monthly basis.
5. To tie up and pursue with Central (Main) JRMB of NJB, if necessary, i.e. IJIRA, BJEL, TRAs etc. for the availability and replenishment of raw materials as and when required.
6. Set-up E-marketing modes with internet connection for showing availability of raw materials and accessories online through inventory racking system or software similar to Tally and also recording Aadhar No./ Mobile No. of Artisans/ buyers of JRMB.
7. Having system of mobile bill generation.
8. The JRMBs will sell all materials to their customers at their Cost Price i.e.; the price at which the materials are bought by JRMBs plus the cost of transportation of the materials.
9. The details of raw materials, accessories, fabrics, other items etc. available in the JRMBs must be uploaded on website/portal of the respective JRMBs and must be updated from time to time.

## **PERFORMANCE GUIDELINES - PHYSICAL AND FINANCIAL TARGETS FOR OPERATING AGENCY OF JRMB**

1. Target and Incentives:

Year	Minimum Sales to be achieved by JRMB per annum. (Rs.)	Incentives to be received by JRMB if minimum sales are achieved per annum.(Rs.) [A]	Operational cost to be received by JRMB if minimum sales are achieved per annum .(Rs.) [B]	Total amount receivable by JRMB per annum [C]
1 <sup>st</sup>	Rs. 6.40 lakhs / annum.	@ 15% of total Sales achieved subject to maximum of Rs. 11.52 lakhs / annum.	@ 15% of total Sales achieved per annum subject to maximum of Rs. 3,60,000.00 per annum (whichever is less).	A + B
2 <sup>nd</sup>	Rs. 6.40 lakhs / annum.	@ 15% of total Sales achieved subject to maximum of Rs. 11.52 lakhs / annum.	@ 15% of total Sales achieved per annum subject to maximum of Rs. 3,60,000.00 per annum (whichever is less).	A + B
3 <sup>rd</sup>	Rs. 6.40 lakhs / annum.	@ 12% of total Sales achieved subject to maximum of Rs. 9.216 lakhs / annum.	@ 15% of total Sales achieved per annum subject to maximum of Rs. 3,60,000.00 per annum (whichever is less).	A + B
4 <sup>th</sup>	Rs. 6.40 lakhs / annum.	@ 10% of total Sales achieved subject to maximum of Rs. 7.68 lakhs / annum.	@ 15% of total Sales achieved per annum subject to maximum of Rs. 3,60,000.00 per annum (whichever is less).	A + B

2. For being eligible to run a JRMB, minimum sale worth Rs. 6.40 Lakhs per annum has to be generated. No JRMB will be considered for continuation below this threshold limit.
3. JRMB will not sell Jute Raw Materials over 15% of its total annual turnover to a Single unit/ WSHG/ Entrepreneur for the purpose of availing the scheme's incentive. However, it can sell beyond this limit without NJB support/incentive.
4. The sale value of the raw jute fibre by the agencies should not be more than 20% of the total sales.
5. The sale value of the accessories by the agencies should not be more than 25% of the total sales.
6. The agencies should fix the price of the raw jute on the basis of the market rate determined by JCI.
7. All Jute fabrics should be bought by the agencies from Jute Mills against proper Invoice GST/VAT/Sales Tin no., etc. or from the Central (Main) JRMB to be selected by NJB.
8. For the purpose of Jute and Jute Blended yarn/fabric/products etc., the standard definition for such products adopted by NJB will only be considered.
9. The OAs shall procure the materials from the Central (Main) JRMBs / enlisted vendors/ manufacturers of repute at their declared price and sell the products to the production units only by adding the transportation costs. NJB will bear the operational costs of the JRMBs, at the rates prescribed. The sources of different raw materials could be different and efforts will be made to arrange supply to the production units at the most economic rates e.g. raw jute will be procured from farmers or agencies like JCI at minimum support price or the prevailing market price declared by JCI for that particular period, whichever is higher. Similarly, the jute mills' products like, yarn, fabrics, etc will have to be procured from the jute mills at the mill gate price rate.

**NOTE:-**For JRMBs in N.E.R States, other hilly areas, J&K, Uttarakhand, Himachal Pradesh, Andaman and Nicobar Islands and Lakshadweep Islands, additional transportation cost @ Rs. 1.50 per kg will be reimbursed.

### **ROLE AND SUPPORT OF NJB FOR RUNNING THE JRMBS:**

The Role of NJB are as follows:

1. Publicizing the location, activities and facilities of the JRMBs;
2. Informing and guiding WSHGs/artisans/entrepreneurs etc for purchase of jute raw materials from the JRMBs;
3. Arranging tie-ups of JRMBs with the Mills for uninterrupted supply of desired quantity and quality of jute raw materials to the NJB supported JRMBs without fluctuation of prices.
4. To support by supplying Booklets, leaflets, catalogues etc. on JDPs in local and other languages for publicity etc. to the JRMBs;

**PAYMENTS TERMS:**

Payments for incentives and the operational cost will be released on quarterly basis based on the approved annual action plan as under;

1. The JRMBs will submit their quarterly claims online which will be supported by all original bills/vouchers, VAT/CST/GST, etc. returns and certified by the OA.
2. The JRMB will also submit their Audited Sales return and Audited Expenditure Statement including performance (Target Vs Sales achieved).
3. The JRMB will ensure that payments are made in the form of Cheques. Cash transaction should be reduced to minimum. Transactions beyond Rs. 5,000.00 must be done through draft and cheques only.
4. Recent photographs of the outlet, both inside view & outside view, to be submitted with the claim document.
5. 100% payment will be released on assessing and passing of the bills by NJB on quarterly basis.
6. The JRMBs should maintain AADHAR based data base of the buyers and should submit a copy to NJB along with their claim document.
7. In addition to the above, if any other relevant papers are required by the NJB approval team, it will be intimated to the JRMB in a separate letter.

**MISCELLANEOUS GUIDELINES FOR JRMB OPERATING AGENCY:**

1. Separate accounts will be maintained by the agency for the funds released by NJB which shall be subject to audit by NJB or its authorized agencies.
2. The agency shall be bound to ensure health & safety standards in work place. It shall also comply with Social, Ethical , Quality and environmental compliance standards;
3. The agency will ensure Proper identification of their beneficiaries in the form of registration and issuing ID Cards.;
4. The Activities and performance of the JRMBs will be monitored by the Marketing Division through the Regional Office/ Head Office in their respective regions. They will make physical inspections of these JRMBs and their activities on quarterly basis. The JRMBs will disclose and present/give all the relevant information and documents relating to the activities, beneficiaries, funds, GST/VAT details etc. For this a suitable pro-forma will be devised by the NJB and will be given to JRMBs whenever the inspections are carried out.
5. The performances of the JRMBs and renewal terms will be reviewed periodically by the Monitoring and approval Committee as per Scheme.

6. Deviation from any of the above mentioned clauses will lead to immediate termination, after serving “**SHOW CAUSE**” notice and **upon** not getting any satisfactory reply.
7. Any dispute arising out of this agreement shall be referred to the Arbitration and Reconciliation Act 1996, within the jurisdiction of Kolkata.

The parties hereto have set and subscribed their respective hands and seals on the day, month and year as first above written.

**SIGNED SEALED AND DELIVERED**

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**Signature of the Proprietor / Head of the  
Institute with Seal of the Operating Agency**

2.

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**Signature of the Secretary, National Jute Board.**