

CHAPTER 7

Opening and Running of Franchisee Units.

7.1 Scope:

The Branch with prior approval of Business Committee may open selective and viable franchisee units in collaboration with Business Associate of repute with sound financial back ground and having also a potential business with branch in the past. The work scope is given as follows:

7.1.1 Sale of stationery/cleaning material/ electric and electronic gadgets/paper and paper product/computer consumables/ Computer Stationery/Furniture/computer peripherals/ hardware and reflection boards/sundry items, IT products, Merchandise, agri. Inputs and other items indented by Departments/Institutions from time to time.

7.1.2 Franchisee shall display the select items offered for sale in the retail showroom.

7.1.3 Franchisee units shall be supervised by the staff of NCCF.

7.2 Registration and formalities for opening of franchisee:

7.2.1 Franchisee should be registered supplier (business associate) of the NCCF.

7.2.2 Franchisee shall apply in the prescribed application form priced at Rs.500/- (non-refundable) as per **Format-FU-01** alongwith documents listed in **format FU-01A**.

7.2.3 Franchisee approaching NCCF for collaboration shall provide a minimum space of 600 Sq. Ft. free of cost/rent in a shopping/commercial area.

7.2.4 All charges like electricity, water, telephone etc. shall be borne by the Franchisee.

7.2.5 Franchisee shall furnish the retail showroom at their cost as per requirements of the NCCF.

7.2.6 Franchisee shall put a sign board reading "NCCF Retail Showroom" prominently and thereafter "Franchisees (name of the party)" in front of the premises offered by the Franchisee.

7.2.7 Franchisee will provide a suitable space for accommodating staff of NCCF alongwith storage space (racks) for keeping the records.

7.3 Security Deposit:

Franchisee unit in business collaboration has to furnish interest free security deposit in the following manner by demand draft (refundable):

- i) Franchise Unit whose annual turnover is above Rs.1 Crore - Rs.2.00 Lakh.
- ii) Franchise Unit whose annual turnover is Rs.0.5 Crore to Rs.1 Crore - Rs.1.00 Lakh.
- iii) Franchise Unit whose annual turnover is below Rs.50 Lakhs - Rs.0.50 Lakh.

7.4 Dispatch/Delivery Instruction:

7.4.1 The Delivery Instructions against the supply orders at franchisee units from Government Departments/Institutions and sale invoices will be raised as per the terms and conditions of the order/acceptance of the indenting Departments/Institutions.

7.4.2 The Dispatch Instructions/Challans should be issued from the concerned franchisee units on the basis of purchase order.

- 7.4.3 The challan, as per specimen prescribed for supply of general merchandise items should be used for delivering the stocks at the doorstep of the indenting institutions/departments on behalf of NCCF.
- 7.4.4 The NCCF stationery such as letter heads, quotation forms, DIs, invoices and visiting cards will not be used by the Franchisee for any purpose. Incharges of Franchisee Unit will be responsible and accountable for properly safeguarding the stationery of NCCF to avoid mishandling and misuse. The correspondence with the buyers shall be entered into only by the authorised staff/employees of NCCF.
- 7.5 Price:**
- 7.5.1 The rates of items may be charged only as per prevailing price list of NCCF. In case of non-availability of price of a particular item in the price list, rates of that item should be got verified from the market and quoted accordingly with approval of the Branch Manager/Assistant Branch Manager.
- 7.5.2 Franchisee will not participate in open tender floated by the Government Department/Institution directly without permission of BM/ABM of NCCF.
- 7.5.3 The documentation of all sales shall be made by the NCCF on the basis of following documents:
- i. Enquiry Letter of the Department.
 - ii. Quotation of NCCF.
 - iii. Supply Order of Department.
 - iv) Acknowledged D.I. of NCCF.
 - v) Invoice of Business Associate.
 - vi) NCCF Invoices.

7.5.4 Franchisee shall provide at their own cost and expenses, the technical personal as may be required for providing technical know-how and details of the items to the consumers/indenting agencies.

7.5.5 The franchisee should normally have authorization from the manufacturers/ approved distributors for supply of major branded items. In absence of such authorization, the franchisee will have to ensure proper back-to back arrangement with source of supply, as the case may be to the satisfaction of NCCF. Likewise, the franchisee should have back-to back arrangements to attend to "After Sales Service" for all major branded items supplied through the franchisee units. The standardization of items - especially the non-branded items should be ensured by the franchisee in consultation with the NCCF's Branch for minimizing the scope of complaint, which arises mostly due to quality deficiency and charging of higher rates from the indenting institutions.

7.6 Accounting:

7.6.1 No accounting books are required to be maintained in the Franchisee Unit. However, they will raise Retail Invoices serially on the departments and maintain purchase & sale data as per **Format FU-02.**

7.6.2 The entire set of documents of Sale/Purchase must be submitted to the Accounts Department of NCCF by the Franchisee Unit on fortnightly basis every first and 16th of each month alongwith the sale/purchase data strictly in a manner so that sale/purchase data and CST/VAT data of a month are incorporated in the books of accounts in time.

- 7.6.3 The payments to Franchisee Unit against credit sales will be released by the NCCF after deducting applicable margin within 5 days on realization of payments from the buyers/indenting organizations.
- 7.6.4 Sale proceeds of Cash Sales, if any, will be collected by the staff of NCCF for depositing into the bank by the next working day against due acknowledgement. The amount will be released to Franchisee Unit by 7th of next month after deducting the applicable margin of NCCF.
- 7.6.5 No addition/deletion in the computer generated documents and change of invoice and correction there to is permissible without the consent of Incharge, Franchisee Unit.
- 7.7 After Sales Service/Warranty/Guarantee/Complaint:**
- 7.7.1 Franchisee shall be responsible for services and maintenance of the items within the guarantee/warranty period. However after expiry of warranty/guarantee period, franchisee will ensure after sales service on request of Department/Institutions on mutually agreed terms and conditions.
- 7.7.2 Franchisee will fully indemnify NCCF against all claims, damages, losses relating to or arising from the sale of the products.
- 7.7.3 Franchisee shall be responsible to compensate the NCCF and any concerned 3rd party from and against all losses, risks, due to any claim of infringement of patent, designs, copyright, trademark, quality or other claims due to defects in the goods supplied and services, if any. In case of any legal case arising out of deficiency of these services, all legal expenses will be borne by the said franchisee.

7.8 Custody of Stocks:

7.8.1 The stocks provided by the franchisee will remain in their safe custody.

7.8.2 NCCF shall not be responsible for damage and loss of stocks for whatsoever reasons.

7.9 Insurance:

Franchisee shall take comprehensive all risks insurance cover against the stock. The premium of insurance of the stocks shall be borne by the franchisee.

7.10 Realization of Service Charges:

7.10.1 Payment to the franchisee will be made after deducting prescribed service charges.

7.10.2 Franchisee shall have to bear the administrative cost of their staff, deputed to such franchisee unit besides payment of the NCCF service charges

7.11 Working Hours:

Working hours in the Franchisee Unit/retail showroom shall be from 10.00 a.m. to 7.00 p.m. with a close day on _____(as per market practice).

7.12 Agreement/Validity of Arrangements:

7.12.1 NCCF's Branch shall enter into an agreement with the franchisee unit(s). A copy of model agreement is enclosed at **Format FU-03**.

7.12.2 The validity of the agreement shall be for a minimum period of 2 years renewable for further period on mutually agreed terms and conditions. However, the either party will be free to terminate the

agreement by giving one month's notice at any time without assigning any reasons whatsoever.

7.12.3 In the event of termination of the agreement or its expiry, the balance unsold stocks shall be the responsibility of franchisee on "As is Where is Basis". The account of the Franchisee shall be settled within a period of one month from the date of closure of franchisee arrangement.
