

CORPORATIONS RULES FOR MARKETING ASSISTANCE FOR  
PRODUCTS MANUFACTURED BY THE SSI UNITS IN KERALA

In order to help the SSI Sector in Kerala to market their products against stiff competition being faced by them both within and outside the state, the Marketing Division of Kerala SIDCO has formulated various schemes. The schemes now being implemented by the Marketing Division are:-

1. Tender Marketing
2. Display and sales of products through the various SIDCO Sales Emporia.

These rules have been framed for the successful implementation of the Scheme.

1. **Eligibility:**

All the registered SSI units in the State are eligible to apply for membership under the above schemes. But the Corporation reserves the right to reject admission to any unit to the Scheme, without assigning any reason whatsoever.

2. **Registration:**

- a) The SSI units desires of getting registration under the scheme shall submit an application in the prescribed form in APPENDIX-A.
- b) All the particulars required in the application form shall be furnished by the applicant, failing which the application is liable to be rejected.

- c) The Corporation shall have the right to request any applicant to produce any Certificates from any authorities as may be found necessary and relevant for considering the application.
- d) The authorised officers of the Corporation will have the right to inspect the unit, whenever found necessary before and after registration.
- e) The registered units shall abide by the instructions issued by the Corporation from time to time.
- f) The Corporation reserves the right to cancel the registration of any erring Unit after giving them opportunity to submit their explanation, if any, for not canceling the registration.
- g) The registered units shall not have the right to raise objections for registering other units under the schemes, and decision of the Corporation with regard to registration will be final and binding on the Units.

### 3. **SCHEMES:**

#### I. **Tender Marketing:-**

- a. The Marketing Division of the Corporation and its Nominated Officers / Managers of Sales Emporia shall participate in tenders floated by Government / Government Undertaking / Co-operative Sector / Private Sector etc. on behalf of the SSI units registered with the Marketing Division as described in Rule I above. The Nominated Officers as above / Managers, Sales Emporia before participating in such tenders (either against notification or otherwise), shall hear from the member units (by communicating the particulars of tender either in writing or personal contact) and the counter offer thus received will be examined before

finalizing the rates to be furnished in the Tender. But no member units shall have the right to question regarding non receipt of such enquiry from the Corporation in respect of any tender.

- b. The member unit at the request of the Corporation shall remit necessary EMD / Security Deposit as insisted upon by the purchaser from time to time. The amount so remitted shall be refunded to the supplier within one week after receipt of the same from the purchaser.
- c. When the rates offered by the Corporation are accepted by the purchaser and order placed with SIDCO, the Corporation shall have the right to distribute the work in full or part, among the member units, depending their capacities to supply the items.
- d. The Corporation will have the exclusive right to add the service charges as applicable in each case to the rates quoted by the member units while furnishing tenders to the purchaser.
- e. The Work Order once rejected or enquiries not responded will be treated as a disqualification of the member units and thus the registration of such units are liable to be cancelled.
- f. The member units shall not correspond directly with the Purchaser or participate in the tender in which SIDCO is participating and any violation of this condition will entail de-registration of the unit.
- g. The member units shall execute an agreement with the Corporation as may be required from time to time. The Rules, Instructions, Guidelines herein contained and conditions for the supply issued by the Purchase Department in each case shall be binding on the member units.
- h. The Corporation shall have the right to impose penalty and the right to realize from the member units, the loss, if any, sustained by the purchaser on violation of the conditions herein contained or any of the conditions that may be stipulated by the Corporation or by the conditions that may be stipulated by the Corporation or by the purchaser from time to time.

- i. The member units supplying the items against the Tender submitted by SIDCO may request for an advance of 75% of the cost of the items supplied, provided the supply has been completed to the entire satisfaction of the Purchaser, and the Corporation reserves the right in sanctioning such advances subject to availability of funds. The advance so made will attract interest at the rate that may be decided by SIDCO from time to time (generally  $\frac{1}{2}$ % higher than the prevailing Bank Rate at which SIDCO avails such credit from Banks/ Financial Institutions).
- j. The member units receiving supply order from the Corporation are liable to execute the orders based on their counter offer failing which, the Corporation shall have the right to impose penalty and have the right to realise from them the loss sustained or claimed by the Purchaser.
- k. Marketing Division/Sales Emporia of the Corporation shall make the final payment to the member units within seven days of the receipt of the full value of invoices from the Purchaser after making deductions towards advances paid, interest due, cost of any raw material supplied, surcharge etc.
- l. The Supplier is liable to execute an agreement with the corporation in the form as prescribed in Appendix – B for the satisfactory performance of the Contract.
- m. The Corporation shall have the right to form consortia of units manufacturing same products and also to have a common brand name to compete in the Tenders floated by various Organisations and to distribute the orders thus received among the member units according to the capacity of the units.

## **II. Display and Sale of Products:-**

- a. The member unit may apply to the Marketing Division / Managers of Sales Emporia to display and sell their products through SIDCO Sales Emporia, but no units can claim for extending such facility to it as a matter of right. The decision of the Corporation in this regard will be final and binding on the member unit.
- b. The member unit after getting confirmation from Marketing Division / Managers of Sales Emporia shall deliver the items in the Sales Emporia with a list containing relevant particulars pertaining to manufacturer and cost etc. of the items and the Manager shall issue receipt of acknowledgement of the items to those units.
- c. The Manager, Sales Emporia reserves the right to sell the products under Tender Marketing Scheme or Hire Purchase or Outright Sales as he may deem fit.
- d. The member Unit shall claim the sales proceeds less the service charges applicable thus sold as scheduled hereunder:-
  - i) Outright Sales of Stock : Full cost immediately after sale
  - ii) Hire purchase Sale : 50% of the cost of stock sold on a monthly basis and balance 50% within three months from the date of sale.
  - iii) Supply against Tender Marketing : 75% of the cost within one month as interest bearing advance and the balance within one week after final payment is received from buyers

- e. The Supplier unit is liable for free service during guarantee period and after sales – service of the equipments sold through SIDCO Sales Emporia or repairs to articles necessitated due to manufacturing defects. The member unit will be liable to SIDCO for all costs and damages on account of any litigation that may arise as a result of poor quality / performance etc. of good / equipments supplied through any of the above schemes.
- f. The supplier units shall take back the items stocked if it is sold within three months from the date of delivery within 3 days of receipt of such notice from the Marketing Division / Sales Emporia.

All legal disputes are subject to jurisdiction of Ernakulam Court only.

Sd/-  
MANAGING DIRECTOR

**APPENDIX – A**

**APPLICATION FOR REGISTRATION UNDER SCHEME FOR  
MARKETING ASSISTANCE TO SSI SECTOR**

- 1) Name & Address of the Applicant :
- 2) Name & Address of the Unit :
- 3) SSI Registration No. :
- 4) Sales Tax Registration No. :
- 5) Telegraphic Address / e - mail id if any :
- 6) Telephone No. / Mobile No. if available :
- 7) List of Machines installed and their brand and cost :
- 8) Name of Raw materials used :
- 9) Prime products manufactured :
- 10) Annual Production Capacity in terms of cost :
- 11) Date of Commencement of production :
- 12) a) Have you ever exported your products :  
b) If so, give details :
- 13) Details of quality marketing obtained :
- 14) Name & Address of your Bankers :

- 15) Have you any liability to Financial Institution :  
if so, furnish details :
- 16) Are you prepared to supply the articles under the :  
Brand name of SIDCO, if so required :
- 17) Have you been debarred by any Department for :  
supplying your products to it. If so, give details :
- 18) Any other information which you consider :  
to be relevant :

I / We hereby declare that I/ We have read the rules of Kerala SIDCO attached with the application form regarding the marketing assistance to S.S.I Sector and that the information furnished above are correct. I/We also agree to abide to the rules of SIDCO and conditions of the Purchasing department to me/us by SIDCO from time to time.

SIGNATURE OF THE APPLICANT

Date:

**APPENDIX – B**

Agreement executed ..... day of  
 .....between .....  
 .....  
 .....SSI Unit registered as No. ....  
 ..... with the State Industries Department  
 (hereinafter called the supplier) on the one part and  
 Shri.....Head Marketing  
 Division Kerala SIDCO Kadavanthara Kochi – 20 (hereinafter called ‘The  
 Tenderer’) of the other part.

Now these present witnesses as follows:-

1. The Tenderer after collecting counter offer from the supplier participated in the Tender notified by ..... (hereinafter called the purchaser) vide notification / Reference No. .... dt. ....For the supply of .....
2. The Tenderer is awarded with the contract for the supply of ..... Scheduled herein which shall form part and partial of this agreement.
3. The Tenderer has participated in the Tender on behalf of the supplier under Tender Marketing Scheme and the contract thus awarded to the Tenderer has been passed on to the supplier vide Order /Ref. No. .... dt.....
4. The supplier hereby agrees to supply the items scheduled herein to the purchaser on behalf of the Tenderer at the rates mentioned in the order referred to clause (3) above.
5. The supplier hereby agrees that the goods supplied to the purchase under this agreement shall be of good quality and workmanship and shall be strictly in accordance with the specification and particulars contained in the work order and the supplier also hereby guarantees that the said items would continue to conform to the description and quality aforesaid for a period of .....

..... from the date of delivery of goods to the purchaser and notwithstanding the fact the purchaser have inspected and approved the said goods. If during the aforesaid period the said goods be discovered not to conform to the description and quality aforesaid and have deteriorated the purchaser will be entitled to reject the said goods or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection the goods will be at the suppliers risk and all the provisions herein contained relating to the rejection of goods etc. shall apply. The Supplier shall, if so called upon to do, replace the goods etc. or such portion thereof as if rejected by the Purchaser. Otherwise the supplier shall pay to the Tenderer such damages as may arise by reasons of the breach of the conditions herein contained. Nothing herein contained shall prejudice any other right of the Tenderer in that behalf under this agreement or otherwise.

6. The Purchaser agrees that the time is the essence of this agreement and if supply is not effected as scheduled the Tenderer shall have the right to impose penalty at 10% for failure to keep time schedule.

7. If the supplier defaults in the supply of all or any of the items correctly and promptly as above, the Tenderer is at liberty to procure the same from elsewhere with or without canceling the order as a whole or part. If the Tenderer incurs in procuring such items a higher cost than the agreed rate such excess cost will be recovered from the supplier by any means including invoking provisions of the R.R. Act.

8. The special conditions of the Purchaser and the work order, if any, will be binding on the supplier.

9. The losses, if any, sustained by the Tenderer in this transaction and due to violation of the conditions of this agreement of the purchaser will be realized from the supplier by any means including invoking the provisions under R.R. Act.

In witness whereof Shri. ....  
the Tenderer and Shri. ....  
the supplier has hereunto set their hands the day and year first above written.

Signed by the Head Marketing Division.

In the presence of witnesses:

1)

2)

Signed by Shri.

In the presence of witnesses

1)

2)

Note: If the agreement is executed in favour of Manager, Sales Emporia, the preamble may be altered as such.