



BHARAT SANCHAR NIGAM LIMITED

O/o Chief General Manager, Telecom,
Orissa Circle, Bhubaneswar

Expression of Interest for

**CFA Franchisee ship of BSNL for the Sales Marketing and Distribution of its
Services in _____ territory
(Includes _____ SSAs / Areas)**

EOI No: CFA-OR/PMSM-051/2010/ 11 Dated:24/08/2010

Signature of the Bidder.....

Name of Bidder.....

Code of the CFA Franchisee territory
for which EOI is being submitted

Last date of submission/Date of opening of Bid

Signature and Seal of issuing authority

EOI for Appointment of Exclusive CFA Franchisees

This document contains 35 pages including the cover page. Please check that all the pages are intact in the document.

CHECK LIST FOR BIDDERS / APPLICANTS.

1. The Bidder should ensure that all documents and papers submitted in this EOI are fully authenticated by the authorized signatory under his signature with official seal wherever applicable.
2. The following documents form part of the EOI and should be submitted with EOI:

S. No.	Documents to be submitted	Documents submitted	
		Y or N	Page No. at which Document Attached
1	All pages of this EOI document, duly signed by the authorized signatory in a token of acceptance of all terms and conditions by the bidder. Any other document submitted by the bidder should also be signed by the authorized signatory.		
2.	Duly filled application form for individuals/companies/firms (PART-C, Annexure-G, H&I).		
3	In case, the EOI document is downloaded from Internet, then a DD of Rs..... as cost of the bid document from a Nationalized / Scheduled Bank should be attached.		
4.	General Power of attorney in favour of the signatory signing the EOI documents. It is not required in case of proprietary/partnership firm if the proprietor/partnership himself signs the documents.		
5.	Attested copy of Article or Memorandum of Association or partnership deed or proprietorship registration as the case may be.		
6.	Attested copy of LST/CST/Service TAX Registration number, if applicable.		
7.	Attested copy of PAN/GIR Number/CIN/DIN Number.		
8.	Attested copy of current & valid clearance from Central and State Sates Tax authority if applicable.		
9.	Bank guarantee towards EMD / Bid security issued from a nationalized / Schedule bank on non-judicial stamp paper of Rs.100/- (format enclosed) and valid for 180 days from the date of opening of EOI.		
10(a)	Attested copy from CA of turn over details for the years 2007-08 & 2008-09 (P&L Account) Turnover certificate item wise.		
11(a) 11(b)	Certificates for experience in dealing with telecom or FMCG or Electronic/Electrical goods for last 2 years as on the date of opening of EOI with duly attested supporting documents. List of retailers with address.		
12.	Proof of ownership/rent-deed/supportive documents, showing the clear title to the office space. The office space is to be ensured within 15 days of LOI (Letter of Intent) for Franchisee ship.		
13.	Any other supporting documents as asked for or called for.		

3. **Every additional document submitted and every page of the EOI document shall be duly signed by the authorized signatory as a token of compliance and acceptance to all terms and conditions.**



Bharat Sanchar Nigam Limited
O/o Chief General Manager,
Orissa Telecom Circle

Details of the Franchisee territory for which the franchisee ship is applied

(To be filled by the applicant)

Code of CFA Franchisee	SSA(s)/ Area covered	Primary SSA/ Area	Class of CFA Franchisee

Name and address of the firm

.....

Phone No. (s) :

.....

Office :

.....

Residence :

.....

Mobile :

Details of the EOI Document Cost and Ernest Money Deposit:

Particulars		Issuing Bank with branch name	Issuing date	Validity	Amount (Rs.)
EOI Document cost (Details to be given in case EOI document is download from Internet)	DD No.....			N/A
EMD (in the form of BG/DD)	BG/ DD No.			Valid upto

Seal & Signature of Bidder

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Bharat Sanchar Nigam Limited

**O/o Chief General Manager,
Orissa Telecom Circle**

PART- 'A'

NOTICE INVITING EOI (Expression of Interest) for BSNL CFA Franchisee

EOI NO. CFA-OR/PMSM-051/2010/11 Dated 24-08-2010

Sealed EOIs (location wise) are invited on behalf of CMD BSNL by CGM Orissa Telecom Circle for selection of CFA Franchisees for sale of Fixed Access BSNL services and products from eligible and willing parties for various CFA Franchisee territories in different SSAs as mentioned in Table-I below.

Table –I

Code of CFA Franchisee Territory	SSA(s)/ Areas covered	Primary SSA/ Area	Class of CFA Franchise territory
ORS - 01	Bhubaneswar , Berhampur and Koraput	Bhubaneswar	Class B
ORS - 02	Cuttack, Dhenkanal_Keonjhar, Balasore and Baripada	Cuttack	Class C
ORS - 03	Sambalpur, Rourkela, Bolangir, Bhawanipatna and Phulbani	Sambalpur	Class C

Code of CFA Franchisee Territory	Class of CFA Franchise territory	EMD Amount (In Rs.)	Cost of EOI Document (In Rs.)	Date of sale of Eoi Document	Last Date & Time for Bid submission	Date & Time of Bid opening
ORS-01	B	1,00,000	520	From 30-08-2010 to 20-09-2010	13 00 hrs of 21-09-2010	15 00 hrs of 21-09-2010
ORS -02	C	50,000	520			
ORS -03	C	50,000	520			

Eligibility Requirements for BSNL CFA Franchisee-ship for each franchisee territory

1. All proprietorship firm, partnership firms and company of Indian origin fulfilling following criteria are eligible to apply.

Turn over:- Turn over is defined as sales proceed as per audited P&L account, submitted for last two financial years i.e. for 2008-09 & 2009-10. A copy of income tax return should also be submitted along with. For fulfilling eligibility, annual turnover in each of the two years should be as below:

- a. Rs. 40 Lakhs for Class B territory
- b. Rs. 10 Lakhs for Class C territory

EOI for Appointment of Exclusive CFA Franchisees

Experience:- Interested party must be **dealing in distribution** of products in Telecom or FMCG or Electronic/Electrical goods industries, for last 2 Years.

A detailed product list for FMCG industry is provided in Annexure-A. A wholesale or stockiest business experience in the above categories would not be considered as distribution experience. A copy of certificate from Telecom or FMCG or Electronic/Electrical goods Company/ industry should be attached.

Space: - Interested party must ensure **office space** (carpet area) of size 250-300 sq.ft. For BSNL CFA Franchisee ship operations in commercial area in the primary SSA/ Area. Space is to be ensured within 15 days of LOI for award of CFA Franchisee ship. Requirement of showroom is not there, however, office space needs to be available.

Exclusivity:- Parties and their legal heirs partners, sister concerns who may be authorized distributor/ wholesaler/ franchisee/ agent of BSNL's competitor's basic/ mobile/ internet service/ products should cease to continue with them forthwith when BSNL's CFA Franchisee ship is awarded to them. If in future or at the time of inspection or agreement if it comes to notice of BSNL that the bidder has failed to discontinue the franchisee ship/distributorship of BSNL's competitors in basic/mobile/internet services/products, that shall be one of the grounds for termination of the agreement forthwith

2. Bid document will be available from 30-08-2010 on any working day, on payment of above mentioned bid document cost (non-refundable) in the form of cash/ crossed bank draft in favor of Accounts Officer (A&P), BSNL O/o C.G.M.T., Orissa Circle, Bhubaneswar.
3. **Submission of EOI:-** Separate EOI should be submitted for each vacant territory and each EOI should be super scribed with "CFA Franchisee-ship for territory (CFA Franchisee Territory code)" and it should be dropped in drop box kept in the office of DGM (PMSM-CFA), Room No.321, 3rd Floor, Doorsanchar Bhawan, Unit-IX, Bhubaneswar, 751022.
4. **Opening of EOI:** – EOI shall be opened territory wise as per schedule attached, in the office of the DGM (PMSM-CFA), Room No.321, 3rd Floor, Doorsanchar Bhawan, Unit-IX, Bhubaneswar, 751022. in the presence of bidders/authorized representatives of the bidders who wish to be present.
5. Fee for EOI Document is neither transferable nor refundable.
6. EOI document may also be sent by Registered Post or delivered in person on the address mentioned by the Circle. The responsibility for ensuring that bids are delivered in time would rest entirely with the bidder.
7. Bids submitted shall be valid for 180 days from the date of opening of bids.

PART 'B'

Section 1: Roles and Responsibilities

A. Geographic area

- a. **Definition of Geographical areas:** All CFA Franchisees shall have well defined geographical area. This will be their territory and the franchisee must fulfill all the requirements as per the policy in this territory only.
- b. CFA Franchisee is **not allowed to sell outside their defined territory** in any case (except in cases where the franchisee has been allowed to sell in a territory for a limited period through a look-after arrangement). Any violation is to be viewed seriously and the agreement with such CFA Franchisee be discontinued and the CFA Franchisee may even be barred for further dealing with BSNL for a period of 3 years in case the violation so warrants.

B. Responsibilities of CFA Franchisee

- a. **Selling** of BSNL Products and services (as listed below) assigned to them, directly or through sub-franchisees or its Feet on Street (FOS)
 - The Consumer Fixed Access (hereafter called as CFA) products mandated for sale include the following:
 - i) Landline New Telephone Connections (NTCs)
 - ii) Pre & post paid Broadband connections
 - iii) India Telephone Cards (ITC) /VCC
 - iv) Integrated Services Digital Network (ISDN) connections-both BRI & PRI
 - v) Value Added services on Landlines such as Virtual Private Network (VPN), Centrex & other IN services like toll-free nos., UAN, UPN, PRM etc.
 - vi) Public Call Offices (PCOs)
 - vii) Prepaid Broadband Recharge vouchers
 - viii) Other Intelligent Network (IN) and Value-Added Services(VAS)
 - ix) Any type of cash cards usable on wire-line products
 - x) Landline & Broadband Value Added services as defined from time-to-time
 - xi) Any other wire line based product of BSNL

Other products (non – CFA products) mandated for sale includes the following:

- xii) Wireless-in local Loop (WLL) – both pre-paid and post paid
- xiii) Fixed wireless terminal (FWT)
- xiv) Data Cards and Wi-MAX connections
- xv) Post-paid SIMs

However, **targets would be given to the franchisee only on CFA product sales (item number (i) to (xi) above). These will be further referred to as CFA Franchisee's primary products. Item number (xii) to (xv) constitutes secondary products on which no target setting would be done for CFA Franchisee.** The CFA Franchisee shall sell only the products mentioned above and he won't be allowed to sell other Mobile products like prepaid SIMs/ Mobile Recharge vouchers etc. BSNL reserves the right to revise the product list any time.

b. **Mode of Sales to be deployed by the CFA Franchisee shall include the following:**

- i) Primarily Own Feet-on-street (FOS) to focus on residential customers as per BSNL issued norm. The franchisee is expected to sell by means as defined below:
 - Tie-up with builders/ Residents' Welfare Associations
 - Door-to-door selling in Apartment societies/ outdoor promotion events
 - Outdoor promotion events, exhibitions, as per BSNL guidelines at its own cost etc

Norm for FoS appointment:

CFA Franchisee has to ensure a minimum of 1 FOS for every 4000 non broad-banded wire-line connections in the territory allotted to him. The norms may be changed by BSNL based on market requirement. CFA Franchisees will be required to ensure meeting any changes in the norms within 1 month of any such change communicated by BSNL.

- ii) Tie-ups with organized/unorganized Points of Sale (Points of Sale like electronic shops, PC retailers, etc) on non-exclusive basis such that there is a tie-up PoS available at every 1 Km in commercial area & every 2 Km in residential area.
- iii) Percentage of leads shared by BSNL with CFA Franchisee. Lead refers to expression of interest by a customer in availing BSNL's products/services. Leads do not include confirmed sales. No leads coming in BSNL Customer Service Centers would be shared and only the leads coming in call centers would be open for sharing with CFA Franchisee.
 - During the first 3 months of CFA Franchisee's appointment, 25% of the leads will be shared & thereafter, the percentage of leads shared will depend upon the concerned CFA Franchisee's conversion ratio of the leads shared in the previous 3 months as follows:

Conversion ratio in previous 3 months	% of leads to be shared
Up to 10%	5%
Greater than 10 & up to 20%	15%
Greater than 20 & up to 30%	25%
Greater than 30%	35%

BSNL reserves the right to vary the percentages of leads sharing or even withdraw the lead sharing anytime during the currency of this agreement.

- iv) **Generation of demand** for services permitted by BSNL through active door to door sales, outdoor marketing, promotions & events.
 - v) Other modes of generating and servicing demand as found effective by the CFA Franchisee.
- c. **Meeting and exceeding all targets** set by concerned SSAs in the territory allotted to the CFA Franchisee. CFA Franchisee will be responsible for meeting these targets through all channel entities working under him.
- d. **CAF Collection**, verification (physical verification, if required)) and **timely submission** of documents to BSNL as per regulatory guidelines and BSNL instructions. The franchisee shall be responsible for document collection & submission from all channel partners of all products/services sold by them. All Customer Application Forms should be submitted in a BSNL Customer Service Center within a period not exceeding 24 hours from collection of documents from the customer. The CFA Franchisee has to verify the customer credentials both as per documents submitted as well as per physical verifications as per BSNL instructions from time to time. Also, he may be required to do data entry of the forms and signature capturing/ scanning, as required by BSNL. CFA Franchisees will be responsible for the verifications done by all the channels employed by them i.e. sub-franchisees/PoS/retailers working within their network.
- e. CFA Franchisee shall try to **redress** customer complaints on the spot. If required, help from BSNL call centers may be taken. Remaining complaints can be forwarded to designated BSNL official for further disposal. **Customer Service shall include** prompt escalation of fault/issue requiring attention from BSNL. The Franchisee should also apprise the customers of available BSNL schemes. This should be done by CFA Franchisee at no extra cost to BSNL or inconvenience to the customer.

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- f. The CFA Franchisee should setup **operations** (installation of facility, manpower deployment & management) in such a way that in case of any service enquiry from the prospective customer, the FoS of the CFA Franchisee should service the customer within 2 hours.
- g. **Appointing required number of FoS** (Feet-on-Street) exclusively for BSNL to sell the company's products as defined in Section 1.B.b.(i). Information to BSNL shall invariably be provided if the CFA Franchisee appoints new alliance partners. The CFA Franchisee shall ensure presence of FoS in each of the SSAs in the allocated territory. FoS recruited shall preferably be local resident of the location he/she is likely to sell in. No channel partner of BSNL (e.g. DSA) can serve as a FoS of CFA Franchisee while continuing direct partnership with BSNL. Number of FoS appointed shall be based on the productivity criteria of 20 connections per FoS per month. The CFA Franchisee should ensure that all legal/statutory / labour provisions are taken care of while appointing FoS. It is clarified that the personnel employed by the Franchisee as FoS shall be the sole employees of the Franchisee and BSNL shall have no financial or statutory responsibility towards them. CFA Franchisee shall be directly responsible for timely submission of customer application forms, payments received from the customers and other such obligations under this EOI to BSNL..
- h. **Sub-Franchisees** are to be appointed by CFA Franchisee on an exclusive basis for sale of telecom products. CFA Franchisee is free to appoint sufficient number of sub- franchisees at suitable locations. Sub-franchisee will be serviced by CFA Franchisee and should be exclusive to BSNL for selling the telecom products for which mandate is given to CFA Franchisee. The sub-franchisee should not be found selling the products of BSNL's competitors. Franchisee should ensure that all legal/statutory/labour provisions are taken care of while appointing Sub-Franchisees. BSNL would not be liable, in any manner, whatsoever, towards the sub-franchisee. CFA Franchisee shall be directly responsible for timely submission of customer application forms, payments received from the customers and other such obligations under this EOI to BSNL from its Sub- Franchisees. In rural areas, CFA Franchisee is encouraged to appoint capable local sub- franchisee(s). BSNL Nodal Officer should be informed for appointment of any sub- franchisee.
- i. **Assisting, cooperating and following instructions issued by** the Nodal Officer or any other BSNL employee appointed by BSNL and provide him/her required details as specified by BSNL.
- j. Providing **List/Details** of FoS to BSNL. **Creating Alliance partnerships** with various Points of Sales (PoS). Information shall invariably be provided to BSNL if the CFA Franchisee appoints new alliance partners. In case of conflicts with existing partnerships of BSNL, the decision of BSNL will be final on PoS partnership of the CFA Franchisee. **All details and information** (including but not limited to FoS details, alliance partners, etc.) as per BSNL format to company officials as per frequency specified.
- k. **Demand servicing shall include serving its PoS tie-ups and sub-franchisees** at their doorsteps. CFA Franchisee must ensure that BSNL products & sales and marketing collaterals provided by BSNL are available to its FoS/ alliances/ sub-franchisees in sufficient quantity.
- l. CFA Franchisee must ensure that no black-marketing or mal-treatment to customer is done through its network. CFA Franchisee should not try to take more than his authorized percentage of leads as per the clause in (iii) above. In case he is found to be taking leads from call centers etc beyond his quota of leads either directly or indirectly, it would be treated as a breach of tender condition. In case of any breach of this clause, BSNL would have the right to take punitive measures as it deems fit against the concerned CFA Franchisee. The measures may include termination, blacklisting, forfeiture of Bank Guarantee, etc.
- m. CFA Franchisee shall support BSNL in various market development activities including:
- Popularizing new products and energizing market launch for the same
 - Performance tracking & reporting
 - IT enablement as per BSNL's instructions
 - Gathering market intelligence

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- n. Appointing sufficiently trained IT manpower to support IT enablement as per BSNL's instructions if any.
- o. Receiving **advertisement/ marketing material** from BSNL, displaying them and distribution to FoS, sub-franchisees and PoS tie-ups, if any at their premises.
- p. Promotion of **BSNL brand(s)** at Franchisee's cost.
- q. **Timely submission** of bills and claims to the nodal officer
- r. **Issue receipts:** At the time of booking of any new connection CFA Franchisee shall issue a temporary receipt to the customer. This receipt should clearly indicate that it is a temporary receipt and the cash/ cheque /pay order has been accepted by the CFA Franchisee (and not BSNL). It should also mention that regular receipt issued by BSNL will be delivered within a week's time for future reference. Temporary receipt issued by Franchisee to Customer should be serial numbered and the Franchisee should have no objection in getting the receipt book inspected daily/ weekly basis by Nodal Officer in order to ensure that all payment received by franchisee are remitted to BSNL. The Payment received by the Franchisee shall be deposited in BSNL on the same day or the day following so that necessary action regarding provision of the connection gets initiated immediately.
- s. CFA Franchisee will be responsible for all the work done through its FoS & other channel partners like PoS tie-ups, sub-franchisees, etc.

C. Responsibilities of BSNL

- a. Appoint Nodal Officer for CFA Franchisees in each SSA . Nodal Officer for CFA Franchisee & DGM/AGM/SDE (CFA-Sales) would endeavor that any bill of CFA Franchisee commission submitted is cleared within 21 working days. The CFA Franchisee will submit commission bills at predefined periodicity to the nodal officer responsible for the products against the sale of which the bills are being submitted.
- b. Communicate the targets for next calendar month on each parameter defined in 'Performance Management System' section on or before 25th of previous month. In case of holidays, it should be communicated on or before last working day before 25th. Any exceptions to this have to be approved directly by GM (Consumer Fixed Access) at circle office. There is no migration permitted from existing BSNL Franchisees to new CFA Franchisee ship. Existing Franchisees who have opted out for CM Franchisee ship have to apply afresh for getting CFA Franchisee ship.
- c. Monitoring the CFA Franchisees' performance. Performance monitoring should include daily interactions of Nodal Officer(s) with CFA Franchisees.
- d. Resolution of issues (including supply of products, commission payment, servicing of retailers, cross-selling, etc.) raised by CFA Franchisees, nodal officer and any other member of the Sales & Marketing team. DGM/AGM (CFA-Sales) must maintain a log of all complaints received and provide regular update to SSA Head on action taken to resolve outstanding issues.
- e. The following items shall be given to CFA Franchisees for performing their responsibilities, including for demo purpose, and is not linked with the targets:
 - i. 1 landline connection per SSA in the allocated territory (rent free and free calls as decided by Circle),
 - ii. 1 WLL connection per SSA in the allocated territory (rent free and calls as decided by Circle),
 - iii. 1 broadband connection per SSA in the allocated territory (unlimited plan of 512 Kbps speed),
 - iv. 1 EVDO card per SSA in the allocated territory (free download per month to be defined by Circle)
 - v. VPN over Broadband. Circles can add additional facilities for franchisees with approval of Circle Head.

The Franchisees should ensure that, the above products given free of cost by BSNL for conducting business as BSNL's CFA Franchisee or demo purposes are not misused by them or any of their channel partner for unauthorized commercial benefits. Nodal officer would take regular inspections to avoid misuse of above products by the CFA Franchisees. In such case, punitive action as deemed fit would be taken by BSNL.

Section 2: Selection process and criteria

D. Expression of Interest

- a. The contract shall be awarded for a period of three years to the successful bidder(s) as per the terms and conditions stipulated in the EOI. BSNL reserves the right to extend the agreement further by one more year, if it finds it suitable to do so. Consent from the CFA Franchisee shall be taken in such cases.
- b. Notwithstanding anything written above, BSNL reserves the right to terminate this agreement unconditionally at any time during its currency without assigning any reason. BSNL also reserves the right to terminate the agreement in case of violation of tender conditions by the CFA Franchisee.
- c. BSNL can make some changes in the norms of sales & distribution according to change in business environment. SSA as per instructions of CFA Sales & Marketing Cell, BSNL Corporate Office shall notify all such changes to CFA Franchisees. CFA Franchisee will be assumed to be in agreement with revised norms unless notified to BSNL in three week's time.
- d. The contract is awarded with condition that appointed CFA Franchisee will be subject to termination as per the guidelines provided in 'Performance Management Section' of this document.
- e. Interested party must deposit EMD of Rs. 1 lakh for class B territories and Rs 50,000 for class C territories with EOI. The EMD will be in the form of Bank Guarantee, in favor of BSNL and valid for a period of 180 days from the date of EOI opening.
- f. BSNL reserves the right to reject any application of franchisee for any reason, without liability, the information provided by the franchisee/ gathered by BSNL shall become BSNL's property even if application is rejected and can be used by BSNL in any manner, it deem fit.
- g. The decision of BSNL will be final and binding.

E. Terms & Conditions

- a. Each CFA Franchisee can be appointed for a maximum of one CFA Franchisee territory in a circle.
- b. Consumer Mobility Franchisees of BSNL or applicants working with any other telecom operator in the capacity of any role related to sales & distribution anywhere in India will not be considered for appointment as CFA Franchisee for BSNL. Existing BSNL Franchisees who have applied for migration, as CM Franchisee shall not be eligible to Apply for CFA Franchisee ship. There is no migration permitted from existing BSNL Franchisees. Existing Franchisee who have not opted for migration as Consumer Mobility Franchisees have to apply afresh for CFA Franchisee ship.
- c. All CFA Franchisees shall have well defined geographical area (to be codified and notified by Circle). This will be their territory and the CFA Franchisee must fulfill all the requirements as per the policy in this territory. All contractual obligations and responsibilities as per CFA Franchisee policy shall remain for this territory.
- d. Periodic performance review would be done and in case of a CFA Franchisee not-meeting the performance standards, action would be taken in accordance with 'Performance Management System' section of this document.
- e. In no case CFA Franchisee is allowed to sell outside their territory (except in cases where the CFA Franchisee has been allowed to sell in a territory for a limited period through a look-after arrangement). Any violation would be viewed seriously and the action will be taken in accordance with 'Performance Management System' section of this document.
- f. While the basic channel of sale for CFA Franchisees would be Feet on Street (FoS) employed by them; CFA Franchisee can tie-up with any number of Points of Sale (provided there is no conflict with existing BSNL partnerships) within the allocated territory for sale of BSNL products and services that CFA Franchisees are permitted to sell. CFA Franchisee should serve sub-franchisee as well as PoS tie-ups at their premises. The CFA Franchisee has to employ sufficient FoS as per BSNL norms as defined in 1.B.b.(i).

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- g. CFA Franchisee should ensure manning of office space at least 14 hrs per day (8:00 AM to 10:00 PM), for seven days a week.
- h. BSNL, reserves the rights to seek/verify financial information from CFA Franchisee's Bankers/credit providers and any another source as to carry out other verifications
- i. BSNL reserves the right to sell any of the products for which CFA Franchisees have been made eligible in any CFA Franchisee's territory either directly to the customers or through BSNL's own establishment, other tie-ups or channel partners.

F. Look-after arrangement

- a. Eligible territories can be given to existing CFA Franchisee as "Look after territory" for a period of three months only. Extension of "Look after territory" up to three more months can be given only with the approval of Circle Head. Any further extension is not permissible and the territory cannot be further given as 'Look after territory' to any other CFA Franchisee till a CFA Franchisee is appointed for the territory as per the EOIEOI route.
- b. In case there are no eligible applicants in the EOI floated for any such territory the concerned Circle Head may give a further extension of 6 months.
- c. The performance of CFA Franchisees as per the Performance Management System (as defined in section 3 of this document) would be used as criteria to decide allotment of 'Look after territory' as decided by Circle Head.
- d. One CFA Franchisee can get only one eligible territory as "Look after territory" at any given point of time.

G. Requirements after EOI Approval

- a. PBG (Performance Bank Guarantee) of, Rs. 2 Lakhs for class B territory & Rs. 1 Lakh for class C territory is to be submitted before signing of agreement within 15 days of LOI. In case of clubbed SSAs, PBG shall be the total amount for all the SSAs combined. In all cases, PBG shall be deposited in the circle office.
- b. CFA Franchisee shall deposit the aforesaid PBG of said amount as BSNL may determine from time to time. BSNL reserves the right to forfeit/adjust/apply the said EMD/PBG amount in full or part satisfactions of any sums due from the CFA Franchisee to BSNL at any time. CFA Franchisee shall continue to be liable for balance, if any. No interest will be paid on the deposit. BSNL reserves the right to increase the amount of PBG at any time in its sole discretion with respect any/some/all CFA Franchisee.
- c. After approval of EOI by circle office, the concerned circle office will sign the Agreement. PBG (Performance Bank Guarantee) will also be deposited with the concerned circle office. CFA Franchisees will be monitored and supported individually by SSAs within the allotted territory. Commission payments will also be done from SSA (except in case of special schemes where circle can also make the payment)
- d. PBG will be treated as security deposit and no supply of material will be allowed against PBG.
- e. To do away with delay due to encashment of cheque, CFA Franchisee may give advance deposit other than PBG in BSNL's account against which material can be issued for sales. Cost of items issued will not exceed the amount deposited by the franchisee. Fresh advance deposit may be made by Franchisee to avail instant delivery of materials. In case, this facility of advance deposit is not availed by the Franchisee, material would be issued on payment of cash or realization of cheque in case payment is received by BSNL from franchisee through cheque. In effect, three channels for payment are available to the franchisee:
 - i. Cash/DD payment in which the franchisee receives the material immediately.
 - ii. Cheque payment in which the material is issued only after the cheque's realization
 - iii. Advance Deposit by the CFA Franchisee
- f. CFA Franchisee may open an account with RTGS / online transfer facilities in the bank in which BSNL's account is in concerned SSA. CFA Franchisee shall make payment to BSNL for material supply preferably by online transfer / RTGS mode. Any charges for online transfer or RTGS will be borne by CFA Franchisee. Material will be supplied only after realization of amount in the BSNL's account unless purchased against bank guarantee / margin money.

H. Selection criteria for CFA Franchisee ship

- a. The selection criteria for selection of franchisees having the minimum eligibility conditions fulfilled may be as follows:

i	Experience of firm	20 marks
ii	Turnover	15 marks
iii	Place	5 marks
iv	Interview / presentation	10 marks

- b. Short listing will be done on the basis of point number (i) to (iii) and top three shall be called for interview. Based on combined marks final selection will be done.
- c. All parameters are as defined under the 'Eligibility Requirements' section. Place is ascertained as the place where firm/ company is registered (service tax registration) or where it has operations (existing shop/ office) for at least last two years or more.

I. Scoring Guidelines for Selection Criteria

a. Experience of firm (Total Marks: 20)

		Telecom	FMCG Distribution	Others
a.	Fulfillment of Minimum Criteria and up to 1 year in excess	12	7	3
b.	Greater than 1 years in excess but less than 2 years in excess	15	10	5
C	Greater than 2 years in excess	20	15	10

For telecom experience, in case of proprietor firm, the firm/proprietor should have experience of distribution of telecom services directly with any telecom operator. Telecom experience does not include sale of electronic/electrical products, selling experience of which would be counted as "others" or any such item as per list in Annexure B that would form part of FMCG. The experience certificate should be issued by at least an officer of Gr.'A' or equivalent rank in case of government or PSUs. In case of private operators the experience certificate should be issued by at least the regional marketing head of the company. The certificate should clearly state the products/ service distributed, the geographical area / region of authorized distributorship and periods (from month/year to month/year) of authorized distributorship. For a firm indicating experience in distributorship across telecom, FMCG or others the experience corresponding to higher marks shall only be considered as per above table. In any case, experience under only one category shall be counted in the overall score.

(For the propose of experience, the authorized Distributor will be one who has been authorized by the company / organization / firm producing the product / service to act as its authorized distributor and sell its specific product / service through his retail chain in the area allotted to him for distribution).

In the case of partnership firm, the Telecom/FMCG distribution/ other experience of firm (not of individual partner) as described above would only be considered.

b. Turnover (Total Marks = 15)

a.	Fulfillment of Minimum Criteria up to 20 percent in excess	5
B	Greater than 20 percent in excess but less than 50 percent in excess	8
C	Greater than 50 percent in excess	15

Proof of Turnover for each of the two financial years (2007-2008 & 2008-2009 must be submitted. Audited / certified statement of accounts including balance sheet and profit and loss statement alongwith annexure, if any, reflecting turnover and profits clearly and duly certified and signed by a Chartered Accountant (CA), with signature of CA in original, must be submitted for each of the two financial years, as proof of turnover.

c. Place (Total Marks – 5)

a.	Bidder belongs to same SSA in case territory covers only one SSA or a part of the SSA. In case there are multiple SSAs within the territory, the bidder belongs to the "Primary SSA" .	5
b.	Bidder belongs to same Circle	2

Bidder should have registration of service tax or operational area within same SDCA/ SSA/ Circle as the case may be for the SSA// Circle the bidder belongs to.

The bidders belonging to outside Circles are also eligible, But the bidder belonging circle/SSA shall be given preferential treatment in evaluation.

d. Interview/presentation before the selection committee (Total Marks – 10)

e. Selection Tiebreaker:

The bidder with the highest marks out of 50 should be selected. In case of tie, marks first in Field of Experience then years of experience then Turnover and place should be considered in the given order. If tie is still there then bidder showing more profit in last to last financial year in their account shall be made eligible. For example, if two bidders get a score of 35 each as per the above mentioned criteria, the bidder having more number of marks under the experience would be treated as L-1. If both are having equal marks there, the one having more marks in turnover shall get preference. Two bidders still having same marks would be seen with respect to their place of operation- whether it is the Primary SSA or not and if even that remains equal for them, profits as per P&L Account in the year 2007-08 will determine L-1.

Section 3: Performance Management

J. Performance Management System

Targets:

Each SSA will set the targets for CFA Franchisee based on network coverage, wired line potential of territory and historical performance of franchisee. Targets will be set on following parameters

Type A parameters

- i. Gross Connections (landline & Broadband provided) and sale of other consumer Fixed Access products
- ii. % conversion on leads
The products used for target setting would be primary products as defined earlier.

Type B parameters

- iii. % of PoS tie-ups activated by the CFA Franchisee

Targets for additional parameters may be set by BSNL, if required. Targets for the next calendar month would be set by SSA and communicated to franchisee on or before 25th of the current month. In case of 25th being a holiday, targets must be communicated on or before last working day before 25th. Any exceptions or inability to this should be approved by GM (Sales-Consumer Fixed Access) in circle office. Apart from these, targets for any other products from other business units will be set by concerned business units however CFA Franchisee's performance review must not consider achievement against those targets

- a. **Review Process at SSA:** For the purpose of monthly reviews various parameters, their scoring and cut-offs are given in table below

Type A Parameters

#	Parameter (measured on monthly basis)	Scoring	Cut-Off Score
1	Gross Connections (actual landline & broadband connections provided) and sales of other consumer fixed access products	% of target achieved	>60%
2	% Conversion on leads transferred	% Conversion	>15%

Type B Parameters

#	Parameter (measured on monthly basis)	Scoring	Cut-Off Score
3	Number of PoS tie-ups activated by the CFA Franchisee	% of target achieved	>60%

Apart from the parameters listed above, the SSA review committee (CFA-Franchisee) should discuss about any other complaints received about the CFA franchisee and warnings / monetary fines could be issued / imposed. SSA review committee (CFA-Franchisee) must prepare a scorecard for each CFA Franchisee before monthly review meeting. The scorecards for three months should be sent for circle level review each quarter.

b. Review Process at circle:

Circle Review committee (CFA-Franchisee) shall conduct a review of each CFA Franchisee every quarter. Scorecards for this review will be furnished by SSAs in time for the review. Circle will prepare a cumulative scorecard based on target achievement in the previous quarter. Circle can review performance of CFA Franchisees in between the quarterly review period also (especially in cases where the CFA Franchisee has not been meeting performance targets) and take action as described below. Cut-off scores can be upwardly revised by circle review committee (CFA-Franchisee) with at least 60 days notification to CFA Franchisees.

c. Consequences for Poor Performance:

Any CFA Franchisee who does not meet the cut-off score on any parameter (Type A or Type B) or fails to deliver the services as per agreed procedure or parameter or adhere to targets as prescribed & agreed herein or breach any terms & conditions of contract without prejudice to other remedies available to BSNL, becomes liable for penalty as per the table given below

Months	One Month	Two Months	Three months*	Four months	Five months	Six months*
Issuer	SSA	SSA	Circle	SSA	SSA	Circle
Penalty	Warning	Strong Warning	Monetary Penalty by Circle (15% of the commission received in the month)	110% of monetary penalty set by circle at the end of 3rd month	125% of monetary penalty set by circle at the end of 3rd month.	150% of monetary penalty set by circle at the end of 3rd month.

* Based on scores calculated on cumulative target achievement of the previous three months and previous six months respectively.

CFA Franchisees who do not meet the cut-off scores on any Type B parameter should be given suitable warning and/ or penalty should be imposed as deemed fit by the SSA head.

d. Performance based termination:

Any CFA Franchisee who does not meet the cut-off score on ***cumulative target achievement during past six months on type 'A' parameters will become eligible for termination.*** Circle review committee-(CFA Franchisee) then has the right to terminate any CFA Franchisee that is eligible for termination by giving a 30-day notice. Any CFA Franchisee inducted in past six months will not be considered for performance-based termination. All CFA Franchisees will be given 30 days notice to wind up operations. However monthly review for the CFA Franchisee who have been served a Notice of Termination will happen for next months as per the process outlined above and any monetary penalties will still be applicable on non-performance. Circles must complete the process of appointing new CFA Franchisee and hand-over arrangements within 90 days. CFA Franchisees who are terminated will not be eligible to bid for any CFA Franchisee EOI for any territory for the next two years. Circle may use look-after arrangement in these vacant territories.

e. Re-demarcation of territory:

BSNL reserves the right to redefine territories in cases where CFA Franchisee has not met the performance criteria (defined above in this policy) for a period of more than three months.

f. Confidentiality:

All data collected or generated during the review process at SSA or circle level should be treated as confidential. It can be discussed with CFA Franchisees however no data related to one CFA Franchisee will be given to any other CFA Franchisee. Access to this data will also be restricted to only competent authorities as decided by Circle Head or SSA head.

Section 4: Other terms and conditions

K. Expenditure Reimbursement to Franchisee

- a. Special incentive for marketing and promotion (in rural areas) may be given in addition to basic commission. This will be limited to Rs 25/ BSNL landline or broadband given by CFA Franchisee in the given area. The field units will reserve the right to decide how much of special incentive (if any) is to be given to CFA Franchisees. No expense incurred by CFA franchisee on this account without prior approval from BSNL will be reimbursed.
- b. Marketing and promotion include expenditure on any media by the Franchisee with prior approval of SSA/Circle Head, BSNL
- c. 20% of this incentive shall be deducted by BSNL towards the free advertisement materials given to Franchisee by BSNL.
- d. Payment of incentive for marketing/promotion will be on production of expenditure proof in original.
- e. The claim has to be submitted within 30 days of expenditure.
- f. Decision of SSA Head, BSNL on payment will be final. This expenditure is required to be undertaken with prior information & permission from SSA Head.
- g. All payment on this account has to be adjusted from marketing fund allotted to Circle/ SSA.

L. Discounts & Commissions for Franchisee

- a. Total commission/ discount payable to CFA Franchisee channel on various products will be announced by BSNL on introduction of new product and may be revised or discontinued by BSNL as per the changes in business environment. The current commission structure is mentioned in Annexure B.
- b. It may be noted that 80% of the commission on secondary products will be payable straightaway. The balance 20% will be payable only if certified by the concerned nodal Officer-CFA for completion of at least 60% sales targets on primary products.
- c. CFA Franchisee must pass on part of the commission to its channel partners.
- d. All commission/incentive on recharge / ITC will be provided upfront and will be adjusted in the invoice amount.
 - For primary products, the commission will be given as defined in Annexure B
- e. Payment will be from SSA Headquarter preferably through ECS / Direct credit to account or cheque. SSA will give a detailed report regarding payment of all claims to franchisee on monthly basis to Circle office.

M. Terms & Conditions

- a. Whenever any new products are launched, a separate communication will follow on the applicable commission.
- b. CFA Franchisees may be given right to view CFA Franchisee portion of intranet, which they are supposed to view periodically and take necessary actions.
- c. BSNL reserves the right to change the terms of trade from time to time with notice period of 30 days.
- d. BSNL reserves the right to withhold or delay the commission for the CFA Franchisees in case of any pending disputes in matters relating to activations or cancellations.
- e. In case of dispute arising between the CFA Franchisee and BSNL, the Circle Head or any official appointed by the Circle Head shall adjudicate the same. Arbitration clause as given in Part C shall prevail in such cases.
- f. The company's decision will be final on all matters relating to the business and will be binding on the CFA Franchisee.
- g. It will be the Company's endeavor to make the payment to the CFA Franchisees as per the schedule, however this may stretch beyond the scheduled time only in case of delays in getting claims from the CFA Franchisees or in case of incorrect claims.
- h. All CFA Franchisees will normally articulate their concerns to SSA Head through the nodal officer appointed by him.
- i. All taxes present & future, additional, taxes /Lessees/ duties etc thus may be levied by the govt/Local authorities etc. will be to the CFA Franchisee account.

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- j. The CFA Franchisee shall comply with all applicable laws, bye Laws rules, regulations, orders, directions notifications etc of the Govt./ Court/Tribunals and shall also comply with all directions issued by BSNL and provide BSNL with all information and cooperation that BSNL may reasonably require from time to time.
- k. The CFA Franchisee has to fully cooperate with BSNL to investigate any complaint from the public, other channel partners or BSNL's sales teams.
- l. CFA Franchisee shall be liable for all payments of wages, Salary etc to its employees & shall comply with all statutory laws, rules, relating to employment, wages, PF, ID, act etc of the govt. whether central, state, local or municipal relating to such employment, payment of wages & all other matters connected therewith & agree to keep BSNL indemnified.
- m. The CFA Franchisee shall fully indemnify, defend & hold BSNL harmless from and against all claims, Liability, Losses or damages recoveries, proceedings, actions, Judgments costs, charges & expenses which may be made or brought or commences against the BSNL or which the BSNL may or may have to bear, pay or suffer directly or indirectly in connection with any breach CFA Franchisee's agreement by CFA franchisee or its agents, employees, offices.
- n. BSNL shall not be liable for any act of commission or omission of any third party.
- o. During the currency of agreement, CFA Franchisee will not be permitted to provide services to any other telecom service provider either directly or indirectly in any business or activities which is competitive with business or activity of BSNL.
- p. CFA Franchisee shall display prominently the information prescribed by BSNL from time to time & will display a signboard, of size decided by BSNL, indicating the name & logo/Brand name of BSNL as may be prescribed by the BSNL.
- q. CFA Franchisee will pay all dues & outstanding to BSNL during the currency of assessment or on termination of the agreement as the case may, even if any dispute is pending between the franchisee & BSNL. The same shall be adjustable by the Circle Head or official appointed by Circle Head. The dispute shall be settled in accordance with Arbitration clause of Part C.
- r. The CFA Franchisee will have to abide by the policy rules, regulations & instructions of BSNL as revised/modified from time to time, without any prior notice to the franchisee in respect of all matters including security deposit / PBG, commission payable to the franchisee etc.
- s. The CFA Franchisee should perform their services/duty in strict compliance with all applicable laws in India along with rules & regulations of duly constitutional authority in India & circulars or directions issued/ to be issued by BSNL. The CFA Franchisee shall obtain all approvals/licence, if any, required by laws in India in connection with services to be rendered hereunder.

BSNL reserves the right to modify sections of the Sales & Distribution policy at any point in future. In addition, any of the Annexure can be revised every three months. Circle Heads may propose any changes to Annexure A, C, D, E and F based on local conditions, to GM - Sales and Marketing (Consumer Fixed Access) BSNL CO. The proposals will come in affect only after the approval of Director (CFA).

N. Code of Conduct

The CFA Franchisee is expected to follow a code of conduct and should observe the following:

1. The Franchisee, its agents and employees will not be the legal representatives, or employees of BSNL for any purpose and have no right or authority to incur any expenses on behalf of the BSNL or to create, in writing or otherwise, obligations of any kind, express or implied, in the name of or on behalf of BSNL excluding the rights and duties under this contract.

2. Indemnification

- The Franchisee hereby agrees to well and sufficiently protect and keep harmless and indemnify the BSNL, against all type of embezzlement, misappropriation or misapplication of money.

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- The Franchisee agrees to fully indemnify and keep indemnified the BSNL against all losses or any claims for damages or any other claims of whatsoever nature, which are brought against BSNL by any third party owing to deeds or misdeeds attributable to the Franchisee or his FoS & sub-franchisees, or any claim of breach of any statutory regulation, orders from any govt. bodies requires or breach of any clause or term and conditions of this contract. BSNL shall be vested with the sole discretion to determine such damages/ claims and have the right to adjust the same from any dues payable to the Franchisee.
3. The Payment received by the Franchisee should be deposited in BSNL on the same day or the day following so that necessary action regarding provision of the NTC/Broadband connection gets initiated immediately. All Customer Application Forms should be submitted in the nearest Customer Service Center within a period not exceeding 24 hours from collection of documents from the customer.
 4. CFA Franchisee has to ensure 1 FoS for every 4000 non broad-banded wire line connection in the territory allotted to him. The CFA Franchisee should ensure that all legal/statutory / labour provisions are taken care of while appointing FoS and sub-franchisees.
 5. **Exclusivity**
 - CFA Franchisee has to operate on an exclusive basis for selling BSNL products under this contract. He is not allowed to sell other competitors' products. Also, he is not allowed to undertake any other Franchisee ship for telecom products during the currency of this contract. BSNL, however, retains the rights to employ other sales channels for selling its products in the CFA Franchisee territory
 - Sub-Franchisees appointed by the Franchisee shall be exclusive to BSNL for selling of the products mandated to the CFA Franchisee. CFA Franchisee has to make sure that sub-franchisees are not found selling the products of BSNL's competitors.
 6. CFA Franchisee must ensure that no black-marketing or mal-treatment to customer is done through its network. Also, he must not approach BSNL call centers directly or indirectly for more than his defined quota of leads.
 7. The CFA Franchisee will have to abide by the policy rules, regulations & instructions of BSNL as revised/modified from time to time, without any prior notice to the franchisee in respect of all matters including security deposit / PBG, commission payable to the franchisee etc.
 8. CFA Franchisee would not involve himself in any manner either directly or indirectly in any business or activity that is competitive with the business or activities of BSNL. He will not be the Distributor of and shall not deal with any services/products of any other, telecom operator/Internet service provider in BSNL area. The CFA Franchisee has to acknowledge that the adherence to this provision is a material obligation of this Agreement.
 9. CFA Franchisee shall treat as confidential and secret all verbal and written communication, lists and circulars which in the opinion of BSNL are regarded as confidential information and/or trade secrets. BSNL shall adopt and implement security procedures acceptable to the Company for determining the persons to whom such information is authorized to be disclosed based upon such person's need to know the same for the purpose of fulfilling his responsibilities in relation to the Agreement. Confidential and trade secret information shall remain the property of BSNL and shall be returned to it upon termination of this contract. The Franchisee hereby undertakes and agrees not to retain and make any copies of the entrusted confidential information.

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10. It is clarified: a) That the Franchisee shall not have any authority to store, sell or transfer or in any way dispose of the merchandise except as provided in this Agreement, b) That the Company shall not be liable for any loss, pilferage or damage to the goods stores and sold at the Franchisee's premises and the merchandise shall be the entire responsibility of the Franchisee, c) That it shall be the responsibility of the CFA Franchisee to effect the sales through proper invoices detailing the material particulars of the products sold.
11. For the purpose of reconciliation of the purchases from and payments made to BSNL, the CFA Franchisee shall render full co- operation to BSNL and shall make available for inspection of records and books of accounts relating to the purchases and payments made to BSNL by him.
12. The CFA franchisee shall provide the list of all his employees, authorized representatives, FoS and dealing with Company's products and services in his territory along-with the addresses, if and as and when demanded by BSNL.
13. The genuineness of the customers shall be the sole responsibility of the CFA Franchisee.
14. The distributor shall follow the procedures and model business rules as and when prescribed by the Company from time to time and as required for business exigencies.

PART 'C'

Detailed Terms & Conditions of the EOI

- I. In case the successful franchisee fails to submit the required documents at the time of agreement or does not turn up for agreement within stipulated time or any information supplied by bidder found fake at any point of time, the EMD of the franchisee shall be forfeited and the consideration for franchisee ship shall be treated as cancelled.
- II. The experience certificate should be issued by at least an officer of Gr.'A' or equivalent rank in case of government or PSUs. In case of private operators the experience certificate should be issued by marketing head of the company.
- III. The successful franchisee has to submit the performance bank guarantee (PBG) for a period of 3&1/2 years from the date of agreement papers submission. No interest is payable on performance bank guarantee.
- IV. The successful franchisee will have to sign contract agreement within 15 days of the acceptance of the franchisee acceptance document
- V. Without prejudice to in rights of any other remedies, BSNL shall en-cash the PBG in case of breach of any terms & conditions of the contract or in case of CFA Franchisee not rolling out the services as per agreed parameters and schedules. The PBG is liable to be forfeited in case the franchisee fails or violate the terms and conditions in any manner.
- VI. In the event of any breach of any terms and conditions or delay or default, the contract will be terminated and the security deposited will be forfeited by the BSNL
- VII. Conditional acceptance or any modification to the terms and conditions given in the document are liable to be rejected and EMD will be forfeited.

VIII. Contract

- a. Validity of the contract shall be up to three years from the date of agreement.
- b. Numbers of franchisee can be increased as per BSNL requirement

IX. Rights of the CGMT ORISSA Telecom circle:

- a. CGMT , Orissa Telecom circle , reserves the right to accept or reject any or all the franchisee ship request in part or full, without assigning any reason whatsoever.
 - b. CGMT Orissa Telecom circle, reserves the right to terminate the contract at any time by giving one month's notice in writing without assigning any reason.
 - c. In case of violation of terms and conditions of the contract or unsatisfactory services, CGMT, Orissa Telecom circle, reserves the right to terminate the contract at any time and forfeit the PBG.
- X. In case of selection. The BSNL franchisee will sign an agreement with BSNL on non judicial stamp paper of Rs.100/= to be arranged by franchisee.

XI. Other conditions:

- a. The franchisee ship shall initially be for a period of three years from the date of execution of agreement and is subjected to review of performance as prescribed by BSNL. The agreement can be further extended by one more year on mutual agreement basis.
- b. Franchisee for BSNL services should provide his present permanent address and bank account number at the time taking franchisee ship.
- c. Procedure for commission/ marketing expenses claims etc as in shall be as detailed already in Part 'B' and as per procedure prescribed by BSNL time to time.

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- XII. All franchisee for sales/ servicing of BSNL services shall operate on valid and authenticated documents including identity status with photograph.
- XIII. The identification/ verification of BSNL customers brought by the franchisee for sale of BSNL services shall be carried out by the franchisee as per prescribed format including fresh guidelines/ orders by BSNL issued by Govt. of India.
- XIV. **Non-Exclusivity:** The Franchisee would agree that this distribution agreement is on non- exclusive basis. BSNL shall be free to appoint such number of other Franchisees in respect of all or any of its products/services at any point of time in the territory allotted to the CFA Franchisee. BSNL shall also have the absolute right to sell all or any of its products/services to any other person/persons at any time in the said territory or elsewhere to whom BSNL wishes to sell. While BSNL may offer new/additional retail products/services for distribution through the same or separate Franchisees/ sales channels at its sole discretion, the franchisee shall not have any right or claim for the same. The CFA Franchisee shall have no power to bind BSNL in any Agreement/Contact entered into by him with Sub-franchisees/ FoS or any party whatsoever for the sale of supply of the products/services or otherwise howsoever.

Registration, Distribution and Sale through alternative channels:

BSNL reserves the right to register, distribute and sell its products and services directly through its own channels, customer service centers, offices and PCOs etc. to the consumers. The empanelment of the franchisee for BSNL services shall be without prejudice to the right of BSNL to market these services from its existing or outlets including customer service centres. Nothing shall prevent BSNL to work out and introduce in future alternate sales channels for selling its products in the CFA Franchisee territory.

- XV. BSNL shall reserve the right to cancel the franchisee ship for BSNL services at any time without assigning any reason.
- XVI. All disputes arising out of CFA franchisee for sales/servicing of products under this contract and the BSNL on the other part shall be decided by arbitration through an arbitrator as per the arbitration clause XVIII.
- XVII. The policy of commission, bonus and rewards can be reviewed by BSNL at any time and decision of BSNL in this regard will be final.

XVIII. Dispute Resolution/Arbitration

Any question, dispute or differences arising out of or in connection with this agreement or breach, termination or validity hereof, shall be first endeavored to be settled through bipartite discussion or negotiations between the parties. If the dispute cannot be amicably settled either party, as soon as practicable, but not earlier than three months after a request to settle the dispute amicably has been made to the other party, give to the other party note in writing or existence of such question, dispute or difference, specifying the nature and the point at issue, and the same shall be finally settled by Arbitration conducted in Bhubaneswar in accordance with The Arbitration and Conciliation Act 1996 any modifications or reenactments thereto and relevant laws and regulations in force at that time in India. All such disputes and differences which may arise between the parties hereto as to the meaning, construction or effect of any of the terms and provisions of this agreement or as to the right or claim of either party under this agreement shall be referred to the sole arbitration of the Chief general Manager Orissa telecom Circle/ District or his nominee including any officer of Bharat Sanchar Nigam Limited (BSNL) nominated by him and the Franchisee shall not raise any objection to such arbitration on the ground that the arbitrator is an officer of Bharat Sanchar Nigam Limited (BSNL) and as such is an interested party or that the Arbitrator so appointed has earlier dealt with the subject matter of this agreement. Any order / Directions / Awards of the Arbitrator shall be final and binding on both the parties. The arbitration proceedings shall take place in Bhubaneswar and will be governed by the provisions of The Arbitration and Conciliation Act 1996 or of any statutory amendment thereto or any reenactment thereof for the time being in force. The Arbitrator so appointed shall pass a speaking award. In case of any dispute, the Bhubaneswar Court alone shall have the territorial jurisdiction to adjudicate upon the matter.

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- XIX. BSNL reserves the rights to suspend the operation of services at any time due to change in its own licence conditions or upon directions from competent govt. authorities or regulator. In such situation, BSNL shall not be responsible for any damage or loss caused or arising out of unforeseen action. Further, suspension period will not be a cause or ground to extension of period of contract & suspension period shall be taken as period spent.
- XX. On termination or surrender or expiry of the contract, any sums payable under the contract which are unpaid on the date of termination shall forthwith become duly payable by the Franchisee. In case of failure of the Franchisee to pay the amount to BSNL, the Franchisee shall be liable to pay interest at prevalent bank rates till realization of outstanding amount. The outstanding amount shall be realized through pending dues of bills due to Franchisee or encashment of Bank Guarantee without prejudice to any other actions/remedies available to BSNL..
- XXI. BSNL shall not be liable to Franchisee or any other party consequent upon the termination of the agreement/ contract for any reasons whatsoever or any claim for loss of profits or for anticipated bookings for BSNL or on account of any expenditure, investment , losses on any other commitments made by the Franchisee in connection with the agreement/ contract made in reliance upon or by virtue of the franchisee's appointment as CFA Franchisee of BSNL.
- XXII. The Franchisee shall carry out its obligation at its own cost & expenses including but not limited to usage of its own space & personnel and no reimbursements whatsoever, shall be made to BSNL on any account whatsoever.
- XXIII. The Franchisee shall take all necessary steps to safeguard privacy and confidentiality of any information about BSNL & its subscribers /customers from it has acquired such information by virtue of the service provided and shall not divulge or use any such information except as may be necessary in case of providing services under the contract.

Annexure A**Product List for FMCG Industry: Following product categories will be eligible for FMCG industry experience –**

- a. Personal Care, Oral Care, Hair Care, Skin Care, Personal Wash (soaps)
- b. Cosmetics and toiletries, deodorants, perfumes, feminine hygiene, paper products
- c. Household care fabric wash including laundry soaps and synthetic detergents; household cleaners, such as dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellents, metal polish and furniture polish
- d. Food and health beverages, branded flour, branded sugarcane, bakery products such as bread, biscuits, etc., beverages such as milk, tea, coffee, juices, carbonated drinks, bottled water etc, snack food, chocolates, tobacco products Ayurvedic preparations, over the counter (OTC) sold allopathic preparations etc.

Annexure B

<u>New Franchisee Commission structure for CFA products</u>			
S.No.	Name of product/service	Franchisee Commission (Rs)	Commission Payment Schedule
1	Landline-fixed plan charges /plan up to Rs 500/- per month	One month's FMC (Fixed monthly charges) with minimum commission of Rs 250/- per connection	100% commission payment after third bill payment by the customer.
2	Landline/-fixed plan charges /plan more than Rs 500/- per month	Half month's FMC (Fixed monthly charges) with minimum commission of Rs. 500/- per connection	
3	Conversion to any higher plan	Rs 100/- per conversion	100% after realization of first bill.
4	Reconnection of Landline	Rs 100/- per connection	100% after realization of first bill. If plan conversion is also involved along with reconnection, then commission for both will be payable.
5	Broadband Monthly Plan Charge upto Rs 500/- (Stand alone as well as Combo)	One month's FMC (Fixed monthly charges) per connection	100% commission payment after third bill payment by the customer.

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6	Broadband Monthly Plan Charge from Rs 500/- to Rs 2000/- (Stand alone as well as Combo)	Half month's FMC (Fixed monthly charges) with minimum commission of Rs. 500/- per connection	100% commission payment after third bill payment by the customer
7	Broadband Monthly Plan Charge above Rs 2000/- (Stand alone as well as Combo)	Half month's FMC (Fixed monthly charges) with minimum commission of Rs. 1500/- per connection	100% commission payment after third bill payment by the customer
8	Broadband Monthly Combo Plan Charge upto Rs 500/- (If Broadband is provided with new Landline)	One month's FMC (Fixed monthly charges) + Rs 100/- per connection	100% commission payment after third bill payment by the customer.
	Broadband Monthly Combo Plan Charge from Rs 500/- to Rs 2000/- (If Broadband is provided with new Landline)	Half month's FMC (Fixed monthly charges) with minimum commission of Rs. 500/ + Rs 100/- per connection	
	Broadband Monthly Combo Plan Charge above Rs 2000/- (If Broadband is provided with new Landline)	Half month's FMC (Fixed monthly charges) with minimum commission of Rs. 1500/ + Rs 100/- per connection	
9	<u>Add on Features & IN Services</u>		
A	Centrex/CUG/VPN (Minimum 5 Connections for Centrex/CUG & Minimum 10 connections for VPN)	Rs 50/- per member line	100% after the realization of second bill.
B	Free Phone services	Rs 1500/- per connection	100% after the realization of second bill.
C	Universal Access Number	Rs 1500/- per connection	100% after the realization of second bill.
D	ACC Service	Rs 500/- per connection	100% after Account creation along with realization of amount on first recharge.
E	Premium Rate Service	Rs 1500/- per connection	100% after the realization of second bill.
F	Tele-Voting	1. Rs 500/- in case of weekly Plan. 2. Rs 1500/- in case of monthly plan.	100% after realization of first Bill.

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10	<u>ISDN</u>		
A	BRI ISDN	One month's FMC (Fixed monthly charges) per connection	100% after realization of second bill by the customer.
B	PRA only incoming	Half month's FMC (Fixed monthly charges) per connection	100% after realization of second bill by the customer.
C	PRA-Normal	One month's FMC (Fixed monthly charges) per connection	100% after realization of second bill by the customer.
11	PCO (Any technology)	Rs 500/- per connection	100% commission payment after third bill payment by the customer.
12	Internet through NIC cards	One month's FMC (Fixed monthly charges) per connection	100% commission payment after second bill payment by the customer.
13	India Telephone Card, FLPP card, Universal ITC Card	8% base commission	Upfront Payment
14	Prepaid Broadband Recharge coupons & Sanchar net cards	5%	Upfront Payment
15	Call Now Cards	8.50%	Upfront Payment

- For each landline connection beyond 500 provided in a month by the franchisee, additional commission of Rs.50 per landline shall be payable to the Franchisee.
- For each broadband connection beyond 500 provided in a month by the franchisee, additional commission of Rs.100 per broadband shall be payable to the Franchisee.
- For post offices, BA, PCO operators and DSA's the commission will be payable at 75% of the rates prescribed vide this new Franchisee Commission structure for CFA products.
- Additional trade scheme for sale of CFA products can also be declared by

Annexure – C

FORMAT OF THE BANK GUARANTEE (To be typed on Rs.100/- non-judicial stamp paper)

Re: Bank Guarantee in respect of Agreement dated between Bharat Sanchar Nigam Limited and M/s, a company registered under The Companies Act, 1956 and having its Registered Office at (hereinafter called "Franchisee") has entered into an agreement dated (hereinafter referred to as "the said agreement") with M/s Bharat Sanchar Nigam Limited (BSNL in short) (A Government of India Enterprise) (hereinafter referred to as "BSNL") with Corporate office at Regd. & Corporate Office Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi – 110001, through / Orissa Circle whereby BSNL has agreed to appoint Franchisees for providing BSNL service on the terms and conditions exclusively mentioned therein for the area_(Name of the area for Franchisee / Area code for Franchisee).

It has been agreed between the parties that a Bank Guarantee for Rs. (Rupees lakh only) shall be given by the Franchisee in favour of the BSNL for due and faithful performance of the terms and conditions of the said agreement.

..... Bank having its office at has at the request of the Franchisee (M/s), agreed to give the guarantee as hereinafter contained:

1. We, (hereinafter called "the Bank") do hereby undertake and assure to the BSNL that if in the opinion of the BSNL, the Franchisee has in any way failed to observe or perform the terms and conditions of the said agreement or has committed any breach of its obligations there-under, the Bank shall on demand and without any objection or demur pay to the BSNL the said sum of Rs./- (Rupees lakh only) or such lesser amount as BSNL may demand without requiring BSNL to have recourse to any legal remedy that may be available to it compel the Bank to pay the same.
2. Any such demand from the BSNL shall be conclusive as regards the liability of Franchisee to pay to BSNL or as regards the amount payable by the Bank under this guarantee. The Bank shall not be entitled to withhold payment on the ground that the Franchisee had disputed its liability to pay or has disputed the quantum of the amount or that any arbitration proceeding or legal proceeding is pending between Franchisee and BSNL regarding the claim.
3. We, the Bank further agree that the guarantee shall come into force from the date hereof and shall remain in full force and effect for the period of 3^{1/2} years from the date of commencement of the agreement or the term of this guarantee whichever is later. But if the period of the said agreement is extended either pursuant to the provisions in the said Agreement or by mutual agreement between the Franchisee and the BSNL, the Bank shall automatically renew the period of the Guarantee for such period which expires 6 (six) months after the renewed period of the said agreement failing which it shall pay to the BSNL the said sum of Rs./- (Rupees lakh only) without BSNL demanding the payment of the above sum.
4. The Bank further agrees that the BSNL shall have the fullest liberty without the consent of the Bank and without affecting in any way the obligations hereunder to vary any of the terms and conditions of the said agreement or to extend the time for performance of the said agreement from any of the powers exercisable by BSNL against the Franchisee and to forebear to enforce any of the terms and conditions relating to the said agreement and the Bank shall not be relieved from its liability by reason of such failure or extension being granted to Franchisee or through any forbearance, act or omission on the part of BSNL or any indulgence by BSNL to Franchisee or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of relieving or discharging the guarantor.

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5. The Bank further agrees that in case this Guarantee is required for a larger period and it is not extended by the Bank beyond the period specified above in Clause 3, the Bank shall pay to BSNL without BSNL having to demand the payment of the said sum of Rs..... /- (Rs..... lakh only) on the last day on which the Bank Guarantee is due to expire.
6. Notwithstanding anything herein contained;
 - (a) The liability of the Bank under this guarantee is restricted to Rs..... /- (Rs..... lakh only) and it will remain in force for a period of 31/2 years i.e. upto
 - (b) The guarantee shall stand completely discharged and all rights of the BSNL under this Guarantee shall be extinguished if no claim or demand is made on us in writing on or before.....
7. The Bank guarantees under its constitutional power to give this guarantee and..... and who have signed it on behalf of the Bank have authority to do so.

(Authorized Signature of the Bank Official)

Power of Attorney General:

Dated:
At

Annexure – D

List of authorized representatives of franchisee

S.No.	Name of Authorized representative	Address	Mobile No.	Email id.
1				
2				
3				

Annexure E

To

.....
.....
.....

Sub: Marketing and Distribution of BSNL Service in for Franchisee ship (Name of the area / district)

Dear Sir,

With reference to your advertisement inviting expressions of interest on the above subject, I / we hereby submit my / our expression of interest with duly completed Annexure 'H' giving the necessary details called for.

Thanking you,

Yours sincerely,

Signature
(Name of the authorized signatory)

For & on behalf of

Seal of the Firm/Company/Organization

Encl.:

- (I) Annexure 'H' & 'K1' duly filled up with supporting documents
- (ii) EMD of Rs.
- (iii) Latest Income Tax clearance certificate.
- (iv) Profit and Loss accounts.

ANNEXURE – F

Particulars of the Applicant seeking Franchisee-ship

1. Name of the applicant /Organization: M/s.....
.....
2. Registered Address / Office Address
.....
Telephone No. (s)
Fax
E-mail
3. Status of the applicant / organization (with supporting documents) Tick the relevant one
 - a) Proprietorship
 - b) Partnership
 - c) Private Limited
 - d) Public Limited
 - e) Others
4. Name of the area (for Franchisee) / Area Code for (Franchisee)
5. Date of inception of the firm / organization
6. LST / CST No. (if any)
7. PAN No / GIR No.
8. Turnover of the firm / organization over the last two years (with supporting documents)
9. Names of the Directors along with %age share
10. Name of the Executive Director / Proprietor:
(Who will manage the Franchiseeship)
11. Residential Address of the Executive Director / Proprietor
12. Mobile No. and Email id of the Executive Director / Proprietor
 - (i) Private and public limited company or PSU any one of the directors should be graduate and association with the firm should be of more than two years.
13. Name of the Banker with address and contact number(s)
14. Present activity with details, and the names of the organizations for which the applicant is acting as Franchisee / wholesaler/Franchisee etc.
15. Number of Franchisees / retailers for the activity indicated in 13 above
16. Total manpower on roll employed / engaged by the firm / organization
17. Work experience of minimum..... with full details thereof. (supporting documents to be submitted)
Are you existing franchisee of BSNL , if yes, please give details.
18. Have you applied for more than one Franchisee ship. If Yes, give details

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19. Details of the required office space-

(a). Ownership Category

Owned Rented

(b). Possession

Already in possession

Possession can be taken within..... days

(c). Address of the office

ANNEXURE – G

DECLARATION

I,, on behalf of
..... having gone through the terms & conditions of
the EOI and agree to abide by the same in case the Franchisee-ship is awarded to me / our firm /
company.

Name of the Signatory

For and on behalf of

ANNEXURE -H

Location for Franchisee ship applied for

S.No.	Code number of the CFA Franchisee territory	Name of SSA(s) under the territory
1.		

Other area if applied for / Working

S. No.	Code number of the CFA Franchisee territory	Name of SSA(s) and Circle	Applied / Working
1.			
2.			
3.			

Declaration

I further declare that not more than two Franchisee territories in the country are applied by me including existing ones. The declaration if found wrong, I may be disqualified from all the franchisee-ship areas.

Dated this Day of 20...

Seal and Signature:

ANNEXURE –I

Format of Certificate regarding no close relatives working in BSNL

(To be submitted by all the Owner/ Partners/Directors of the Company)

“I s/o r/o here by certify that none of my relative(s) as defined in the EOI document is/are employed in BSNL unit as per details given in tender document. In case at any stage, it found that the information given by me is false / incorrect, BSNL shall have the absolute right to take any action as deemed fit / without any prior intimation to me.”

The near relatives for this purpose are defined as:-

- a) Members of a Hindu undivided family.
- b) They are husband and wife.
- c) The one is related to the other in the manner as father, mother, son(s) & son's wife (daughter in law), Daughter(s) and daughter's husband (son in law), brother(s) and brother's wife, sister(s) and sister's husband (brother in law).

Dated this Day of
20...

Seal and Signature: