

APPOINTMENT OF SAIL DEALERS

IMPORTANT

APPLICATION FORMS ENCLOSED AS ANNEXURE – A WILL BE SOLD BY THE CONCERNED BRANCH SALES OFFICE AND WILL BE PRICED AT RS. 500/- PER FORM FOR GENERAL CATEGORY OF APPLICANTS. APPLICATION FORMS TO SC/ST & OBC APPLICANTS WILL BE SOLD AT A COST OF RS. 100/- PER FORM. THE APPLICATION FORM CAN ALSO BE DOWNLOADED FROM THE WEBSITE www.sail.co.in, IN WHICH CASE THE COST OF THE APPLICATION FORM SHALL BE PAID THROUGH DEMAND DRAFT AT THE TIME OF SUBMISSION OF THE APPLICATION.

THE APPLICATION FORM GIVEN BELOW ALONG WITH ITS ANNEXURES, CONTAINING 'INSTRUCTIONS TO APPLICANTS' AND 'TERMS & CONDITIONS' IN THE FORM OF DRAFT AGREEMENT, AFTER DULY SIGNING EACH PAGE, WOULD CONSTITUTE THE TOTAL SET TO BE SUBMITTED BY THE APPLICANTS.

Note: *LIST OF REGIONWISE BRANCH AND DISTRICTS / LOCATIONS ARE AVAILABLE BELOW.* Applications are invited for branch locations in addition to the specific locations mentioned against the districts. Wherever locations are not specified, applications are invited for the district. Applicants are requested to contact the concerned Branch office for further details.

[Click here for regionwise list of Districts / Locations](#)

Encl:

1. SAIL Dealership Policy
2. Application form – Annexure A
3. Instructions to the applicant – Annexure B
4. Draft agreement
5. Contact details

SAIL DEALERSHIP POLICY

1.1 OBJECTIVE

1.2 The principal objective of the SAIL Dealership Scheme shall be:

- To establish a wide distribution network for identified branded products of SAIL and to increase its reach.
- To promote, popularise and showcase identified branded SAIL products.
- To improve market share and NSR in the long run.

2.1 PRODUCTS UNDER THE SCHEME AND AGREED OFFTAKE:

2.2 The products covered under the scheme and the committed offtake per month shall have two components as under:

➤ MAIN ITEMS:

- TMT Bars
- GP/GC Sheets

➤ OPTIONAL ITEMS:

- Other Items- Light Structurals, HR / CR Sheets, MS WRC 5.5-8 mm and Pipes upto 8 5/8" diameter from SAIL, SPU, Bettiah
- Stainless Kitchenware

2.3 At the time of submitting an application, the Dealer has to mandatorily commit a minimum off take under the scheme for TMT Bars and GP/GC Sheets (in combination or individually) upto a quantity of 200 Mts. A Dealer may, in addition, also opt for a quantity of upto a maximum of 100 Mts per month of optional "Other Items" as given above. Within the "Other items", a Dealer can opt for any of the item individually or in combination. The agreed offtake per month for the Dealer will be the summation of the agreed offtake of the main item(s) and Optional Item(s) (wherever such an option is exercised) and the Dealer shall have to lift such quantities fixed as per the commitment.

Dealers intending to deal with Stainless Kitchenware (branded kitchen / tableware) as per Annexure -III would have to opt for the same at the time of application. These items would be sold only as packaged items primarily in Combination Set. There will not be any minimum agreed offtake for Stainless Kitchenware. However, there will be a minimum order quantity for each item opted for under Kitchenware for facilitating despatch, which will have to be furnished at the time of submission of application and agreed upon mutually.

2.4 The agreed offtake shall be indicated in the LOI/agreement drawn under the Scheme and may vary for different locations/ item. The LOI shall also contain Stainless Kitchenware as an additional item, for Dealers who opt for it.

2.5 Converted Product (embossed with SAIL brand name)/products from other plants or Service Centers can be supplied under the scheme.

2.6 GP/GC Sheets and TMT bars can be supplied on Sectional weight basis i.e. per piece basis. TMT Bars can also be supplied in Coil Form. GP Sheets in Coil form can be supplied against specific request from a Dealer.

2.7 The agreed offtake for SAIL Dealers primarily marketing SAIL branded products (termed as Exclusive Dealers) may be restricted up to twice the existing limits detailed at clause 2.1 above.

3.1 INTERCHANGE, ENHANCEMENT/ REDUCTION IN AGREED OFFTAKE, ADDITIONAL ITEMS AND MAKE UP CLAUSE

3.2 SAIL may consider interchange, and / or, enhancement/ reduction in quantities of minimum agreed offtake between TMT Bar / Coils and GP Sheets / Coils and GC Sheets upto 200 tonnes, subject to availability of materials. Similarly, interchange, and / or, enhancement/ reduction may be permitted for "Other Items" upto 100 tonnes. Existing Dealers can also opt for additional items not initially opted for under the scheme within the overall tonnages as envisaged in the scheme. Requests for such interchange, and / or, enhancement /reduction and inclusion of additional items not initially opted for shall be considered once in a year up to 30th April. Interchange in category at the supply stage will be allowed only for Other Items.

3.3 Such interchange/ enhancement/ reduction/ inclusion of additional items can be undertaken through mutual consent by exchange of letters. Communication from SAIL"s side intimating the same shall be appended to the existing agreement signed with the Dealer as an addendum to the agreement. This shall remain in force for the entire period of the agreement including the extensions, if any, unless otherwise changed during the beginning of a subsequent year.

3.4 In case the SAIL Dealer fails to lift three times the monthly agreed quantity during a quarter, they shall make up the shortfall within the next calendar quarter for being eligible for the benefits under the scheme for the period under consideration. However, in case the failure in either quarter is due to SAIL"s inability to supply the material, SAIL may consider waiver of such shortfalls.

4.1 PRICE:

4.2 SAIL Dealer shall have to purchase materials under the scheme at prices notified by SAIL from time to time normally against advance payment. Secured Credit may also be extended against the scheme. Materials will be delivered by SAIL to the premises of the SAIL Dealer under the scheme. However, in order to improve the level of servicing, Dealers who are located within 50 Kms of the nearest SAIL Warehouse/ Consignment Agency point, would be permitted to lift materials (other than Stainless Kitchenware) on their own (by placing their own vehicles) from SAIL Warehouse/ CA, for which an amount of Rs. 150/- per tonne may be reimbursed to them.

4.3 For sales by the SAIL Dealer, SAIL shall fix a Maximum Recommended Retail Price (MRRP) exclusive of levies, duties, VAT/Sales Tax, octroi, which are to be added extra as applicable. SAIL Dealers shall be obliged to charge prices within Maximum Recommended Retail Price to their customers. The MRRP of Stainless Kitchenware, apart from being notified, shall also be printed/ affixed on each packet.

4.4 The SAIL dealer will affix board(s) displaying the maximum recommended retail price (MRRP) as applicable from time to time and as indicated by SAIL at their premises.

4.5 No dispute on the applicability of selling price to Dealer or the MRRP shall be entertained by SAIL.

5.1 INCENTIVES EXTENDABLE/ PAYABLE UNDER THE SCHEME:

5.2 The following incentives will be available to the SAIL Dealer under the scheme:

- Secured Interest Free Credit for 15 days or Cash Discount in lieu
- A cash incentive of Rs 100/- per tonne on the quantity lifted during a month subject to fulfillment of monthly agreed offtake.
- An additional incentive of Rs.50/- per Tonne will be payable on the quantity lifted during the financial year subject to fulfillment of annual committed quantity (i.e monthly agreed offtake X 12).

5.3 Cash Incentives of Rs 100 / tonne and Rs 50/- per tonne as above will be payable to Dealers on the quantity lifted upon successful completion of their original / enhanced Monthly and Annual agreed offtake limited up to 120% of their original / enhanced agreed offtake.

5.4 However, Interest Free credit (IFC) shall be extended for the actual quantity lifted during a month without any ceiling on the quantity lifted. IFC will be extended on fulfillment of monthly agreed offtake and shall not be related to fulfillment of Annual agreed offtake. Since the purchase of Stainless Kitchenware would be on cash and carry basis, no incentives from the ones indicated at para 5.1 above would be payable on the same.

5.5 Agreed offtake would be deemed to have been successfully completed subject to the shortfall in the quantity lifted being a maximum of (-) 2% of their monthly/ annual commitment. Successful completion will be deemed separately for Main Item and Other items. In other words, in case the Dealer completes the agreed offtake for main Item or the other item, then cash incentive would be payable for the component for which the dealer has successfully completed the agreed offtake.

5.6 In the event of a failure on the part of the Dealer to complete their commitment during a month, such quantities can be made up over a *calendar* quarter. Cash Incentives under the scheme shall be payable in such cases upon successful completion of three times the monthly agreed offtake. The Cash Incentives on fulfillment of monthly commitment would also be payable in case committed quantity is lifted as per make up clause at clause 3.2.

5.6 The SAIL dealer would be entitled to equivalent cash discount in lieu of 15 days Interest Free Credit component when sale to dealer is on cash and carry basis. For extending secured credit beyond 15 days, the same shall be on interest bearing basis Rate of cash discount in lieu of admissible credit will be as per the rates fixed by SAIL from time to time.

5.7 SAIL Dealers exclusively marketing SAIL branded products (i.e Exclusive Dealer) shall be extended secured Interest Free Credit for 30 days /Cash Discount in lieu.

5.8 No other Commission is payable under this scheme.

6.1 FINANCIAL ARRANGEMENTS TO BE MADE BY THE SAIL DEALER:

6.2 The SAIL Dealers shall furnish Security Deposit as under:-

- Dealers under General category- @Rs.500/tonne of agreed monthly off-take or restricted to Rs. 1 lakh, whichever is lower.
- Dealers under General category in backward districts, location other than branch locations and towns other than districts headquarters - @Rs.100 / tonne of agreed monthly off-take or restricted to Rs. 1 lakh, whichever is lower
- Dealers opting for Stainless Kitchenware as an item in the Dealership would have to furnish additional Security Deposit of Rs 20,000/- (for general category) and Rs 5,000/- (for General category in backward districts, location other than branch locations and towns other than districts headquarters.)

6.3 Security Deposit shall be tendered through DD/PO, payable at Branch locations, within 15 days of the date of letter of Intent for appointment issued to the Dealer.

6.4 Security Deposit need not be paid by the SAIL Dealers under SC/ST and OBC categories or for Partnership Firm/Companies where majority of Partners/ Directors belong to SC/ ST/ OBC categories.

6.5 No interest shall be payable on the security deposit. On request from SAIL Dealers, SAIL may consider further extension of time for payment of security deposit by 15 days at a time.

7.1 TERRITORIAL JURISDICTION:

7.2 SAIL shall fix a territorial jurisdiction at the time of appointment, within which the Dealer shall conclude his sale. The Dealer is to cater to the small/tiny demands of user/consumers within the territorial jurisdiction assigned to the dealer by the Branch under whose jurisdiction the dealer operates. SAIL shall also have the right to appoint one or more Dealer in a district and retain the right to sell directly within such jurisdiction.

8.1 TENURE:

8.2 The SAIL Dealer shall initially be appointed for a period of five years, with provision to review after two years of appointment. The contract will be extendable by two year at a time beyond the initial five years.

8.3 The extension after completion of contract period will be subject to satisfactory performance. Similarly on review, if performance is not found satisfactory, it may lead to termination.

9.1 TERMINATION CLAUSE:

9.2 Repeated failures (more than two quarters) in lifting the agreed quantity by the SAIL Dealer, for reasons not attributable to SAIL, shall render him liable for termination of his Dealership.

9.3 SAIL can also terminate the arrangement at any time, by serving written/show-cause notice of 15 days on the SAIL Dealer after taking into account the following:

- Evaluated performance.
- Adverse customer feedback.
- Repeated complaints regarding sales of material outside his assigned jurisdiction.
- Noncompliance of MRRP
- Unsatisfactory performance in any other respect and acts detrimental to the interest of SAIL.

10.1 QUALITY COMPLAINTS:

10.2 It shall be the Dealer's responsibility to provide all the post sales service to his customers including matters related to settlement of the quality complaints.

10.3 SAIL will attend to the quality complaints only at Dealers premises. However, in exceptional circumstances, SAIL, at its discretion, may also attend to quality complaints at the premises of Dealer's customers.

10.4 All quality complaints will be settled as per the quality complaint procedure of SAIL in vogue.

11.1 MODALITIES OF PURCHASE:

11.2 The dealers may purchase materials from the nominated SAIL Branch. Delivery shall be from stockyard/consignment agency yard/premises of conversion agent/ premises of de-coiling agent/premises of service centers. The material shall be delivered to the premises/destination of SAIL dealers which shall include unloading activities. Such delivery and unloading activities shall be free of cost to the dealer up to 120% of their original / enhanced monthly/quarterly/annual committed quantity. Branches will book orders from dealers on monthly basis and will supply to them as per order booking(s)

11.1 In case of appointment of a Dealer at a new location, to which a transportation contract is not available, a rebate of Rs. 200/- per tonne as freight subsidy shall be extended to the Dealer for a period of maximum 30 days from signing of contract.

11.2 The weight of quantity recorded at the Dealer premises / destination shall be final. However, shortages up to 20 kg. per truck / 30 kg. per trailer, (or as permissible in the SAIL Road Transportation Contracts from time to time) on the quantity shipped to the Dealer premises / destination shall be accepted by the Dealer. For shortages beyond the permissible limit, the Dealer shall be refunded the amount on recovery from the transporter.

12.1 MAINTENANCE OF STOCKS:

12.2 The Dealer shall endeavor to maintain stocks of the relevant products so that SAIL material is available to small/tiny user/consumers on "Off-the-Shelf" basis. Therefore, he may schedule his purchases and place indents on SAIL as per SAIL's order booking and planning system in vogue to normally avoid any stock-out situation.

14.1 SYSTEM OF FEEDBACK:

14.2 The Dealer shall be required to submit a monthly report on the performance to the concerned Branch. In addition, the Dealer will be required to furnish the list of customer(s) dealt with and quantity supplied to them, on a monthly basis to the concerned Branch. The monthly incentive of Rs 100/ tonne, payable on fulfillment of the agreed offtake, would be paid only upon submission of the monthly feedback.

15.0 ANNUAL AWARD FOR DEALERS:

A dealer shall be evaluated for these awards based on criteria on fulfillment of annual commitment, improving brand image, consistent availability of product, adding new customers, etc. The awards shall be distributed in the Annual Dealers" Conference where

awardees will be invited & felicitated. All expenses of traveling, board & lodging would be paid to such Dealers.

16.1 SALES PROMOTION:

16.2 The promotion of identified SAIL branded products shall be taken up by SAIL.

17.1 APPLICATION FORM:

17.2 Application forms enclosed as Annexure – A will be sold by the concerned Branch Sales Office and will be priced at Rs. 500/- per form for general category of applicants. Application forms to SC/ST & OBC applicants will be sold at a cost of Rs. 100/- per form. The application form can also be downloaded from the website www.sail.co.in, in which case the cost of the application form shall be paid through Demand Draft at the time of submission of the application.

17.3 The Application Form along with its Annexures containing, “Instructions to Applicants” and “Terms & Conditions” in the form of draft agreement, after duly signing each page, would constitute the total set to be submitted by the applicants.

18.1 GENERAL:

18.2 The Dealer appointed by SAIL will not deal with institutional customer/Industrial units/ Govt. Deptts. / PSUs and Projects and not participate in any kind of tenders on behalf of SAIL without the prior approval of the concerned Branch of SAIL. The Dealer will be required to serve such requirements as would be communicated to him by SAIL.

18.3 SAIL representative may inspect availability of materials at the premises of the Dealer from time to time.

18.4 Applicants belonging in Scheduled Caste/Scheduled Tribe and OBC category will be accorded preference in appointment as a SAIL Dealer subject to their fulfilling the conditions and eligibility criteria and subject to their furnishing documentary evidence of belonging to SC/ST/ OBC. While evaluating applicants for appointment of SAIL Dealer, suitable weightage may be given by SAIL to such applicants who intend to deal exclusively with SAIL products.

18.5 On appointment, an agreement containing the various Terms and conditions will be signed between the SAIL Dealer and SAIL.

18.6 As a minimum qualifying criteria, the applicant should possess an office/retail outlet besides a storage space of suitable capacity.

Enclosures:

- 1) Application Form – Annexure A.
- 2) InstructionS to the Applicant – Annexure B.
- 3) Draft Agreement.

STEEL AUTHORITY OF INDIA LIMITED
BRANCH SALES OFFICE _____

Sl.No: _____

Application Form for SAIL Dealership.

BASIC DATA:

1. Name of the Applicant/Firm:

2. Status of the Applicant: Individual/Firm:

3. Whether belong to Scheduled Caste/

Scheduled Tribe/ OBC (In case of an individual): YES/NO

Note: Please furnish documentary evidence if belong to SC/ST/OBC

4. Type of Organisation (in case of Firm)
(Proprietary/Partnership/Private Ltd. Co./Public Ltd. Co./Co-operative):

5. Address:

6. Contact details

a) Telephone No. :

b) FAXNo.:

c) Mobile No.

d) E-mail id:

7. Contact Person:

a) Name:

b) Designation:

c) Details of Partners/
Directors Name and Address

1.

2.

3.

4.

5.

(Please enclose copy of Partnership Deed/ Memorandum and Articles of Association and company registration details with latest Balance Sheet and P&L Statement)

8. Sales Tax Details (if any)

a. CST No. & Date:

State ST No./ VAT Regn. No. & Date:

9. Financial Data:

a Nature of business (Manufacturing/Trading/others –please specify)

b. Type of products handled (if in trading)

c. Annual Turn-over (In Lacs of Rs.):

	2012-13	2013-14	2014-15
Total sales turn-over			
Turnover for steel products, (if any)			

d. Total equity capital or investment in Business (if any): (Rs./Lacs)

e. Banker's name, address, Tel nos, Email address:

(Banker's reference is to be enclosed)

f. Present outstanding, if any, with SAIL (Rs. lacs)

10. Infrastructure & Service Facilities:

- a. Office/Sales counter:
 - i) Own/Rented (duration of rent)
 - ii) Area in Sft.
 - iii) Address
- b. Warehouse: Covered Area/ Open Area (Storage capacity in each case)
 - i) Own/Rented (duration of rent)
 - ii) Area (in Sft. Covered:_____, Open :_____)
 - iii) Address
 - iv) Storage capacity (MT)
 - v) Weighing facility :(scale____t; weighbridge____t)
 - vi) Handling Equipments:
 - vii) Transporting facility:
- c. Details of other branches (if any) (Location & Address)
- d. No. of people employed:
 - i) Sales/Office staff
 - ii) Labour

11. Market Data:

Areas/Towns covered in existing business: Present business activities:
Existing Dealerships, if any:

12. Application data:

- a. Proposed Offtake per Month of SAIL Product (In MT)
 - i) GP Sheet_____.
 - ii) GC Sheet_____.
 - iii) TMT bars_____.
 - iv) Light Structural_____.
- b Any other information you wish to provide.

I/We have gone through the terms and conditions contained in (i) Instructions to Applicants (ANNEXURE-B) and (ii) Draft Agreement for appointment of SAIL's Dealers and accord my/our acceptance of the same.

I/We declare that the information given above is true and correct. I/We are fully aware that if any information given above is found to be incorrect, I/We would be disqualified for the work envisaged herein.

Place :

Date :

Signature with Seal

(This application form should be accompanied by a covering letter in the applicant's (firm/company) letter head indicating interest in taking up SAIL Dealership for SAIL products.)

INSTRUCTIONS TO THE APPLICANT

1. List of documents to be submitted (only copies):
 - SC/ST/OBC certificate (if applicable) in case the applicant is individual or Partner(s) of the Partnership firm or Director(s) of the Company are belong to SC/ST/OBC categories.
 - Partnership deed/Memorandum and Articles of Association.
 - Company Registration documents.
 - Latest Balance Sheet and P&L statement.
 - Bankers reference
2. The Applicant should carefully go through the Instructions to Applicant and Terms & Conditions and fully understand the terms and conditions governing their appointment as SAIL's Dealer prior to submission of their application.
3. The Applicants should acquaint themselves about the operations to be done by them by meeting the concerned Branch Manager or his representative on any working day during working hours by prior appointment.
4. The applicant should familiarize themselves with the location and the working of the SAIL stockyard/Consignment agent yard/Conversion agent premises from where materials will normally be delivered to the dealers during the course of the operation of the agreement.
5. The Applicant, by the very act of applying, will be deemed to have fully understood the terms and conditions governing their appointment as also familiarized themselves with the location of our Branch and Stockyard at the time of tendering their applications.
6. Details required to be filled in by the Applicant as per the form given for the purpose should be clearly indicated along with the documentary proof wherever applicable/possible.
7. The Application Form completed in all respect will be submitted so as to reach the Branch Manager of the concerned Branch Sales Office within the due time and the date mentioned in the Press Advertisement. No application shall be accepted beyond the specified time and date.
8. Incomplete applications not accompanied by the required documents, applications with insufficient information and applications with any counter condition(s) are liable to be summarily rejected. The application shall remain valid for acceptance up to a period of 60 days from the date of submission.
9. Application will be evaluated generally on the basis of the following parameters:
 - Infrastructure facilities
 - Financial Standing
 - Market reputation.

- Any other criteria which the Company considers necessary to take into account while evaluating the application.

10. Applicant should be prepared to offer his infrastructure facilities for inspection of SAIL team, if necessary. During such inspection all the relevant documents etc. substantiating the statements made in his application should also be produced to the SAIL team's satisfaction.

11. Assessment of the Company shall be final and binding. Company reserves the right to accept or reject any or all the application (s) without assigning any reasons whatsoever.

DRAFT AGREEMENT

This Agreement is made on this ____ day of 20..... BETWEEN Steel Authority of India Limited, a Govt. Company registered under the Companies Act, 1956 having its registered office at Ispat Bhavan, Lodi Road, New Delhi-110003 and also having one of its units known as the Central Marketing Organization (CMO) having its office at 40, Jawaharlal Nehru Road, Kolkata-700071 and the Branch Sales Office at hereinafter referred to as the "the Company" (which expression shall mean and include its successors and assigns) of the ONE PART : AND (name of the applicant firm) a Firm/Company having its principal place of business/Registered Office at hereinafter referred to as the "SAIL Dealer" (which expression shall mean and include his/their heirs, executors, administrators, legal representatives, successors and permitted assigns) of the OTHER PART.

WHEREAS the Company is desirous to appoint its Dealers at various locations and accordingly invited applications from the various prospective parties through press advertisement published in newspapers; AND WHEREAS pursuant to such press advertisement, (Name of the Dealer) have applied for appointment as SAIL Dealer vide Application Form dated enclosing therewith the terms and conditions for appointment as SAIL's Dealer at (location) duly signed by them as a token of acceptance of such terms and conditions; AND WHEREAS the Company after scrutiny has been pleased to appoint M/s _____ as SAIL Dealer at (location) on the terms and conditions set out hereunder :

NOW, THIS AGREEMENT WITNESSETH AS UNDER:

1.1 Definition:

The following words and expressions used in this Agreement shall have the meaning assigned to them except where the context otherwise requires:

- The "Company" shall mean Steel Authority of India Limited (SAIL) having its Registered Office at ISPAT BHAVAN, Lodi Road, New Delhi - 110 003 and also having one of its units known as Central Marketing Organisation (CMO) at 40, Jawaharlal Nehru Road, Calcutta-700071 and its Branch Sales Office at (Name & Address of the Branch to be specified).
- SAIL Dealer shall mean the successful applicant, who shall store, sell and deliver steel materials as authorised by the Company and also to render such services to the customer(s) as per the instructions of the Company from time to time.
- The Plants shall mean the Company's Steel Plants at Bhilai, Bokaro, Durgapur, Rourkela and Burnpur.
- The Stockyard shall mean the premises from where the iron and steel material will be delivered to the SAIL's DEALER.
- "Excepted matters" are those for which the decision of the Company is final as per the conditions contained herein.

2.0 Products Covered:

The Company shall primarily sell TMT Bars & GP/ GC Sheets (individually or in combination), to the SAIL's Dealer, the Dealer(s) can opt for optional "other items" like Light Structural, HR/CR Sheets, MS Wire Rods 5.5mm to 8mm and Pipes upto 8 5/8" diameter from SAIL SPU Bettiah (individually or in combination). In addition, SAIL Dealer may also opt to sell Stainless

Steel Kitchenware The Company shall, however, have the liberty to include any of the product categories/sizes within the production range of the Company, any time during the tenure of this Agreement by mutual consent. In exceptional cases, SAIL may consider supply of GP sheets in coil form against specific request from the dealers. Whereas TMT in 8mm to 12mm sizes shall be supplied in straight length, wherever Dealers are willing, these sizes of TMT can be supplied in coil form also.

3.0 Agreed Monthly Offtake:

A monthly agreed off-take quantity as given in the Letter of Intent for appointment of the Company bearing no. _____ dated _____ shall be lifted by the SAIL Dealer.

3.1.1 The monthly-agreed quantity as indicated in the LOI is reproduced below as under: GP/
GC Sheets
TMT Bars
Other Items (*with itemwise breakup*)
(*Strike off whatever is not applicable*)

In addition, the Dealer has indicated a quantity of SS Kitchenware as per the following breakup, which he intends to lift under the Dealership: (*strike off if not applicable*)

3.1.2 The monthly-agreed offtake or the quantity modified by mutual consent between the Company and the SAIL's Dealer shall be purchased by the Dealer every month.

3.2 SAIL may consider interchange, and / or, enhancement/ reduction in quantities of minimum agreed offtake between TMT Bar / Coils and GP Sheets / Coils and GC Sheets upto 200 tonnes, subject to availability of materials. Similarly, interchange, and / or, enhancement/ reduction may be permitted for "Other Items" upto 100 tonnes. Existing Dealers can also opt for additional items not initially opted for under the scheme within the overall tonnages as envisaged in the scheme. Requests for such interchange, and / or, enhancement /reduction and inclusion of additional items not initially opted for shall be considered once in a year up to 30th April and will be subject to mutual agreement between SAIL and dealers and availability of materials for which enhancement of agreement off-take is asked for. Interchange in category at the supply stage will be allowed only for Other Items.

3.3 Converted Product (embossed with SAIL brand name)/ products from other plants or Service Centers can be supplied under the scheme.

3.4 GP/GC Sheets and TMT bars can be supplied on Sectional weight basis i.e. per piece basis. TMT Bars in Coil Form and GP Sheets in Coil form can also be supplied against specific request from a Dealer.

3.5 SS Kitchenware would be sold only as packaged items primarily in Combination Set.
(*Strike off if not applicable*)

4.1 Maintenance of Stock:

4.2 The SAIL Dealer is expected to maintain stocks of the concerned products during the entire tenure of this Agreement so that the materials can be purchased by their customer(s)/consumer(s) on "Off-the-Shelf" basis and should accordingly plan his/their purchase and place indent on the Company as per the Order Booking and Planning System in vogue to avoid any stock-out situation.

5.1 Delivery of Materials:

5.2 The Company shall deliver the material free of costs towards transportation and unloading activities costs at dealer's premises/destination from the nearest stockyard/consignment agent's yard/ premises of conversion agent/premises of de-coiling agent/premises of service centers. However, such free of cost transportation and unloading at Dealer premises / destination shall be restricted up to 120% of their original / enhanced monthly/quarterly/annual committed quantity.

5.3 In case of a new appointment at a new destination, if transportation contract is not available, rebate of Rs. 200/- per tonne towards freight subsidy is approved for a period of maximum 30 days from signing of contract.

5.4 The weight of quantity recorded at the Dealer premises / destination shall be final. However, shortages up to 20 kg. per truck / 30 kg. per trailer, (or as permissible in the SAIL Road Transportation Contracts from time to time) on the quantity shipped to the Dealer premises / destination shall be accepted by the Dealer. For shortages beyond the permissible limit, the Dealer shall be refunded the amount on recovery from the transporter.

6.1 Price and Incentives:

6.2 The SAIL Dealer shall purchase materials from the nominated Branch/stockyards at his/their cost/expenses and risk on advance payment basis against the offer of the branch concerned. Branches will book orders from dealers on monthly basis and will supply to them as per orderbooking(s).

6.1 The price(s) chargeable for the materials to be delivered to SAIL Dealer shall be ex-stockyard price(s) as may be decided from time to time inclusive of Excise Duty element, sales tax/ VAT, octroi, and any other levies etc. as applicable on the date of delivery in case of sales through stockyard(s).

6.3 An incentive of Rs.100/Tonne on the quantity lifted shall be payable subject to the dealer successfully completing their monthly agreed off-take. An additional incentive of Rs.50/- per Tonne will be payable on the quantity lifted during the financial year subject to fulfillment of annual committed quantity (i.e monthly agreed offtake X 12).

6.2 Cash Incentives of Rs 100 / tonne and Rs 50/- per tonne as above will be payable to Dealers on successful completion of their original / enhanced Monthly and Annual commitments limited up to 120% of their original / enhanced committed quantity

6.3 In addition, SAIL may extend Secured Interest Free credit for 15 days or equivalent cash discount for the quantity purchased by the dealer. The SAIL dealer would be entitled to equivalent cash discount in lieu of the Interest Free Credit component when sale to dealer is on cash and carry basis. For extending secured credit beyond 15 days, the same shall be on interest bearing basis Rate of cash discount in lieu of admissible credit will be as per the rates fixed by SAIL from time to time. No Interest Free Credit or cash discount will be payable/ extended on sale of Stainless Kitchenware.

6.4 SAIL Dealers exclusively marketing SAIL branded products (i.e Exclusive Dealer) shall be extended secured Interest Free Credit/Cash Discount in lieu for 30 days. *(Strike off if not applicable)*

6.5 Agreed offtake would be deemed to have been successfully completed subject to the shortfall in the quantity lifted being a maximum of (-) 2% of their monthly/ annual commitment, as the case maybe. Successful completion will be deemed separately for Main Item and Other items.

6.6 In the event of a failure on the part of the Dealer to complete their commitment during a month, such quantities can be made up over a calendar quarter. Cash Incentives under the scheme shall be payable in such cases upon successful completion of three times the monthly agreed offtake. The Cash Incentives on fulfillment of monthly commitment would also be payable in the event agreed offtake is achieved as per the makeup clause under the scheme.

6.7 Monthly/ yearly cash incentive will be paid on actual quantity lifted subject to successful completion of monthly yearly committed quantity but limited to 120% of their original /enhanced agreed offtake.

7.0 Sales Tax/ VAT and Other Levies:

7.1 All taxes or levies on sale by the Central Govt. /State Govt. /Statutory Bodies/Municipal Authorities etc. as applicable shall be borne and paid by the SAIL Dealer.

8.1 Financial Arrangement:

8.2 The SAIL Dealers under General category shall furnish Security Deposit @Rs.500/MT of agreed monthly off-take or restricted to Rs. 1 lakh, whichever is lower through DD/PO, payable at Branch locations, within 15 days of the date of letter of Intent for appointment issued to the dealer.

8.3 The SAIL Dealers under General category in backward districts, location other than branch locations and towns other than districts headquarters shall furnish Security Deposit @Rs.100 per tonne of agreed monthly off-take or restricted to Rs. 1 lakh, whichever is lower through DD/PO, payable at Branch locations, within 15 days of the date of letter of Intent for appointment issued to the dealer.

8.4 In addition, dealers opting for SS Kitchenware shall furnish Security Deposit @ Rs 20,000/- (For Branch location, District HQs and other than backward Districts)/ Rs 5000/- (for backward districts, locations other than branch locations and towns other than districts headquarters) *(strike out if not applicable)*

8.5 No interest will be admissible to the Dealer against the Security Deposit furnished.

9.1 Terms & Conditions for sale of materials to consumer(s)/ customer(s) by SAIL's Dealer:

9.2 Price:

The SAIL Dealer shall be intimated from time to time the Maximum Recommended Retail Price (MRRP) for SAIL materials to be sold by the Dealers. SAIL Dealers shall display the MRRP prominently at their premises. SAIL Dealers shall also be obliged to charge their customers prices within the Maximum Recommended Retail Price communicated by SAIL.

9.3 Delivery by SAIL Dealers to their Customers:

The SAIL's Dealer shall deliver the material free of costs towards transportation to the premises/site of his/their customer(s)/consumer(s) within Municipal limits/ a radius of 50 km from their yard. The dealer's margin will be as under:

Item	Dealers margin (Rs. /MT)
TMT	1200
GP/GC Sheets	1700
Other items	1200

9.4 Sales Tax and other levies:

In case the customer(s)/consumer(s) claim(s) any exemption or concession for payment of Sales Tax, he/they shall submit the requisite form to SAIL's Dealer, who will be under obligation to pass the concessions to his/their customer(s)/ consumer(s) and claim from the Sales Tax Authorities, the refund of Sales Tax and other levies paid to the Company and the Company shall not take any responsibility for refund of such tax/levy on the authorities concerned.

10.1 Territorial Coverage:

10.2 The SAIL's Dealer shall serve the requirement of the customer(s)/consumer(s) within the territorial jurisdiction for which he/they is/are appointed.

11.1 Storage of Material pending delivery:

11.2 The SAIL Dealer shall take necessary care in respect of the materials during storage pending delivery or during delivery regarding the quality and specifications of the materials and the company will not be responsible in this regard.

12.1 Inspection:

12.2 Company shall have the right and liberty to inspect the Dealers premises at any time during the validity of the agreement and the Dealer shall extend all facilities for such inspection and will have to produce such records and /or documents as may be asked by the Company's representative for verification.

13.1 Settlement of Quality Complaints:

13.2 It shall be the responsibility of the Dealer to provide all the post sales service with regard to his customer(s) including settlement of the quality complaints.

13.3 SAIL will attend to the quality complaints only at the Dealer's premises. However, in exceptional circumstances, SAIL at its discretion may also attend to quality complaints at the premises of the Dealer's customer(s).

13.4 All Quality complaints will be settled, as per the quality complaint procedure of the company in vogue and the decision of the Company's executive shall be final and binding in respect of quality complaints.

14.1 Test Certificates:

14.2 The SAIL Dealer shall provide their customer(s)/consumer(s) with the test certificate(s) as and when demanded by him/them.

15.1 Validity period of the Agreement:

15.2 The Agreement shall be valid for a period of five years from the date of this Agreement, which can be extended, by two years at a time on the same terms and conditions subject to the satisfactory performance of the SAIL's dealers. During the initial tenure of five years there will be a review after two years. Upon review, if performance is not found satisfactory, it may lead to termination of dealership. As regards, the unsatisfactory performance, the decision of the company shall be final and binding upon the SAIL dealers.

16.1 Termination of the Agreement:

16.2 This Agreement can be terminated by the Company by serving written notice of 15 days on the following grounds:

- Repeated failures (more than two quarters) in lifting the agreed quantity, for reasons not attributable to SAIL
- Non-performance/Unsatisfactory Performance
- Adverse Customer feedback
- Repeated complaints regarding sale of material outside his assigned jurisdiction
- Noncompliance of MRRP
- Unsatisfactory performance in any other respect and acts detrimental to the interest of SAIL.

17.1 Sales Promotion:

17.2 The promotion of identified SAIL branded products shall be taken up by SAIL. The SAIL Dealer may use the caption "Dealer of Steel Authority of India Limited" in their letterheads and signboards. The Dealer will also be required to display Sign Boards of a uniform style/colour as specified by the Company.

18.1 System of Feed-back:

18.2 The Dealer shall be required to submit a monthly report as per the format given below:-

(Qty.in M/T)

Sl. No	Plant	Category	Sales		Stocks at the month end
			For the month	Cumulative	

18.3 In addition, the Dealer will be required to furnish the list of customers dealt with and the quantity supplied to them on a monthly basis. These reports should be sent on a monthly basis to the concerned Branch Manager.

18.4 The monthly incentive of Rs 100/ tonne, payable on fulfillment of the agreed offtake, would be paid only upon submission of the monthly feedback.

19.0 General:

19.1 The Company shall have the absolute liberty to sell to any of its customer(s) located in the territorial jurisdiction of the SAIL's Dealer. The Company shall have the absolute liberty to appoint more than one Dealer or to undertake any other activity to enhance its market share and image. SAIL's Dealer shall be required to serve such demands/requirements as would be communicated to him/them by the Company from time to time. The Dealer will not deal with industrial units/institutional customer/Govt. Depts. / PSUs and Projects or should not participate in any kind of tenders without the prior approval of the concerned Branch Manager of SAIL.

19.2 SAIL shall retain the right/option to change the terms and conditions as per its requirements.

20.1 Resolution of Disputes:

20.2 In the event of any dispute/difference whatsoever arising between the parties relating to or arising out of the contract; the parties shall endeavor to resolve such dispute through conciliation as per provisions of the Arbitration and Conciliation Act 1996.

20.3 Conciliation : Any dispute or difference whatsoever arising between the parties relating to or arising out of Contract, shall be settled first by conciliation in accordance with the provision of the Arbitration and Conciliation Act – 1996 and the Settlement so rendered between the parties in pursuance thereof shall be final and binding on the parties.

20.4 In case conciliation fails, all questions, claims, disputes or differences of any kind whatsoever arising between the parties relating to or arising out of the contract shall be referred by the parties hereto for the decision by a Sole Arbitrator to be appointed as hereinafter mentioned.

20.5 The notice regarding the invoking of the arbitrator clause shall be served by registered post and addressed to the Chief Executive of Central Marketing Organization, Steel Authority of India Limited, Ispat Bhawan, Lodi Road, New Delhi.

21.5 Matters in question, dispute claim or differences other than the excepted matters shall be referred for decision to a Sole Arbitrator to be appointed by the Chief Executives of Central Marketing Organization, Steel Authority of India Limited, (by whatever name he may be designated at the relevant time). However, before appointing the Sole Arbitrator the Chief Executive of the Central Marketing Organization, Steel Authority of India Limited shall notify the contractor three names out of which one can be appointed as the Sole Arbitrator with the consent of both the parties, failing which after 15 days of the issuance of the letter informing three names the Chief Executive shall have the power to appoint one of the persons out of the three names so notified as the Sole Arbitrator, which will be final and binding on both the parties.

21.6 In this clause, the expression the Chief Executive of Central Marketing Organization, Steel Authority of India Limited means the Director (Commercial) or any other person delegated to exercise the authority and the power of the Director (Commercial) due to his absence on duty or due to his non-availability for any reason whatsoever.

The Arbitrator, so appointed, shall adjudicate upon all the disputes between the parties hereto.

21.7 The Arbitrator shall hear the cases independently and impartially and shall not represent the interest of any party.

21.8 The question of procedure for conduct of the arbitration proceedings shall be decided by the Arbitrator in consultation with the parties before proceedings with the reference. The Arbitrator may hold preparatory meeting (s) for this purpose. In the preparatory meeting(s) as aforesaid, the Arbitrator in consultation with the parties shall also determine the manner of taking evidence the summoning of the expert evidence and all such matters for the expeditious disposal of the arbitration proceedings.

21.9 EXCEPTED MATTERS as per the contract shall not be the subject matter of Conciliation/ Arbitration.

21.10 The Court at _____ shall have jurisdiction over all matter of dispute

21.11 The venue of the Arbitration shall be the place where the Contract is concluded, or at Kolkata being the Headquarters of the Central Marketing Organization of SAIL. The venue of Arbitration shall be convenient to the parties to the Arbitration.

21.12 Work/supply under the contract shall be continued by the Service Provider under the contract and pending Conciliation/Arbitration proceedings and recourse to Conciliation/ Arbitration shall not be bar to continue with the work/supply.

21.13 The provision of the Arbitrator and Conciliation Act, 1996 and rules framed thereunder, if any, and all modifications/amendments thereto shall deem to apply and/or to be incorporated in this contract as and when such modifications / amendments to the Act/Rules are carried out.

Contact Numbers

REGION	BRANCH SALES OFFICE	CONTACT NOS.
EAST		
	KOLKATA	033-22829298/9313
	DURGAPUR	0343-2545975/2546424
	BHUBANESWAR	0674-2539989
	ROURKELA	0661-2600593
	GUWAHATI	0361-2739753
	PATNA	0612-2320612/2321327
	BOKARO	06542-246439
NORTH		
	NEW DELHI	011-23361950/1951
	GHAZIABAD	0120-2790020/42
	FARIDABAD	0129-2415727
	AGRA	0562-2850697
	KANPUR	0512-2372146/47
	ALLAHABAD	0532-2548646
	CHANDIGARH	0172-2792899
	JALANDHAR	0181-2224198/207
	LUDHIANA	0161-2776101
	M.G. GARH	01765-255351
	JAMMU	0191-2474442
SOUTH		
	CHENNAI	044-2484-6101
	BANGALORE	080-22247099/0061
	COIMBATORE	0422-2213526/2215527
	TRICHY	0431-2414223
	VIZAG	0891-2565229/2566124
	KOCHI	0484-2355605/025
	VIJYAWADA	0866-2545842
	HYDERABAD	040-23240680/0686

WEST	
MUMBAI	022-25229593/94
PUNE	020-25533509/408
NAGPUR	0712-6654200
AHMEDABAD	079-27482063
BARODA	0265-2352395
BHILAI	0788-2224451
GWALIOR	0751-6450422
INDORE	0731-4066774/2434774
JABALPUR	0761-2480682/2411199
JAIPUR	0141-2372434/35
KOTA	0744-2428219