

CHAPTER 2

GENERAL

A. SCOPE OF COMMERCIAL OPERATIONS

- 2.1 The following shall fall under purview of commercial operations.
- (i) **Trade**
 - (a) Domestic
 - (b) Import
 - (c) Export
 - (ii) Construction and infra-structure development
 - (iii) Development of Housing Projects & Real Estate
 - (iv) Collection of information about business - Collection of market intelligence or survey undertaken
 - (v) Development of Laboratories, accreditation or other such facility.
 - (vi) Training and Publications
 - (vii) Services
 - (viii) Any other such business or activity as decided by the Business Committee or the Board of Directors.

B. SELECTION AND REGISTRATION OF BUSINESS ASSOCIATES

2.2. Panel of Suppliers/Business Associates:

2.2.1 Every Branch will maintain a list of registered suppliers/business associates (in whatever name they are called), who are classified as under:

- a) Manufacturers.
- b) Authorized distributors/dealers of the manufacturers.
- c) Parties who are nominated/authorized by the manufacturers.
- d) Importers or their authorized distributors/parties dealing in products, which are not manufactured/assembled in India.
- e) General order suppliers.

2.2.2 Branches should deal with the manufacturers as far as possible for procurement of branded items. Where the manufacturers decline to deal with the NCCF directly to market their products or do not come forward for registration as NCCF's suppliers or Branch find it impractical to enter into such arrangement, supplies may be taken from the other registered suppliers in different categories at (b) to (e) indicated at para 2.2.1.

2.2.3 Prescribed application form will be issued to the intending suppliers on cash payment of Rs.500/- by the concerned Branch.

The applications received from the suppliers for registration in the prescribed format (**GM-01** alongwith affidavit and documents as per formats **GM-01A** and **GM-01B**) shall be scrutinized by the

Branch level committee. The process should be completed within a period of 15 days from the date of receipt of application and the applicants whose applications are found in order should be enlisted as registered supplier with the approval of the Branch Manager/Assistant Branch Manager, on the recommendations of the Branch Level Committee.

Branch Office will maintain a register of the registered suppliers as per "Format GM-02". Individual files of the parties registered will be maintained up to date. Each supplier should be given a registration number. Existing suppliers should also be given distinct registration number, which should contain name of the Branch, items for which registered, year of registration and registration number (such as DLI/GR/10/000), which would mean Delhi, Grocery, Year and lastly a 3 digit registration number given. A list of approved suppliers should be placed in the website of NCCF.

2.2.4 The registration of suppliers should be an open-ended process which should be reviewed at regular intervals to enlist/de-list the suppliers as the case may be.

2.2.5 Registration Fee:

A one time non-interest bearing deposit will be collected by the Branches as per the category mentioned below towards security amount from the parties, who will be issued a letter of registration ("Format GM-03") after they fulfill the conditions of registration:

<u>Category of Branch</u>	<u>Amount (in Rs.)</u>
'A'	50,000
'B'	25,000
'C' to 'E'	15,000

The security amount is refundable to the parties on cessation of their registration, as per the guidelines formulated separately.

In case of non-registration of any party due to any reason, the amount collected from them should be returned.

2.3 BACKGROUND AND CREDENTIAL OF BUSINESS ASSOCIATES:

2.3.1 a) Any Business Associate selected for the purpose as outlined in the guidelines, shall have sound credit worthiness, credential, market reputation, capability and satisfactory past performance of business if done with NCCF or any other PSU(s) or Government body or any other renowned private Business House, Firm, Corporate House etc.

b) The Business Associate shall have to submit its audited accounts for the period as prescribed and such other credentials as and when desired by NCCF.

2.3.2 Wherever considered necessary, NCCF may demand credit rating etc. of such Business Associates from specialized agency such as CRISIL, ICRA, CARE, SBI CAP, DUN and Bradstreet etc.

2.3.3 No such entity shall be associated as Business Associate with whom NCCF has legal or arbitration proceedings or recovery dispute unless decided or otherwise relaxed by the Business Committee.

2.3.4 NCCF may ask for cash deposit or FDRs marked lien in favour of NCCF and/or bank guarantee as a security depending on the scope and vulnerability of such business in order to protect the interest of the NCCF.

2.4 **PRIORITISATION:**

While developing and promoting the business for organization, endeavors shall be made to develop a long-term core business of the NCCF and accordingly prioritization shall be accorded to such business which has minimum risk and higher return.

2.5 **INCIDENTAL CHARGES AND TRADING MARGIN:**

While deciding the trade or service margin for NCCF, the incidental charges incurred including the travel expenses etc. by NCCF for giving such facilitation and support to the business associates shall as far as possible, depending on the profile of business, be borne in the account of such business associate(s).

2.6 **INTEREST ON INVESTMENT:**

2.6.1 Business associates where provided with financial support by NCCF, shall pay 1% more over and above the NCCF's borrowing rate of interest plus taxes, if any. The financial support will, however, be provided with prior approval of Head Office.

2.6.2 The rate of interest as given in guidelines (1) above shall be applicable for a maximum period of 4 months and beyond that a penal rate of interest as decided by the Business Committee/Board of Directors shall be applicable.

2.7 **DELIVERY:**

2.7.1 All contracts shall be completed and obligations shall be discharged within the period assigned in the contract or agreement.

2.7.2 Any obligation or liability accruing on account of failure on the part of business associate shall have to be dis-charged by the business associate(s).

2.8 PROCESSING OF BUSINESS PROPOSALS:

2.8.1 Every proposal shall be screened, examined and finalized by Branch office of NCCF on the recommendation of Committee (BR) comprising of as far as possible senior officers each from marketing and accounts wing and the dealing officer of that Branch

2.8.2 All such proposals shall be executed at the Branch level unless it requires the specific approval of the Head Office.

2.8.3 The proposals requiring the approval from the Head Office shall be accompanied with details of the proposal and its techno-economic feasibility and report on viability with specific recommendations of the Committee (BR).

2.8.4 Every such proposal shall be examined and cleared by the Branch within 4 working days (including holidays and or weekly off days) of its receipt and shall be sent to Head Office with specific recommendations for approval.

2.8.5 The proposal requiring approval of HO shall be examined by a Committee (HO) comprising of the senior officers each from marketing and accounts wings and the dealing official.

2.8.6 The proposal with regard to the items, which are not dealt with in any specific division in HO shall be examined in the Finance & Accounts Division before taking further action.

2.8.7 Any proposal received directly at Head Office shall be examined in concerned Division as far as possible in consultation with concerning Branch office and Division where the business is likely to be carried-out and shall be handed over to the concerning Branch for its execution.

2.8.8 Branch Office shall finalize and execute proper memorandum of understanding or agreement with the business associate in consultation with local legal adviser or Legal Section of Head Office and send a copy of the same to HO.

2.9 **ASSOCIATESHIP AGREEMENT:**

2.9.1 A detailed Associate-ship agreement or MOU will be signed between NCCF, HO or its Branch and the business associate covering all mutually accepted terms and conditions and the procedure for carrying out the business alongwith responsibilities of both the parties. Such agreement will be got vetted by the Legal Adviser of NCCF before signing. This can also be done through a letter of registration duly accepted by the Business Associate in the **format GM-03**.

2.9.2 Such an agreement needs to, inter-alia stipulate all the terms and conditions relating to the assignment and will be binding on the associate party.

2.10 **EMPANELMENT OF BUSINESS ASSOCIATES:**

2.10.1 As far as possible, Branch Manager and Head Office shall empanel the business associates for the business development on its own from time to time.

2.10.2 In order to have reputed, capable and financially sound suppliers in the approved list of NCCF, HO will place advertisement in website as per the format enclosed (**GM-08**).

2.10.3. The panel shall be renewed periodically and the old empanelled associates shall get automatic renewal, if the Branch find their past performance satisfactory.

2.10.4 The scope of fresh entry in the panel shall remain open depending upon the new business opportunity or on the potentiality of new entrant.

2.10.5 For business procured and developed by HO or Branch Office on its own goodwill shall either be executed through its empanelled associates or through tender provided where no such empanelled Business Associate(s) exist and the time is short and exigencies do not permit time for processing of tender, it would be through getting offers on the Website within a stipulated time provided further that for such business which has been brought by an outside agency on back to back basis on its own goodwill or effort, they may be preferred in award of such work depending on the merits of the business or opportunity and if no better alternate option is available.

2.11. **CANCELLATION OF REGISTRATION OF BUSINESS ASSOCIATE**

2.11.1 If the Business Associate:

(i) at any time defaults in proceeding with any part of the assignment, work, contract or project with due diligence and continues to do so,

Or

(ii) commits defaults to comply with any of the terms and conditions of the contract/agreement and does not remedy it

Or

iii) fails to complete the work/assignments/contract or item of work/project within the completion period.

the Branch shall give notice in writing specifying the time to the Business Associate for compliance and after expiry of such period shall terminate/cancel the registration of the Business Associate.

2.11.2(a) On cancellation of the registration of Business Associate and termination of contract assigned to him in full or in part, Branch Manager shall determine the amount, if any recoverable/pending and due to the Business Associate on any account and if such amounts are not sufficient to compensate/cover the loss(es) due to unfinished assignment/work contract etc., the Business Associate shall be called upon in writing to pay the same within 30 days.

(b) If the Business Associate fails to pay the required sum within the aforesaid period, it shall be proceeded to recover through due process of law, besides forfeiting Security, EMD etc.

2.12 **BLACK LISTING OF BUSINESS ASSOCIATE**

A Business Associate may be black-listed for future transactions with NCCF on account of breach of trust, non-compliance and unlawful activities etc., detrimental to the interest of the NCCF, for which decision will be taken by Head Office on receipt of references from the Branch.

2.13 MONITORING:

2.13.1 The concerned Branch and its concerning staff shall closely and regularly monitor the execution of the business carried out by the associate and shall submit fortnightly/monthly reports to the concerned Divisional Head in Head Office.

2.13.2 Branch Manager and the concerning Head of Division at Head Office shall guide and take appropriate measures for faithful implementation of such business as per contract or agreement.

2.13.3 The concerning Head of the Division shall keep the competent authority apprised about the implementation of business, as per contract and shall guide the Branch and Business Associate about the instructions of the competent authority from time to time.

2.14 RISK COVERAGE:

Development of infrastructure or other business on its own by NCCF or in association with Business Associates as provided in the Bye-laws of NCCF shall be so carried out, which should have the minimum risk and create the maximum stake for NCCF on long term.

2.15 MISCELLANEOUS:

For any business other than those given in the general guidelines and rules or procedures not outlined hereunder, shall be generally carried out on the decisions taken by the Business Committee or Board of Directors from time to time.

Provided, when the time available for meeting of Business Committee or Board of Directors is too short and it not possible to hold such meeting in the near future, the business shall be carried out as decided by the Managing Director in consultation with the Chairman.

2.16 SAVINGS:

Anything done or action taken in furtherance of object in good faith may not be questioned by any authority.

2.17 INTERPRETATION:

The interpretation or clarification required by the Branches/sub-Branches on the above conditions, shall be provided by HO.

Anything not defined and not covered under any rule or guidelines of NCCF shall be defined and clarified by Head Office.

2.18 ENFORCEMENT:

These rules will come into force immediately from the date of issue and shall remain in force until such time these are repealed or rescinded or modified in part or full. The work which commenced before issuance of these guidelines shall be deemed to have commenced observing the formalities required under these guidelines.

2.19 ARBITRATION:

In the event of any conflict between the provision of the agreement/MOU and in the event of any dispute or differences arising over the constitution or effect of the terms and conditions

of agreement/MOU, the same shall be referred to the Managing Director of NCCF or his nominee, whose decision shall be final and binding on both the parties and the situs of the case shall be New Delhi.