

NATIONAL SEEDS CORPORATION LTD
(A Govt of India Undertaking-Miniranta Company)
Regional Office, Sheikhpura Patna-14

No:Mktg-2/NSC/PTN/11-12

Date 27-05-2011

EXPRESSION OF INTEREST (EOI)

NSC having its Regional Office at Patna for Bihar & Jharkhand States and several Area Offices desires to appoint dealers for the **Kaimur, Jahanabad , Arwal, Nawada, Aurangabad, Jamui, Sheikhpura, Banka, Kishanganj, Supaul, Madhepura, Sivhar, Saharsa, Khagaria, Munger, Lakhisarai, and West Champaran** District in Bihar State. Interested parties may send their proposal/EOI in the prescribed format for dealership, which may be obtained on payment of Rs-100.00 (One Hundred Only), from NSC, Patna Office.

NIT may be seen at NSC website www.indiaseeds.com.

Last date of submission of EOI is up to 3.30 PM on 10-06-2011 at NSC, Regional Office , Sheikhpura Patna.

For further communication contact:-

Regional Manager NSC Ltd Sheikhpura Patna-14. Ph-0612-2287744,

Email-rm.patna@nsc.gov.in, nscptn@sancharnet.in

(R.K.Ram)
Regional Manager

NATIONAL SEEDS CORPORATION LIMITED

Terms & Conditions for NSC Seed Dealership

Introduction

The National Seeds Corporation Ltd. (NSC) arranges large scale production and distribution of quality seed of superior varieties of various crops. In NSC's seed marketing efforts, dealer constitutes an important channel. The Terms & Conditions applicable to NSC seed dealership arrangement are given hereunder and shall form part of the Agreement executed for the purpose.

Eligibility

1. Type of seed seller –

- a. Co-operative Societies/LAMPS/PACS.
- b. Government sponsored Krishi Seva Kendra
- c. NGOs involved in Seed Sector
- d. Individual, firms & corporate bodies.

Registration certificate/proof of business under shop & establishment act should be attached.

2. Past Experience & Turnover: Dealer should have at least 3 years experience in seed or other Agri Input business and should have done an annual average business of at least Rs. 10 Lakhs in last two years.

3. Financial credibility: Dealer should have a good financial standing and good relation with his bankers so that they would extend short term credit facility to small dealers and able to pay NSC in advance or through DD / Letter of Credit/Bank Guarantees. Dealer should submit the following documents.

- a) Income tax return for last three years.
- b) Bank solvency certificate.

4. Storage Facility: Dealer should have good / scientific storage facility for safe storage of seed for minimum 50 MT (attach certificate with dimensions)

5. License/Registration No- Dealer should possess the valid seed sale license /Registration Number (attach copy).

6. Sales Tax / TIN - Dealer should possess the valid Sales Tax / TIN (attach copy)

General Terms & Conditions

7. Appointment: Dealer will be appointed through a letter of appointment signed by the Regional Manager on behalf of the Corporation. Dealer appointment certificate is issued only after his fulfilling all terms & Conditions of Dealer's Agreement. The appointment letter should be prominently exhibited at each sale point.

8. **Validity & Renewal** – Initial validity of appointment is for one year, Renewal is made only after looking to the satisfactory performance of the dealer (including MGT). Dealer has to follow and fulfill the requirement of agreed terms & Conditions strictly to ensure continuation of dealership by NSC.

9. **Area of Operation:** NSC Dealer has to operate in an area of operation as indicated in the appointment certificate and this will be binding on the dealer. However, the right of changing the area of operation is reserved with NSC. The area of operation may be reduced, enlarged or divided at the discretion of NSC management.

10. **Security Deposit:** Every dealer shall furnish a security deposit in cash/DD of Rs.10,000/- for faithful, observance of terms and conditions. No interest would be payable on security deposit. The security deposit shall not be adjusted against the seed cost for the supplies made.

11. **Forfeiture of security Deposit:** In the event of breach of any terms or any condition of dealership agreement, NSC may forfeit the entire security deposit after giving a show cause notice in writing and thus the certificate of appointment and agreement made will be treated as cancelled.

12. **Minimum Guarantee Turnover:** The Minimum Guaranteed Turnover (MGT) to be guaranteed by the Dealer for one year shall be Rs. 15 Lakhs (Billing amount). In case dealer fails to achieve the MGT target, NSC reserves the right to cancel the dealership. In case of more than one party meeting all the requisite terms and conditions for dealership for a particular area of operation then the highest bidder (MGT) will be appointed as NSC dealership for that area. Minimum 3 % of the total turnover of the dealer shall be from vegetable seeds.

13. **Discount:** Dealer discount would be a minimum of 8 % and maximum of 9 % exclusive of 2 % for advance booking. Discount is subject to change from crop to crop and time to time at discretion of NSC management.

However, the dealer has no right to claim discount on the sale of seeds made by NSC directly or by any authorized company/individual or otherwise in his area of operation.

14. **Procedure for Indenting of Seeds:**

a) **Advance booking:** Dealer would give their indents for advance booking by 28th February for Kharif crops and 31st July for Rabi crop season. For this, dealer has to deposit 10% of the seed cost at the time of advance booking for booking purpose only @ indicative price. After evaluating the demand and availability of the seed, NSC shall intimate the dealer the availability of seed stocks, against the booking, with the designated NSC offices/stores, not later than one month beyond the time indicated by the dealer unless otherwise mutually agreed to between the dealer and NSC for pre/postponing the delivery/lifting.

b) **Current Booking:** After the advance booking period, dealer would give his indents on the basis of availability of seeds. In case of current booking dealer shall not be entitled to claim additional advance booking discount.

15. Procedure for supply of Seeds:

Seed supplies will be made to the dealer from nearest NSC office in the State from where the dealer will take delivery. However, for full truck/mini truck loads, NSC would supply on F.O.R. basis direct to the destination in the area of operation indicated by the dealer provided the precise destination particulars are intimated to NSC at least 15 days before the time of requirement or the date of dispatch of the stock from NSC so that superfluous movement is reduced/avoided. The dealer shall begin to lift the stocks within ten days of placement of seed in the concerned NSC's premises and complete the lifting within a period of one month unless/ otherwise mutually agreed to for such extension. The supply of seeds will be based on its availability and the dealer is bound to sale the seed as per declared sale price of seed by NSC.

16. Payment mode:

The dealer shall make necessary arrangement for the value of the seeds requested by him and accept for release by the Corporation. No credit facility is allowed by the Corporation. Payment would be through the following mode:

a) Demand Draft

b) Letter of credit - Against at sight /Usance LC (all charges including discounting charges to be borne by dealer)

c) Against Bank Guarantee – NSC would charge interest @ 12 % per annum for the period between the date of delivery and date of payment from the bank or from dealer. This facility is available for a period of one month only and after that NSC has the right to invoke BG for payment to the bank.

Dealer needs to have good relation with their Banks in order to extend the above services to them.

However the interest charges of 12 % per annum is subject to change.

Quality

17. NSC will supply seed of such quality as it may commit and confirm. The quality standards shall be enforced rigorously at all stages by the dealer, who shall ensure that the seed sold conforms to the statutory quality standards prescribed.

18. The dealer shall be bound to sell the seeds in NSC's intact, original unopened container/ packing with the tag, label & seal on. Under no circumstance the marking, seal or packing shall be altered, broken/tampered with or damaged before or while selling the NSC seeds.

19. The dealer shall arrange safe storage and handling of NSC seed in such a manner as instructed and ensures that it is well protected against deterioration. In the event of decline in seed quality below the prescribed standards, the dealer shall immediately stop the sale of such seed.

20. NSC agrees to refund the seed cost or replace the seed to the dealer if it is proved to the satisfaction of NSC that the seed is sub-standard provided NSC receives the

complaint within ten days from the date of receipt of the seed at the dealer's premises or within 15 days after sowing of seed in case of low germination and within 45 days after sowing in case of genetic impurity of the seed. NSC shall not be responsible for any separate or individual guarantee, which the dealer may give to the buyer of the seed.

21. NSC seed is invariably tested for conformity to the prescribed standards indicated on the label and or the container. The test results are valid for the period specified in accordance with the Seeds Act, 1966 as amended from time to time provided the seed is stored under ideal conditions. For NSC's seed in the dealer's possession, the responsibility for ensuring conformity to the prescribed standards invariably rests with the dealer. NSC shall, however, have the authority to verify compliance in this regard and to take appropriate action in the event of non-compliance.

22. The dealer has to attend quality related complaints within his area of jurisdiction or operation as a representative along with NSC representative.

23. NSC's officer and Govt. dept. officers are authorized to draw samples for inspection of the stock available with the dealer.

24. Seed once sold to the dealer shall not be taken back by NSC .

25. **Termination of agreement:** Either party may terminate the contract by giving 30 days notice to the other party. On expiry of the notice, the agreement shall stand cancelled and revoked; but, without prejudice to the rights of either party against the other in respect of any matter or thing in existence prior to such cancellation/revocation. NSC, however, reserves the right to terminate immediately the dealership without giving any notice as above in the event of contravention of any of the terms and conditions and 100% of the security deposit shall be forfeited. The agreement shall ipso facto terminate if:-

(a) The dealer or any member of the dealer's firm is adjudicated insolvent or effect composition with his creditors;

(b) The proprietor/ partner of the individual concern/firm dies or partners of a partnership concern change or a partnership is dissolved.

(c) The period of the contract expires, unless it is renewed; and

(d) In the event of termination of the contract for any reason, the Dealer shall settle all the accounts of recoverable statement sent by NSC, within 30 days of receipt of the statement.

Dealer will have no right to challenge cancellation of dealership made by the Corporation at its own without assigning any reason.

26. **Promotion:** NSC may from time to time supply to the dealer and his dealers publicity materials, hoardings, posters, signboards, etc as deemed fit or necessary but shall be under no obligation to do so. Dealer has to participate in advertisement and publicity work taken up by NSC Ltd. from time to time.

27. **Arbitration:** Any or all dispute arising out of or under the dealership agreement and/or regarding the execution, implementation or interpretation of this agreement or

any provisions thereof shall be referred to the sole arbitrator to be appointed by Chairman cum Managing Director of NSC in accordance with the provisions of the Indian Arbitration and Reconciliation Act 1996 or any other statutory modifications or re-enactment thereof. Such Arbitration shall be held in the city of Delhi and the proceedings shall be conducted in English/Hindi language.

28. Jurisdiction: All the disputes / differences or claims arising out of the dealership agreement shall have Delhi as its jurisdiction.

Other Terms & Conditions

29. Dealer shall be responsible to submit all sales documents required by NSC to be provided to Govt. and other Agencies for claiming benefits/subsidies from them. Dealer has to get the subsidy certificate verified from the concerned State Govt. authorities and he has to maintain the records/ documents desired by the State Govt. authorities and all under the norms of any schemes.

Dealer shall provide all documents and support related to supply of seeds to NSC official for verification. Such inspection of documents shall be under taken by NSC officials from time to time.

30. The dealer shall neither sell any seed from any other source in NSC's name nor shall sell NSC seed in any other name.

31. In the event of the dealer's failure to lift the stocks under advance booking scheme within the time limits fixed, the NSC reserves the right to sell the same directly or through the dealers or handle the stocks as deemed fit/necessary and deduct 10% of the seed cost as liquidated damage from the dealer's security deposit/advance booking deposit.

32. NSC shall not be responsible for any damage to the seed after delivery to the dealer on account of inclement weather, poor management, bad storage, defective transit/handling etc. on the part of the dealer.

33. The dealer is free to sell/supply the seed to any buyer including Govt. Departments in its jurisdiction upto NSC declared MRP of the seed by way of general sales. However in case of sale to Govt. dealer has to obtain prior permission from NSC.

34. The dealer is not entitled to handle minikit seed supplies and similar such special schemes/projects and also not eligible for claiming any discount against such supplies.

35. NSC reserves right to amend or change terms and conditions of dealership appointment as when required and the same will be binding upon the dealer.

36. Force Majeure: Any default or supply of product by NSC shall not give rise to any claim for damages against NSC, if and to the extent caused by force majeure or matters beyond the reasonable control of NSC including but not limited to causes of acts of GOD, acts of Government Authority, strike or other concerned acts of workmen, riots,

floods, explosion, breakdown of plant, extraordinary severe weather conditions, civil commotions etc.

EOI document/Application form is available at our **Regional office Patna**. Interested parties can purchase the Application form by paying Rs 100.00 in cash/DD.

The interested party for seed dealership should submit the following in a sealed envelope by 10th of June-2011 up to 5.00 PM.

- 1) Duly filled in Application Form in prescribed format
- 2) Terms and condition duly signed.
- 3) EMD of Rs 10,000.00 (Refundable) through DD payable at "Patna" in favour of "National Seeds Corporation Limited".
- 4) Proof of Tender purchase.

ADDRESS FOR SUBMISSION

**Regional Manager
National Seeds Corporation Ltd.
Sheikhpura, Patna-14**

National Seeds Corporation Limited
(A Govt of India Undertaking –Miniratna Company)
Regional Office- Sheikhpura, Patna-14.

Application Form for Seed Dealership

1. Name of firm/company/individual-
(In Block letters)
2. Name of the owner/ partner-
3. Qualification-
 - a. Educational
 - b. Professional
4. Category-
 - a. SC
 - b. ST
 - c. BC
 - d. Others
5. Postal Addresses of the firm-
6. Contact number of the firm-
 - a. Phone Number-
 - b. Mobile Number-
 - c. Fax Number-
 - d. E-mail address-
7. Whether firm is registered or not-
if Yes Registration No. Yes/No
& date-
8. Sale Tax number (Tin no.) –
9. Bankers/ Name and Address-
10. Exact Name of location/territory-
For which dealership is applied. District-
11. No of sale point proposed-
12. Full address of the sale point-
13. How much total sales turnover can be achieved (in lakhs)-
14. Professional experience in handling agricultural inputs (In Years)
 - a. Seeds-
 - b. Fertilizers-
 - c. Pesticides-
 - d. Others

15. Name of other firms/ institution which dealership is presently held-

16. Is this the first time NSC dealership is sought? Yes/No
If No details of previous dealer for NSC

From	Year	to	Reason for discontinuing
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17. Any other relevant information .

Declaration

I/ We have gone through the NSC's seeds dealership terms and conditions and agree to abide by them. The above facts are true to the best of my knowledge.

Signature
(authorized person in case of firm)

Name
Seal
Date

Encl.

- 1) Duly filled in Application Form in prescribed format
- 2) Terms and condition duly signed.
- 3) EMD of Rs 10,000.00 (Refundable) through DD payable at "Patna" in favour of "National Seeds Corporation Limited".
- 4) Proof of Tender purchase.
- 5) Tin No certificate
- 6) Warehouse/ Storage Facility Certificate
- 7) Seed license/ Registration