

**PROCEDURE FOR SALE OF CARTRIDGES PRODUCED BY
INDIAN ORDNANCE FACTORIES
(AMMUNITION FACTORY KHADKI, PUNE)**

I REGISTRATION OF DEALER :-

- 1.1 Any arms dealer in India having Valid Trade Licence for ammunition being manufactured by Ammunition Factory Khadki (AFK) can register with the factory.
- 1.2 Registration will be to the extent of the ammunition covered in the trade licence.
- 1.3 Dealer shall send a written request along with a photocopy of valid trade licence attested by the licensing authority or a notary.
- 1.4 The dealer shall produce original trade licence in the factory for scrutiny prior to registration.
- 1.5 The 'party code' will be allotted to the dealer satisfying the above conditions. Dealer should indicate this party code in all the correspondence thereafter.
- 1.6 The dealer should not send booking amount for any kind of ammunition at the time of registration. Such request shall be sent separately only after allotment of party code.

II ORDER BOOKING :-

- 2.1 A dealer registered with AFK can book order for ammunition by sending request letter with the following documents to AFK :-
 - (i) Photocopy of Valid Trade Licence.
 - (ii) Demand Draft for advance booking amount/ earnest money deposit (EMD) @ **Re. 1/- per cartridge.**
- 2.2 Terms & Conditions for Order Booking :-
 - (i) Demand Draft shall be in favour of General Manager, Ammunition Factory, Khadki to be payable at Khadki / Pune (SBI Bank Code No. 1629).
 - (ii) The EMD amount will be adjusted in final bill or order. However, if the order is later cancelled on any ground, the EMD amount or Rs 5,000/- whichever is less will be forfeited/ deducted as cancellation charges.
 - (iii) The request for order booking will be returned back in case amount is less than as indicated above and/or photocopy of Valid Trade Licence is not enclosed with the request.
 - (iv) Dealer shall indicate the quantity to be booked as well as nomenclature of the store clearly. Dealer shall be entitled to book only one order for particular ammunition at a time. Second order shall not be booked during the pendency of any earlier order.
 - (v) In case dealer desires to book order for more than one type of ammunition in the same request, he shall send separate Demand Draft for each type of ammunition.
 - (vi) No priority shall be given to any dealer for depositing full money or money more than the EMD while booking order.
 - (vii) After scrutiny of documents in regard to correctness, capacity and validity, orders will be booked on a day to day basis in the sequence of receipt of

orders in the factory. Separate order number will be allotted for each type of ammunition. The order registration numbers will be intimated to the dealers by the factory.

- (viii) The dealers are required to intimate forthwith in writing, if there has been any change in the licence or if the licence has been suspended for any reason subsequent to the booking of the order.
- (ix) Advice Notes will be issued by registered post/ Speed Post to the dealers in order of seniority of order booking for each type of ammunition. However, advice notes may be issued by hand to the dealers or their representatives, in case cartridges are available ex-stock in sufficient quantity for all the orders.
- (x) AFK reserves the right to refuse booking of any order from any of the dealers or to restrict the quantity on order/ supply restricted quantity without assigning any reason and without giving any notice.
- (xi) No dealer shall be entitled to claim or demand any loss or damage for delayed execution of the order by the Factory.
- (xii) Minimum order quantity for each type of ammunition shall be as follows:

Sl. No.	ITEMS	Min. Nos.	Maximum Nos.	Remarks
1.	Cartridges S.A. 12 Bore 65 mm Paper	1000	To the extent of capacity permitted in the license or as restricted by factory authority.	In multiples of 1000 Nos. Order for any specific Shot size should be in multiples of 250 Nos. In case the specific shot sizes ordered are not available at the time of despatch, nearest available shot size will be supplied.
2.	Cartridges S.A. 12 Bore 65 mm Spl. Plastic	1000	- do -	- do -
3.	Cartridges S.A. 12 Bore 65 mm Plastic "De-luxe"	1000	- do -	- do -
4.	Cartridges S.A. 12 Bore 70 mm "Astram"	1000	- do -	In multiples of 500 Nos.
5.	Cartridges S.A. 12 Bore 65 mm Blank	500	- do -	- do -
6.	Cartridges S.A. 12 Bore 70 mm Magna	1000	- do -	In multiples of 200 Nos.
7.	Cartridges S.A. 8mm/.315" with 244 Grs. Soft Nose Bullet (Rimmed Type)	500	- do -	In multiples of 500 Nos.
8.	Cartridges S.A. Rim Fire .22" Long Rifle (Standard Velocity)	5000	- do -	In multiples of 5000 Nos.
9.	Cartridges S.A. .32" Rev. Long	1000	-do-	In multiples of 1000 Nos.
10.	Cartridges S.A. .32" Rev. Short	1000	- do -	- do -
11.	Cartridges S.A. .32" Pistol	1000	- do -	- do -
12.	Cartridges S.A. .380" Rev. Ball	1000	- do -	- do -

III ISSUE OF ADVICE NOTES :-

3.1 Advice notes directing dealers to complete formalities against their orders will be issued periodically by the factory strictly as per seniority of order booking, depending upon production / stock of ammunition.

3.2 Dealers shall forward the following documents to AFK on receipt of Advice Note :-

- (i) Demand Draft in favour of General Manager, AFK to be payable at Khadki / Pune (SBI Bank Code No.1629) for the balance amount (after adjusting EMD) indicated in the Advice Note.
- (ii) Acceptance of Terms and Conditions of sale (Form K.F. 577) duly filled in, signed and stamped by the dealer.
- (iii) Attested photocopy of Valid Trade Licence duly certified by Licensing Authority or a notary.
- (iv) Original copy of No Objection Certificate valid for 3 months from the Licensing Authority with signature of competent authority, date of issue and a clear round seal affixed thereon.
- (v) Copy of valid Transport Licence in Form No. XX from the Commissioner of Police, Pune or Form No. XVI from original Trade Licensing Authority.
- (vi) Declaration form 'C' is required under Central Sales Tax Rules 1956. If declaration form 'C' cannot be submitted, then the dealer shall pay CST/VAT at full prevailing rate at the time of despatch.
- (vii) Authority Letter (in Appendix 'B') duly filled in and signed with firm's seal embossed on photograph for collection of Cartgs.

3.3 Terms & Conditions of Advice Notes :-

- (i) Dealer shall send demand draft for balance payment immediately for bank clearance formalities and then submit all the remaining documents at a time. In the event of receipt of incomplete documents, the same shall be returned back to the dealer for necessary action by Registered Post/ Speed Post. AFK will not have any responsibility for loss of above documents in transit.
- (ii) The D.D. and other necessary documents should reach AFK within 2 months and 15 days from the date of advice note. However, a '**grace period**' of maximum 3 months for receiving the documents (except D.D.) may be allowed by the factory only once, if requested by a dealer for genuine reasons. There will be no grace period for receiving the payment.
- (iii) In the event of failure to send the payment or other required documents by the dealer within the time as per para (ii) above, the order will automatically stand cancelled and the EMD amount or Rs 5000/- whichever is less will be forfeited/ deducted.
- (iv) In case the dealer opts to collect less quantity than offered in Advice Note, he will be issued quantity opted by him. However, the balance order booked quantity shall be short-closed.

IV ISSUE OF AMMUNITION :-

- 4.1 Factory shall prepare month-wise seniority list for issue of ammunition on 3rd day of every month. The list for a month shall include all orders for which the formalities, i.e. encashment of D.D. for full amount and receipt of other necessary documents as per advice note, were completed in the previous month. Seniority within this list will be as per order registration number, i.e. orders booked earlier will have priority over orders booked later. This list shall be displayed suitably by the factory for the dealers/ their representatives.
- 4.2 Intimation for collection shall be issued to the dealers as per monthly seniority lists. Lifting of cartridges should be completed within 15 days of receiving intimation.
- 4.3 However, factory may deviate from above procedure only when a particular cartridge is available ex-stock and there is sufficient quantity to cover all advice notes issued by the factory for that cartridge. In this case, factory may intimate the dealer for collection immediately after receipt of the full amount and other required documents.
- 4.4 In case a dealer does not lift any/ full quantity within one month of issuing the call for collection, factory shall issue a notice to the dealer by Regd. Post giving one month's time to collect the ammunition. After expiry of notice period, the order will be automatically cancelled/ short-closed and the due amount shall be refunded. In case of cancellation, the EMD amount or Rs 5,000/- whichever is less will be deducted towards administrative charges.

V GENERAL TERMS & CONDITIONS :-

- 5.1 The dealers must not sell I.O.F. Ammunition to anyone except those actual users possessing valid licenses. The dealers shall keep the factory indemnified for their dealings. Dealer to Dealer sale of ammunition is allowed subject to the conditions given below :-
 - (i) The dealers to whom sale has to be effected should possess valid 'No Objection Certificate' from the District Authorities concerned.
 - (ii) The selling price should be less than the maximum retail price (MRP) fixed by AFK, so that the ultimate customer does not have to pay any additional amount beyond the MRP.
 - (iii) It will be the responsibility of the dealers involved in such transaction to observe all statutory provisions of Central / State Governments while effecting such transactions.
- 5.2 The prices of the cartridges at which supplies will be made by the factory to the dealers and the maximum retail sale price at which dealers can sell to a customer will be fixed from time to time by the General Manager, Ammunition Factory, Khadki / Chairman, Ordnance Factory Board, Kolkata and will be liable to be changed, altered, varied, reduced or enhanced at any time at their discretion without giving any notice. Such revised price will apply to the quantities remaining undelivered including those for which money is already deposited with effect from such date as may be notified. In such cases, the factory will supply the quantity covered by the amount already deposited and the balance quantity if desired will be supplied only on receipt of the difference in cost.

- 5.3 The price ruling on the date of issue shall be charged. Sales Tax, Excise Duty and other statutory levies will be payable extra by the dealer as applicable at the time of despatch. Any increase in the Sales Tax or Excise Duty or other tax/ duty or imposition or any fresh imposition effective as on the date of despatch but which came to the notice of the factory later shall also be payable by the dealer without any objection within one month on demand.
- 5.4 Cartridges will be packed in accordance with factory's standard practice. If any special packing is desired and the factory agrees to the same, it will be charged extra by the factory.
- 5.5 MRP of the cartridges shall be marked on the cartons/ packing. The prices at which cartridges are to be sold by a dealer to his customer are left to his discretion but must not exceed the MRP.
- 5.6 The dealer will have to obtain necessary Transport Licence from the Commissioner of Police, Pune. Once the cartridges are delivered at the factory gate, the dealer will be responsible for completing all legal formalities regarding transportation of cartridges from AFK premises to the destination.
- 5.7 All the cartridges will be issued on ex-factory basis. The dealers will have to collect the cartridges at the factory gate and make their own arrangements for transporting the cartridges to their destination. For any mishap during transportation from the factory gate to the destination, the dealer shall be liable and fully responsible for the legal consequences and the factory (AFK) shall be kept indemnified from all the consequences.
- 5.8 AFK reserves the right to cancel any order in whole or in part at any time without assigning any reason therefor and without giving any prior notice. In this event, payments received against such orders will be refunded as due. No compensation / interest on the amount due for return will be payable to the dealer in case of such termination/ cancellation of orders.
- 5.9 Every endeavour shall be made by AFK to effect supplies without delay after completion of formalities as per the advice notes. But there is no guarantee and no liability will be accepted for any cause whatsoever due to delay in supply.
- 5.10 No liability is accepted for payment of any interest on advance or full payment received from any dealer against the order booked with the factory for any reason whatsoever.
- 5.11 While assuring of the best workmanship and quality of the cartridges produced at Ammunition Factory, Khadki, no responsibility is accepted for performance of the cartridges after despatch from factory unless General Manager, Ammunition Factory, Khadki is satisfied that there has been manufacturing defects in the cartridges. If any manufacturing defect is reported within three months of the date of supply of cartridges from the factory, GM/AFK may agree to examine the cartridges at the factory premises and if he is satisfied that the defect pointed out is a manufacturing one and not one due to bad usage or mishandling or bad storage, he will replace the cartridges at factory's cost. The decision of the GM/AFK / Chairman, O.F.B., Kolkata will be final and binding in this respect. The dealer/ user shall keep AFK indemnified for any mishap while using/ transporting/ handling ammunitions issued by this factory.
- 5.12 The dealers shall display their stock position of I.O.F. ammunition held showing against them the maximum retail price in a prominent place of the dealer's shop for information of the buyers.
- 5.13 The dealers shall furnish to the General Manager, Ammunition Factory, Khadki or the Chairman, O.F.B. Kolkata full details with name, address and licence Nos. etc. of buyers regarding quantities of actual sale of I.O.F. ammunition together

with the latest stock position at any time on demand. A duly authorized representative of O.F.B., Kolkata / Ammunition Factory, Khadki will be at liberty to enter the premises of the dealer and to inspect their stock / records of I.O.F. ammunition.

- 5.14 Notwithstanding what have been hereinbefore stated, the Chairman, Ordnance Factory Board, Kolkata / General Manager, Ammunition Factory, Khadki reserves the right of direct sale of these Cartridges to any Government Department/ Undertakings or individuals or Clubs/ Associations/ Organizations or Foreign Government / Party and to sell to any such party at concessional rate or to issue free of cost for publicity or any other purpose at his discretion.
- 5.15 The articles once sold will not be taken back by the factory for any reason whatsoever.
- 5.16 In case supply of any article is made in excess through oversight or mistake, the amount due for such excess supply shall be payable by the dealer within one month on demand.
- 5.17 **Arbitration Clause:**
If at any time any question, dispute or difference whatsoever arises between the dealer and the factory, upon or in relation to or in connection with an order, the same shall be referred to the sole arbitration of an Officer appointed to be arbitrator by the Chairman, Ordnance Factory Board, Kolkata. There shall be no objection that the arbitrator is a Government servant and he had to deal with the matters to which the order relates or that in the course of his duties as a Government servant he has expressed views on all or any of the matters in dispute or difference. The award of the arbitrator shall be final and binding on the parties to the order. The venue of arbitration shall be the place where the factory is situated or such other place as the arbitrator at his discretion may determine. Upon any such reference, the assessment of the costs incidental to the reference and award respectively shall be at the discretion of the arbitrator. Subject as aforesaid, the Arbitration and Conciliation Act, 1996 and the rules thereunder and any statutory modifications thereof for the time being in force shall be deemed to apply to the arbitration proceedings under this clause.
- 5.18 **Jurisdiction of court:**
The district civil court at Shivajinagar, Pune- 5 only shall have the jurisdiction to try all civil suits, legal proceedings arising out of or in any touching or concerning this agreement after the arbitration award.
- 5.19 The above procedure of sale is subject to alteration or modification at any time without any notice at the discretion of the General Manager, AFK / Chairman, O.F.B., Kolkata.