

## SELECTION OF FRANCHISEE FOR MANUFACTURING AND MARKETING OF DAIRY PRODUCTS UNDER “VIJAYA BRAND”

## CORRIGENDUM -3

Bid No. 1138/GM (Mktg.) 2011 dated 23.11.2011

THE FOLLOWING CORRIGENDA ARE APPLICABLE TO EOI CUM BID DOCUMENT PART –I & PART –II FOR MUMBAI, DELHI, KOLKATA, VISHAKAPATNAM, TIRUPATI, HYDERABAD, GUNTUR, PRAKASAM, CHENNAI, BANGALORE, BHUBANESHWAR AND VIJAYAWADA. BIDDERS ARE REQUESTED TO TAKE NOTE

**S. No. 1: Clause 9.1 – Technical Experience, Page No. 13:**

As provided in the Document:				As modified			
Experience criteria	In case of Bidder/ Consortium Member being a Manufacturer	In case of Bidder/ Consortium Member being in the business of Marketing/ Distribution	In case of Bidder/ Consortium Member is a High Net Worth entity	Experience criteria	In case the Bidder/ Consortium Member is in the business of manufacturing/processing or is a supplier/distributor of Dairy Products	In case of Bidder/ Consortium Member is a High Net Worth entity	
1. Number of Years of experience	Should have been in the business of manufacturing Dairy products for at least <b>3 years</b>	Should have been in the business of marketing/ distribution of Dairy products for at least <b>3 years</b>	Nil	1. Number of Years of experience	Should have been in the Dairy products business for at least <b>3 years</b>	Nil	
2. Operational Capacity	Own and operating a	Operating a Cold storage/	Nil	2. Minimum Average Annual Turnover*	Should have a minimum Average Annual Turnover from Dairy related business of <b>Rs. (A)</b> for the preceding 3 years	Nil	
				3. Minimum Net Worth*	Should have a Minimum Net worth of <b>Rs. (B)</b> at the close of	Should have a Minimum	

	Manufacturing Facility with minimum capacity to process 400,000 Litres of milk/ per day	warehouse and/ or distribution facility with capacity of 60,000 MTs of Dairy products/ annum				the preceding Financial Year (i.e. 2010-11)	Net worth of <b>Rs. (C)</b> at the close of the preceding Financial Year (i.e. 2010-11)
3.Turnover Volume	Should have manufactured a minimum of 3,600 MTs/ p.a. (Gross output) of Dairy products in at least 2 out of the last 5 years	Should have supplied/ handled a minimum of 3,600 MTs/ p.a. of Dairy products in at least 2 years out of the last 5 years	Nil				
4.Minimum Net Worth	Should have a Minimum Net worth of <b>Rs. xx Crores (Rs. xx Crores only)</b> at the close of the preceding Financial Year (i.e. 2010-11)	Should have a Minimum Net worth of <b>Rs. xx Crores (Rs. xx Crores only)</b> at the close of the preceding Financial Year (i.e. 2010-11)	Should have a Minimum Net worth of <b>Rs. xx Crores (Rs. xx Crores only)</b> at the close of the preceding Financial Year (i.e. 2010-11)				

**\* Minimum Turnover and Net worth Applicable for each region shall be as follows:**

<b><u>Name of Region</u></b>	<b><u>Replace (A) in above modified table with</u></b>	<b><u>Replace (B) in above modified table with</u></b>	<b><u>Replace (C) in above modified table with</u></b>
Mumbai	Rs. 7 Crores	Rs. 5 Crores	Rs. 20 Crores
Delhi	Rs. 2.50 Crores	Rs. 1.75 Crores	Rs. 7 Crores
Kolkata	Rs. 1 Crores	Rs. 50 Lakhs	Rs. 2 Crores
Visakhapatnam	Rs. 3 Crores	Rs. 2.25 Crores	Rs. 9 Crores
Tirupati	Rs. 1 Crores	Rs. 75 Lakhs	Rs. 3 Crores
Hyderabad	Rs. 50 Lakhs	Rs. 25 Lakhs	Rs. 1 Crores
Guntur	Rs. 1 Crores	Rs. 75 Lakhs	Rs. 3 Crores
Prakasam	Rs. 1 Crores	Rs. 75 Lakhs	Rs. 3 Crores
Chennai	Rs. 2.50 Crores	Rs. 1.75 Crores	Rs. 7 Crores
Bangalore	Rs. 2.50 Crores	Rs. 1.75 Crores	Rs. 7 Crores
Bhubaneswar	Rs. 1.50 Crores	Rs. 1 Crores	Rs. 4 Crores
Vijayawada	Rs. 50 Lakhs	Rs. 15 Lakhs	Rs. 60 Lakhs

**S. No. 2: Clause 9.1.1, Page No. 13**

<b><u>As provided in the Document:</u></b>	<b><u>As modified</u></b>
9.1.1 In case the Bidder is a Consortium, the combined Net Worth of the Consortium members, should satisfy the above conditions of eligibility. However, in case a Consortium includes a High Net worth entity as its member, the High Net worth entity shall demonstrate a minimum Net worth of Rs. xx crores (Rupees xx Crores only).	9.1.1 In case of a consortium,  (a) the Minimum Average Annual Turnover condition shall be satisfied by any one of the consortium members (cumulative turnover of the consortium members shall not be considered).  (b) the combined Net Worth of the Consortium members, should satisfy the above conditions of eligibility. However in the event a High net worth entity proposes to be the Lead member of a consortium, i.e. hold more than 51 % in a consortium, then such entity shall satisfy the minimum Net worth criteria stipulated for

High net worth entity in the table given in clause 9.1 above.

**S. No. 3: Clause 9.1.2, Page No. 13**

<b><u>As provided in the Document:</u></b>	<b><u>As modified</u></b>
<p>9.1.2 The Bidder shall submit the following documentary evidence to this effect:</p> <ol style="list-style-type: none"><li>1) Certificate from appropriate registering authority indicating date of commencement of Business.</li><li>2) Registration certificate under the Milk &amp; Milk Products Order 1992, or equivalent certificate from a competent Government authority evidencing the capacity of the Manufacturing Facility/storage &amp; handling/production of milk.</li><li>3) Certificate(s) from its statutory auditors stating the annual production/supply figures in respect of experience claimed.</li><li>4) In case of Bidder being in the business of Marketing/ Distribution of Dairy Products, Sales Tax Return for the relevant years shall be furnished.</li><li>5) Certificate from Animal Husbandry Department in the case of Producer, and supply contracts with Dairy Plants.</li><li>6) For establishing Net Worth, the Bidder/ Consortium Member shall submit in original a certificate from its statutory auditors /Chartered Accountant in the prescribed format along with Bid submission. In the event the accounts for the latest financial year (i.e. 2010-2011) are not audited, the same may be indicated by the Chartered Accountant in the Certificate along with the details for the immediately preceding financial year (i.e. 2009-2010).</li></ol>	<p>9.1.2 The Bidder shall submit the following documentary evidence to this effect:</p> <ol style="list-style-type: none"><li>1) Certificate from appropriate registering authority indicating date of commencement of Business.</li><li>2) Registration certificate under the Milk &amp; Milk Products Order 1992, or equivalent certificate from a competent Government authority evidencing the capacity of the Manufacturing Facility/storage &amp; handling/production of milk.</li><li>3) For establishing Average Annual Turnover and Net Worth, the Bidder/ Consortium Member shall submit in original a certificate from its statutory auditors /Chartered Accountant in the prescribed format along with Bid submission.</li><li>4) In the event the accounts for the latest financial year (i.e. 2010-2011) are not audited, the same may be indicated by the Chartered Accountant in the Certificate along with the details for the immediately preceding financial year (i.e. 2009-2010) for net worth computation and immediately preceding three financial year (i.e. 2009-2010, 2008-09 &amp; 2007-08) for computing average turnover</li></ol>

**S. No. 4: Clause 9.2, Page No. 14**

<b><u>As provided in the Document:</u></b>	<b><u>As modified</u></b>
<p data-bbox="188 392 510 416"><b>9.2 Inspection of facilities:</b></p> <p data-bbox="188 464 1106 600">APDDCF shall shortlist the Bidders who meet the minimum technical experience and financial capability as mentioned in Clause 9.1 above. APDDCF shall, if it feels necessary, conduct an inspection of their production/ manufacturing facility/ facilities of these shortlisted Bidders.</p>	<p data-bbox="1128 392 1451 416"><b>9.2 Inspection of facilities:</b></p> <p data-bbox="1128 464 2051 671">9.2.1 The Bidder shall provide details of its existing facilities, expansion plans for catering to the Target Quantities, Details of the present operations at the plants including number of employees/workers, number of shifts, number of livestock, details of procurement of raw materials, products and their quantities produced at the facility, and other relevant details as required in Format 3 of this EOI cum Bid Document.</p> <p data-bbox="1128 711 2051 887">9.2.2 APDDCF shall shortlist the Bidders who meet the minimum technical experience and financial capability as mentioned in Clause 9.1 above. APDDCF shall, if it feels necessary, conduct an inspection of their production/ manufacturing facility/ facilities of these shortlisted Bidders.</p> <p data-bbox="1128 927 1823 959">9.2.3 The Bidders shall provide an undertaking as follows:</p> <p data-bbox="1200 999 2051 1142"><b>I/We undertake to augment our facilities to meet the Target Quantity and make any additional modifications/ augmentation (if any) as required by the Technical Team of APDDCF on inspection of our manufacturing/processing facility.</b></p>

## **S. No. 5: Format -3 – Proof of Experience, Page No. 29**

The Revised Format for proof of experience is as follows:

### **FORMAT – 3**

#### **PROOF OF EXPERIENCE**

##### **A. In case of Bidder being a Manufacturer/ Processor of Dairy Products**

<b>S. No.</b>	<b>Details</b>	
1.	Name of the Manufacturer/ Processor	
2.	Date of Commencement of Business  <i>(Please attach relevant documentary support)</i>	
3.	Location of Plant	
4.	Year of Establishment of Plant	
5.	Details of operational plant: (a) Milk Processing Capacity of Plant per day (in litres) (b) Annual Production of Dairy Products (in MTs) (c) Number of livestock (d) Number of shifts/ day (e) Number of employees (f) Details of Quality certifications (g) Dairy Products manufactured (h) Any other relevant details	
6.	Brief Plan for augmentation of manufacturing/ processing facility (in case the Bidder does not have spare capacity in the existing plant)	

##### **B. In case of Bidder being in the business of Supplying/Marketing/ Distribution of Dairy Products**

<b>S. No.</b>	<b>Details</b>	
	Name of the Supplier/ Marketer/ Distributor	
	Date of Commencement of Business  <i>(Please attach relevant documentary support)</i>	
	Location of Cold Store/ Warehouse/ Distribution facility	
	Year of Establishment of Storage/ Distribution facility	
	Details of existing storage/ distribution facility:	

	(a) Annual Handling Capacity of Storage/ Distribution Facility (in MTs) (b) Quantity supplied/ distributed in MTs per annum (c) Number of employees (d) Details of Quality certifications (e) Dairy Products handled (f) Any other relevant details	
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1. *The Bidder shall submit the following documentary evidence demonstrating its experience in production of milk and/ or manufacture/ processing/supplying/distribution of Dairy Products:*
  - i. *Certificate from appropriate registering authority indicating date of commencement of Business*
  - ii. *Registration certificate under the Milk & Milk Products Order 1992, or equivalent certificate from a competent Government authority evidencing the capacity of the Plant/storage & handling/production of milk*
2. *The Bidder shall give details of its experience in the above format for each of its Plant/ Cold Storage/ Warehouse/ Distribution Facility/ Milk Production facility (as applicable).*
3. *In case the Bidder does not have an existing Dairy Products manufacturing/ processing plant, then the Bidder shall submit a brief plan addressing how it proposes to manufacture the Committed Quantity of Dairy Products in case it is awarded the Franchise.*

**S. No. 6: Format -4 – Format for establishing Financial Capacity Experience,**  
**Page No. 31**

The Revised Format for establishment of Financial Capacity experience is as follows:

**FORMAT FOR ESTABLISHING TECHNICAL EXPERIENCE AND FINANCIAL CAPACITY**

**a. Annual Turnover from Dairy Related Operations\*:**

Bidder type	Annual Turnover from Dairy related operations (In Rs. crore <sup>\$\$</sup> )			Average Turnover (In Rs. crore <sup>\$\$</sup> )
	Yr 1- 2010-11**	Yr 2- 2010-09	Yr 3- 2009-08	
(Name of entity which is providing the Technical experience )				

**b. Net worth:**

Bidder type <sup>§</sup>	Net worth for the latest year (2010-11)**	
Single entity Bidder	(1) Subscribed and Paid-up Equity	
	(2) Reserves	
	(3) Revaluation reserves	
	(4) Miscellaneous expenditure not written off	
	(5) reserves not available for distribution to equity shareholders	
	Total Net worth (1+2-3-4-5)	
Consortium Member 1	(1) Subscribed and Paid-up Equity	
	(2) Reserves	
	(3) Revaluation reserves	
	(4) Miscellaneous expenditure not written off	

	(5) reserves not available for distribution to equity shareholders	
	Total Net worth (1+2-3-4-5)	
Consortium Member 2	(1) Subscribed and Paid-up Equity	
	(2) Reserves	
	(3) Revaluation reserves	
	(4) Miscellaneous expenditure not written off	
	(5) reserves not available for distribution to equity shareholders	
	Total Net worth (1+2-3-4-5)	
	Total	

\*Turn over should be from Dairy related Business

§ A Bidder consisting of a single entity should fill in details as per the row titled Single entity Bidder and ignore the rows titled Consortium Members. In case of a consortium, row titled Single entity Bidder may be ignored.

§§ For conversion of US Dollars to Rupees, the rate of conversion shall be Rupees [50 (fifty)] to a US Dollar. In case of any other currency, the same shall first be converted to US Dollars as on the date 60 (sixty) days prior to the Bid Due Date, and the amount so derived in US Dollars shall be converted into Rupees at the aforesaid rate. The conversion rate of such currencies shall be the daily representative exchange rates published by the International Monetary Fund for the relevant date.

\*\*In the event the accounts for the latest financial year (i.e. 2010-2011) are not audited, the same may be indicated by the Chartered Accountant in the Certificate along with the details for the immediately preceding financial year (i.e. 2009-2010 )for net worth computation and immediately preceding three financial year (i.e. 2009-2010, 2008-09 & 2007-08) for computing average turnover

**Instructions:**

1. Net worth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves + miscellaneous expenditure not written off + reserves not available for distribution to equity shareholders).

2. For establishing Average Annual Turnover and Net Worth, the Bidder/ Consortium Member shall submit in original a certificate from its statutory auditors /Chartered Accountant along with the Bid submission.

## S. No. 7: Clause 6 - Minimum Quantity & Royalty Fee, Page No. 11

As provided in the Document	Modified
<p>The minimum quantities of Milk &amp; Milk Products required to be manufactured and marketed in the Region (“<b>Target Quantity</b>”) are given as <b>Annexure II of the EOI cum Bid Document</b>. The Bidder shall quote the minimum quantity of Milk &amp; Milk Products it proposes to manufacture and market (“<b>Committed Quantity</b>”) in the first year of Franchise. Based on the Committed Quantity, APDDCF and the Franchisee shall agree on a monthly production and Marketing schedule (“<b>Committed Monthly Quantity</b>”) which shall form part of the Franchisee Agreement. The Franchisee shall meet the Committed Monthly Quantity within six months of the Commercial Operations Date.</p> <p>* In case of regions where VIJAYA brand is not present currently, APDDCF shall carry out a review of the Target Quantity after the 3<sup>rd</sup> and 6<sup>th</sup> month from the start of the Gestation Period.</p> <p>* The Target Quantity is kept to give flexibility to Bidders between the Products and not to reduce overall quantity substantially below the Target Quantity. APDDCF reserves the right to reject the Bid if the Committed Quantity quoted by the Bidder in Format 6 of the EOI cum Bid Document is less than 50% of the Target Quantity for any product in that region.</p>	<p>The minimum quantities of Milk &amp; Milk Products required to be manufactured and marketed in the Region (“<b>Target Quantity</b>”) are given as <b>Annexure II of the EOI cum Bid Document</b>. The Bidder shall quote the minimum quantity of Milk &amp; Milk Products it proposes to manufacture and market (“<b>Committed Quantity</b>”) in the first year of Franchise. <b>The Committed Quantity shall be at least 50% (Fifty Percent) of the Target Quantity for each Product.</b> Based on the Committed Quantity, APDDCF and the Franchisee shall agree on a monthly production and Marketing schedule (“<b>Committed Monthly Quantity</b>”) which shall form part of the Franchisee Agreement. The Franchisee shall meet the Committed Monthly Quantity within six months of the Commercial Operations Date.</p> <p>* In case of regions where VIJAYA brand is not present currently, APDDCF shall carry out a review of the Target Quantity after the 3<sup>rd</sup> and 6<sup>th</sup> month from the start of the Gestation Period.</p> <p>* The Target Quantity is kept to give flexibility to Bidders between the Products and not to reduce overall quantity substantially below the Target Quantity. APDDCF reserves the right to reject the Bid if the Committed Quantity quoted by the Bidder in Format 6 of the EOI cum Bid Document is less than 50% of the Target Quantity for any product in that region.</p>

## S. No. 8: Format 1 – Format of Covering Letter, Page No. 26

As provided in the Document	Modified
<p>6. We hereby enclose a Demand draft/ Bank Guarantee (No. _____ dated _____ issued by _____ Bank) for Rs. xxxx (Rupees xxxx only) towards the Bid Security in accordance with Clause 13 of <b>Part I- Instructions to Bidders</b> of the EOI cum Bid Document.</p>	<p>6. We hereby enclose a Demand draft (No. _____ dated _____ issued by _____ Bank) for Rs. xxxx (Rupees xxxx only) towards the Bid Security in accordance with Clause 13 of <b>Part I- Instructions to Bidders</b> of the EOI cum Bid Document.</p>

\* No change in Region-wise Bid Security amount

## S. No. 9: Annexure I – Proforma for Performance Bank Guarantee, Page No. 40

As provided in the Document	Modified
The address is wrongly mentioned as:	The correct address is given below:

Andhra Pradesh Dairy Development Cooperative Federation Limited (APDDCF),  
3<sup>rd</sup> Floor, Rear Block (HMWSSB premises)  
Khairthabad, Hyderabad – 500 004

Andhra Pradesh Dairy Development Cooperative Federation Limited (APDDCF),  
Lalapet, Hyderabad

## **S. No. 10: Annexure II – Target Quantity, Page No. 42**

This Corrigendum is applicable only for Mumbai region

As provided in the Document		Modified																																																					
<table border="1"> <thead> <tr> <th>Product</th> <th>Quantity/ Month</th> </tr> </thead> <tbody> <tr> <td>Ghee</td> <td>300 Mts</td> </tr> <tr> <td>T.Butter</td> <td>40 Mts</td> </tr> <tr> <td>UHT 1 litre Brick Pack</td> <td>45 Mts</td> </tr> <tr> <td>UHT Cream</td> <td>35 Mts</td> </tr> <tr> <td>Cooking Butter</td> <td>20 Mts</td> </tr> <tr> <td>SFM</td> <td>2 Lakh Bottles</td> </tr> <tr> <td>Paneer</td> <td>20 Mts</td> </tr> <tr> <td>Curd</td> <td>0.50 Mts</td> </tr> <tr> <td>Lassi 200 MI</td> <td>60,000 Nos Cups</td> </tr> <tr> <td>DoodPeda</td> <td>8 Mts</td> </tr> <tr> <td>Butter Milk</td> <td>As per requirement</td> </tr> <tr> <td>Ice Cream</td> <td>As per requirement</td> </tr> </tbody> </table>	Product	Quantity/ Month	Ghee	300 Mts	T.Butter	40 Mts	UHT 1 litre Brick Pack	45 Mts	UHT Cream	35 Mts	Cooking Butter	20 Mts	SFM	2 Lakh Bottles	Paneer	20 Mts	Curd	0.50 Mts	Lassi 200 MI	60,000 Nos Cups	DoodPeda	8 Mts	Butter Milk	As per requirement	Ice Cream	As per requirement	<table border="1"> <thead> <tr> <th>Product</th> <th>Quantity/ Month</th> </tr> </thead> <tbody> <tr> <td>Ghee</td> <td>300 Mts</td> </tr> <tr> <td>T.Butter</td> <td>40 Mts</td> </tr> <tr> <td>UHT 1 litre Brick Pack</td> <td>45 Mts</td> </tr> <tr> <td>UHT Cream</td> <td>35 Mts</td> </tr> <tr> <td>Cooking Butter</td> <td>20 Mts</td> </tr> <tr> <td>SFM</td> <td>2 Lakh Bottles</td> </tr> <tr> <td>Paneer</td> <td>20 Mts</td> </tr> <tr> <td>Curd</td> <td>0.50 Mts</td> </tr> <tr> <td>Lassi 200 MI</td> <td>60,000 Nos Cups</td> </tr> <tr> <td>Doodh Peda</td> <td>8 Mts</td> </tr> <tr> <td>Butter Milk</td> <td>As per requirement</td> </tr> <tr> <td>Ice Cream</td> <td>As per requirement</td> </tr> <tr> <td>Cheese</td> <td>15 Mts</td> </tr> </tbody> </table>	Product	Quantity/ Month	Ghee	300 Mts	T.Butter	40 Mts	UHT 1 litre Brick Pack	45 Mts	UHT Cream	35 Mts	Cooking Butter	20 Mts	SFM	2 Lakh Bottles	Paneer	20 Mts	Curd	0.50 Mts	Lassi 200 MI	60,000 Nos Cups	Doodh Peda	8 Mts	Butter Milk	As per requirement	Ice Cream	As per requirement	Cheese	15 Mts
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## **S. No. 11: Clause 25.2.4 – Evaluation of Commercial Offers, Page No. 22**

As provided in the Document	Modified
<p>Evaluation of the Commercial Offers would be undertaken as detailed below.</p> <p>i. The Eligible Bidders shall be ranked from highest to lowest based on the Royalty fee Percentage quoted by them (H1, H2, H3 and so on) as per as per <b>Table II under the Format 6 (Commercial Bid)</b> .</p> <p>ii. If the Committed Quantity of the Highest Bidder (H1) as per <b>Table I under the Format 6 (Commercial Offer)</b> is less than the Target Quantity as per <b>Annexure II of the Bid Document</b>, APDDCF shall have the right to appoint additional franchisees for the Region so as to meet its minimum Target Quantity provided the second highest Bidder (H2) is willing to match the Royalty Fee percentage quoted by the Highest Bidder (H1). The same</p>	<p>Evaluation of the Commercial Offers would be undertaken as detailed below.</p> <p>i. The Eligible Bidders shall quote the Royalty fee Percentage and the Monthly Royalty Payment to APDDCF as per <b>Table II &amp; III under the Format 6 (Commercial Offer)</b></p> <p>ii. The Bids shall be evaluated as follows: <b>Monthly Royalty Payment to APDDCF = Royalty Fee Percentage quoted by Bidder x ((Q<sub>1</sub>x MRP<sub>1</sub> + Q<sub>2</sub> x MRP<sub>2</sub> + Q<sub>3</sub> x MRP<sub>3</sub> + ..... + Q<sub>n</sub> x MRP<sub>n</sub>))</b> Where; Q<sub>1,2,3</sub>= Committed Quantity proposed by the Bidder under <b>Table I under Format 6 (Commercial Offer)</b> MRP<sub>1,2,3</sub> = Maximum Retail Price of Products as indicated in <b>Annexure IV of the EOI cum Bid Document</b>.</p> <p>iii. The Eligible Bidders shall be ranked from highest to lowest based on the Monthly Royalty Payment</p>

<p>procedure will be adopted for Bidders ranked H3, H4, etc. till the Target Quantity is satisfied.</p> <p>In the event, two or more Franchisees are appointed for a Region, APDDCF shall divide the Region into sub-Regions for the purpose of awards of Franchise and APDDCF's decision in this regard shall be final and binding.</p>	<p>to APDDCF as calculated above (H1, H2, H3 and so on).</p> <p>iv. If the Committed Quantity of the Highest Bidder (H1) as per <b>Table I under the Format 6 (Commercial Offer)</b> is less than the Target Quantity as per <b>Annexure II of the Bid Document</b>, APDDCF shall have the right to appoint additional franchisees for the Region so as to meet its minimum Target Quantity.</p> <p>In the event, two or more Franchisees are appointed for a Region, APDDCF shall divide the Region into sub-Regions for the purpose of awards of Franchise and APDDCF's decision in this regard shall be final and binding.</p>
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**S. No. 12: Format-6 – Commercial Offer, Page No. 37**

The Revised Format for Commercial Offer is as follows:

**FORMAT – 6**

**COMMERCIAL OFFER**

**The Managing Director,  
Andhra Pradesh Dairy Development Cooperative Federation Limited (APDDCF),  
Lalapet, Hyderabad**

Sir,

**Sub: Selection of Franchisees for manufacturing and marketing of Milk and Milk Products under VIJAYA brand intended for sale in the Mumbai Region.**

**Ref: -----, dated-----**

1. We have gone through Bid notice and documents and agree to abide by all the conditions mentioned therein.
2. We undertake to manufacture, market and sell the quantities proposed by us as per the table below:

**Table I: Committed Quantity**

<b>S. No.</b>	<b>Milk and Milk Products to be manufactured</b>	<b>Unit</b>	<b>Quantity proposed to be manufactured (in Units/ Month)</b>	<b>Quantity proposed to be manufactured (in Units/ Month) (in words)</b>
1.				
2.				
3.				
4.				
5.				

***(Please insert Region-wise Products and Units as per EOI cum Bid Document in the table above)***

\* We understand and agree that in the event of the Committed Quantity quoted by us in the above table is less than the minimum Target Quantity for the Region given in Annexure II of the EOI cum Bid Document, APDDCF shall have the right to appoint additional franchisees for the Region so as to meet its minimum Target Quantity. In the event, two or more

Franchisees are appointed for a Region, APDDCF shall divide the Region into sub-Regions for the purpose of awards of Franchise and APDDCF's decision in this regard shall be final and binding on us.

3. The above quantities proposed by us is after taking into consideration all the terms and conditions stated in the EOI cum Bid Document, our own estimates of the market and after a careful assessment of the quality requirement of Milk and Milk Products and all other conditions that may affect the Bid.
4. If we are selected as a Franchisee for Mumbai Region by APDDCF, we agree to pay APDDCF Royalty Fee on sale of the above mentioned Milk and Milk Products and also on any other product that are agreed to be manufactured and sold by us under the Franchise Agreement with APDDCF. The Royalty Fee payable by us shall be as below:

**Table II: Royalty Fee Percentage**

Royalty Fee Percentage	Royalty Fee Percentage (in words)
_____ %	_____ Percent

\* the Royalty Fee Percentage shall be above 5% of MRP. Any Royalty Fee percentage below 5% shall be rejected.

We understand and agree that the Monthly Royalty Payment (**Commercial Offer**) to APDDCF shall be computed as follows:

**Monthly Royalty Payment to APDDCF** = Royalty Fee Percentage quoted by Bidder x (( $Q_1 \times MRP_1 + Q_2 \times MRP_2 + Q_3 \times MRP_3 + \dots + Q_n \times MRP_n$ ))

Where;

$Q_{1,2,3}$ = Committed Quantity of different Products as proposed by the Bidder **under Table I under Format 6 (Commercial Offer)**

$MRP_{1,2,3}$  = Maximum Retail Price of Products as indicated in **Annexure IV of the EOI cum Bid Document**.

**Table III: Monthly Royalty Payment (Commercial Offer)**

Monthly Royalty Payment (in Figures)	Monthly Royalty Payment (in words)
Rs. _____/-	Rupees _____/-

5. We understand and agree that the MRP of the Milk and Milk Products shall vary from time to time depending upon market conditions and other factors. The MRP of Milk and Milk Products shall be mutually agreed and fixed by APDDCF, from time to time.
6. We understand and agree that APDDCF is not bound to select a Bidder and reserves the right to reject all or any of the Bids without assigning any reason whatsoever.

Place:

Date:

**NAME & SIGNATURE OF THE BIDDER WITH SEAL**

**Sd/-**

**MD, APDDCF**