

GENERAL GUIDELINES FOR EMPANELMENT OF ASSOCIATES FOR SUPPLY OF SEED/SAPLINGS/PLANTING MATERIAL BY NAFED

I. Categories of Organizations/Companies which can be empanelled:

- a. Any organization, which is actual producer or manufacturer of truthfully labeled/ hybrid seeds / certified seeds/planting material/saplings or owner of nurseries of saplings/planting material of various crops,
- b. **A Cooperative Society engaged in agri business/ seed business or procurement / marketing of agricultural commodities**
- c. **NHRDF**, Self Help Group and Farmers Club engaged in agri business. Self Help Group and Farmers Club should be registered with State Agriculture Department/NABARD etc.
- d. Nurseries or Company procuring seeds/ planting material/saplings
- e. Nurseries/Companies or Cooperative societies which are actual producers and who can take full responsibility of quality of produce marketed by them,
- f. Importers of exotic planting materials/saplings/authorized distributors of foreign planting materials/saplings.

II. The above categories of Organizations/companies will be required to submit copies of valid licence/registration certificate issued in their favour from concerned State Government authority and documents in support of their expertise in production or supply of seeds/planting material/saplings to Govt. Departments or Institutions or otherwise, covering following points:

a. **Experience:** The Organization/Company should have at least 3 years experience in seed business. In case of member cooperative societies of NAFED and Farmers Club, the condition of minimum 3 yrs experience in seed is waived. In case of NHRDF/self help groups the requirement of experience may be relaxed up to minimum two years.

b. **Turnover:** The supplier should have a minimum average turnover of Rs 2.00 crores per annum during previous three financial years in Agri business in general and seed/ planting material/ saplings in particular. NHRDF, Self Help Groups and Farmers Club, should have a minimum average turnover of Rs. 10.00 lacs per annum during the previous three years. In case of member society of Nafed, the concerned society should have a minimum average turnover of Rs. 25.00 lakhs per annum during the previous three years in procurement and marketing of agricultural commodities. Societies already undertaking business with NAFED will be preferred.

III Supplies: The Company/Organization should mention the agencies to which it has supplied seed/planting material/saplings during last 3 years or for the period specified in these guidelines, i.e. Govt. as well as Non-Govt. Companies/retail markets. Further,

the details regarding crop wise, variety wise, quantity wise supply of seed/planting material/saplings during last 3 years (annually) or the period as specified in these guidelines, may also be provided.

The Company would have to give details of ownership of seed processing infrastructure like seed processing or testing labs etc. under self ownership or on lease. All financial documents, which would include, previous 3 years or for the period as specified in these guidelines, audited balance sheets, P& L account, credit worthiness certificate from the Company's/Organizations bankers have to be submitted by the company for examination.

IV. Proposals for empanelment for supply of seed/sapling/planting material received at Branches will be examined by them and if found in conformity with the guidelines formulated by Head Office, Branch level Committee will decide empanelment of the party, under intimation to Head Office along with the relevant documents for records.

V. **Service Charges**: The service charges to NAFED shall be 3% for seed and 5% for sapling/planting material advalorem of each supply order.

VII. Security Deposit: An amount of Rs. Five lakh has to be deposited by the Organization /Company concerned for empanelment with Nafed as interest free performance security by way of demand draft in favour of NAFED, which would remain with NAFED till the validity of empanelment agreement, depending upon the performance of the company or associates in getting and servicing the orders of seed supply on behalf of Nafed. The performance guarantee may be forfeited by NAFED at any point of time without prior intimation to the party to recover any outstanding dues or in case at any point of time the performance of the company is not found to be satisfactory

VIII. The Company/Organisation/associate, after empanelment with Nafed Branch(es), execution of the agreement in the format enclosed and furnishing of security deposit will be required to separately give a letter of intent to the concerned branch of Nafed, through which it wishes to make supplies and raise bills in a particular State. A Branch of Nafed will normally accept such letters of intent only for the States, in which they are normally operating and they will entertain proposals of other State, only if the local branch of Nafed for that State is not willing or keen to enter into this business.

IX. All responsibilities with regard to legal or otherwise regarding terms of supply to departments, quality and quantity of supply, fulfilling terms of tender, will be solely borne by the associate, which would be explicitly mentioned in the agreement between associates and Nafed. The associate will be fully responsible for the quality of seeds supplied by them .

X. In case of Saplings/planting material, the associate has to arrange the supplies as per the specifications (regarding variety, length, size, age, health etc. of the fruit, flower saplings) as mentioned in the tender floated by the respective state govt. or department/institutions/directorates.

XI The Company/Organization/associate shall undertake supply of seed on behalf of NAFED as per the prescribed quality and guidelines of the buyer and shall indemnify

NAFED against all losses that may be caused on account of action or inaction on part of the supplier. An indemnity bond in this regard will be furnished by the associate as per the enclosed Annexure on non judicial stamp paper of Rs. 100. The associate shall be fully responsible to ensure supply of seeds as per the prescribed quality.

XII. NAFED has the right to cancel the empanelment and terminate the agreement of all such parties whose performance is not found satisfactory or any other reason by giving one month's notice to the associate.

XIV. All disputes, if any, would be referred to Managing Director, Nafed for sole arbitration and if not settled, would be referred to courts in jurisdiction of Delhi only.

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DRAFT OF AGREEMENT FOR SUPPLY OF SEEDS OF VARIOUS CROPS, HORTICULTURAL PLANTING MATERIAL ETC. ON BACK TO BACK BASIS

This deed of agreement made at (NAME OF CITY) signed on this day of and effective from.....between **NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LIMITED**, (NAME & ADDRESS OF BRANCH OFFICE) a National Level Cooperative Society registered under multi state cooperative Societies Act 1984, having its registered office at Nafed House, Ashram Chowk, Sidhartha Enclave, New Delhi 110014, represented by (BRANCH MANAGER) hereinafter referred to as NAFED which expression shall, wherever the context so admits, mean and includes its successor or successors in office and assigns of the one part and M/s.having its registered office atand represented by Shri.....S/O Shri..... hereinafter called the supplier, which expression shall wherever the context so admits, mean and include its legal heirs, representatives, executors, administrators, successors in office and assigns on the second part.

Whereas Nafed is engaged in the supplies of certified/ **truthfully labeled / hybrid seeds** of various crops, viz. cereals, fodder, green manure, oil seeds, pulses etc., planting material/saplings to institutions all over India, directly/indirectly. In order to fulfill the objective, Nafed is desirous to have back to back arrangements with suppliers of the above items who may secure orders or participate in the tenders on behalf of Nafed and are in a position to arrange the supplies as per the following terms and conditions:

1. Supplier will participate in the tenders/orders floated by various institutions for the supply of truthfully labeled, **certified and hybrid seeds and planting material / saplings** of various agricultural crops viz. cereals, fodder, green manure, oil seeds, pulses, vegetable, flowers and horticulture planting material and agro inputs and on behalf of Nafed, the supplier would quote the rates to various institutions in consultation with Nafed. In case rates quoted by supplier are accepted by the Institutions, the supplier will arrange Purchase Order in favour of Nafed and after inspection of the stock by Nafed representative / surveyor which should be strictly as per specification and B.O.S. , obtain DC from Nafed for supply of stock. The supplier will obtain the receipt of the stock from the institutions, indicating therein the quantity/quality of stock/material supplied, as per tender/purchase order and submit, the same to Nafed for record and raising bills to the institutions. Nafed would deem the delivery of stocks by the supplier and its acceptance by the institutions as actual delivery acceptance. It will be the duty and responsibility of the supplier that goods/commodity so supplied are passed by the authorities of the institutions and a certificate to this effect to Nafed that goods/ commodity supplied have been accepted as per quality and quantity norms and terms of supply order required by the institution.

2. After arranging delivery of the goods as per terms and conditions of the tenders/ orders and arranging delivery of bills of Nafed to institutions, Supplier will take all necessary steps to receive payment in favour of Nafed from the institutions within stipulated period.

3. After receiving the payment from the institution, Nafed will release the amount to Supplier, after deducting service charges of Nafed which shall vary from item to item (specified herein after) and deductions imposed by the institution on account of shortage, quality cut, late delivery charges, if any or any other expenses.

4. After the supplier gets empanelled with Nafed BRANCH and required agreement with Nafed, is executed, the supplier will be required to separately give a letter of intent to the concerned branch of Nafed, through which it wishes to make supply and to which it wants raise bills in a particular State. A Branch of Nafed will generally accept such letters of intent only for the States, in which they are normally operating and they will entertain proposals of other State, only if the local branch of Nafed for that State is not willing or keen to enter into this business.

RESPONSIBILITY OF THE SUPPLIER

1. The supplier will provide the interest free performance guarantee of Rs.5.00 lacs by demand draft in favour of NAFED which would remain with NAFED till the validity of the agreement, depending upon the performance of the supplier in getting and servicing the orders of seed supply on behalf of Nafed. The performance guarantee may be forfeited by NAFED at any point of time without prior intimation to the supplier to recover any outstanding dues or in case at any point of time the performance of the supplier is not found to be satisfactory.

2. The Supplier will deposit tender money and security amount with Nafed, if any, required by the institutions to be deposited before getting tender/order by the Nafed. Nafed will in turn, deposit the required security amount with the institutions (Nafed has the right invoke the performance guarantee to make good the losses, if any, suffered on account of the acts of omission or commission on the part of the suppliers and breach in the terms of present agreement).

3. The supplier shall undertake supply of seed on behalf of NAFED as per the prescribed quality and guidelines of the buyer and shall indemnify NAFED against all losses that may be caused on account of action or inaction on part of the supplier. The associate shall be fully responsible to ensure supply of seeds as per the prescribed quality . Nafed will not entertain any complaint from any institution about the quantity, quality of the material after its delivery. In case of any complaint, supplier has to take-up the matter with the institution and settle the same in the best interest of both the organizations. In case of any defected goods

supplied, the supplier will be solely responsible for the same and will also be responsible for meeting the entire legal expenses to be incurred, by Nafed, in case of any legal compensation/litigation for any complaint regarding defected/impure goods should be resolved within 6 months time from the date of complaint.

4. If there is any delay in delivering the ordered goods as per the specifications of the purchase order or any risks emanating due to non delivery of goods in time, supplier will be solely responsible for the same and shall bear all consequences on account of the same.

5. The supplier will not work simultaneously, with any other empanelled company/supplier, for supply of seeds of same crop variety to the same department in a state.

Other Terms and Conditions:

1. Nafed and the supplier have agreed upon the terms and conditions for the supply of particular item/items on FOR/FOL basis, i.e. inclusive of transport cost and all other taxes, expenses, duties, levies etc. upto godown of the indenting institution as the case may be.

2. The supplier will certify that the quality and the quantity of the goods to be supplied are as per the terms and conditions of the tender/PO. If possible, Nafed's representative will accompany the goods to deliver to the purchaser to ensure that the stock has really landed at the godown of the institution. Nafed may appoint a surveyor, if required, for supervision of supplies. The two certificates i.e. from surveyor about the quality/quantity and Nafed's representative about actual stock delivered at the party's godown are important documents for processing of the payment to the supplier. The expenses incurred towards surveyor's fee will be borne by the supplier alone.

3. After receipt of the payment from the buyer regarding goods supplied by the supplier, Nafed will release the payment to the supplier after deducting the pre-decided service charges and deduction if any made by the institution on account of quality, shortage and late delivery or any other charges etc.

4. Supplier will ensure that all goods supplied to various institutions are in conformity to the specification required by the buyer.

5. Supplier will inform Nafed in writing in advance before participating in any tender on behalf of NAFED.

6. Nafed reserves the right to terminate the contract without assigning any reason within the validity period of agreement by giving one month notice and has a right to appoint one or more supplier/agent for the supply of goods to the same institutions.

7. In case stocks and quality indicated in the purchase order are available with Nafed and supply rates indicated in purchase order are higher than the sale rates of Nafed, the supplier shall allow Nafed to supply such items directly to the institution at agreed rates without any intervention of the supplier. In such transaction, supplier is not entitled to any financial benefits.

8. **Service Charges**: The service charges to NAFED shall be 3% for seed and 5% for saplings and planting material of the order value of each supply order.

9. In such back-to-back deliveries of stock, Nafed will not invest its own money in any manner whatsoever. It is the responsibility of the suppliers to invest their own funds.

10. In case the performance of the supplier is not found to be satisfactory, the engagement of the supplier may be cancelled by giving one month's notice and the agreement may be terminated accordingly. The performance guarantee may be forfeited by NAFED at any point of time without prior intimation to the supplier to recover any outstanding dues or in case at any point of time the performance of the company is not found to be satisfactory.

11. The guidelines framed by NAFED for supply of seeds form inherent part of this agreement.

12. ARBITRATION: In case any dispute arises between Nafed and Supplier in respect of the supplies of different items on the interpretation and any clause of the present agreement on any subject touching the present agreement, same shall be referred to the Managing Director of Nafed, who is entitled to be the sole arbitrator or appoint any official of Nafed to act as arbitrator. The decision of the Managing Director of Nafed or any officer authorized by the Managing Director to act as an arbitrator would be final and binding on both the parties.

All disputes arising out of this agreement shall be subject to jurisdiction of Delhi courts only. The party shall be governed by the Arbitration and Conciliation Act 1996. The venue of the arbitration will be Delhi.

13. This agreement is valid for the period of 3 years and can be extended on mutual consent for a period of one year on each occasion.

In witness whereof, the parties hereto have set and subscribed their respective hand and seal on this agreement on the day, month, year first as mentioned in the presence of the following witness:

FOR & ON BEHALF OF SUPPLIER FOR

ON BEHALF OF NAFED

WITNESS:

- 1.**
- 2.**

WITNESS:

- 1.**
- 2.**

**List of Documents as may be applicable to be submitted by
Company/ Organization/associate at the time of applying
for empanelment as seed supplier / associate**

1. Request letter to NAFED on applicant's letter head for empanelment as seed supplier / associate as per Annexure C (i).
2. Application form as per Annexure C (ii).
3. Undertaking on stamp paper of Rs. 100 as per Annexure c(iii).
4. Company /Organization Profile
5. Last three years audited balance Sheet / Annual report
6. Memorandum of Understanding /Articles of Association and copy of ownership documents of firm
7. Photocopy of PAN of the Company/Organization and its Directors/Partners.
8. Photocopy of TIN/CST/ST numbers of the Company/Organization.
9. Latest License of concerned authority for registration as Society, NHRDF/SHG/Farmers Club
10. List of agencies to which seed/planting material/saplings have been supplied during last 3 years i.e. Govt. as well as Non-Govt. Companies / retail markets.
11. Statement indicating crop wise, variety wise, quantity and value of seeds supplied to different agencies during last three financial years.
12. Certificate of performance from the buyers.
13. Proof of Registration of Crop / variety – wise Area with State Seed Certification Agency for production of certified Seed.
14. Authorization to sign the agreement on behalf of Company/Organization/all Partners.
15. Willingness to provide bank guarantee.
16. Willingness to execute the agreement on the terms and conditions of NAFED

Annexure C (i)

**Format of forwarding letter to be submitted by the applicant for
Empanelment as SEED PRODUCTION COMPANY with NAFED**
(To be furnished on the letter head of the company)

Branch Manager
NAFED

Date:

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Dear Sir,

**Sub.: Request for empanelment with NAFED as Seed Producer /
Seed Supplier / Seed Producer & Seed Supplier**

With reference to ----- , we would like get ourselves empanelled with NAFED as ----- . Our application duly filled in along with necessary documents as listed below is enclosed herewith for kind perusal.

Sr. No.

Details of document enclosed

We agree to abide by all the terms and conditions as prescribed by NAFED for undertaking supply of seeds on behalf of NAFED

Thanking you

Sincerely yours

**(Signature, Name and seal
of authorized person)**

Annexure C (ii)

**Format Application Form for Appointment of Associates / Empanelment of
Seed/Saplings/Planting Material Suppliers by Nafed**

1. Name of Company :
2. Type of Company :
Ownership/Partnership/Corporate/Society/SHG/Farmers Club
(Attach documentary evidence)
3. Address :
4. Name of Chief Executive :
5. Contact Person with Designation
6. Contact No. : Landline with STD Code:
Mobile:
7. E.mail address:
8. Fax No :
9. Web Site, if any :
10. Category under which applying
(choose from para 1(categories) of guidelines)
11. Experience in Seed Production/seed marketing/business (No. of years):
12. Year wise Annual Turnover of Last Three years :
13. Crop / Variety wise Value of Seeds supplied during last three years:
14. Do you have your own marketing Network (Y/N). If yes give details:
15. Do you have your own Production line of Seed (Yes / No.)

16. If Yes give details of :
- a. Main crops varieties produced
 - b. Area in Ha. registered with seed certification Agency at the time of making application :
 - c. Description of Plant and Machinery in seed production and Processing Plant with make and model
 - d. Area-wise name of crop/varieties Under Production Programme (Jayad/Rabi/Kharif)
 - e. Source of Breeder/Foundation Seeds
 - f. Do you undertake own Breeder to Foundation seed production Programmes (If yes give crop-wise details for Rabi/Kharif/Jayad)
 - g. No. of Agri Graduates working in Company (for seed production activities)
17. If no, give details of your sources of seed supplies and the crop varieties developed by them
18. Do you have own R&D Facility (Y/N)
- if yes :**
- a. Please furnish details of infrastructure and description of Equipments in R & D Lab
 - b. Is R&D Facility recognized by CSIR (Y/N)
 - c. which agency has Recognized your R&D
 - d. Do you employ any qualified Scientists/Breeders for R&D? If yes , furnish details with name and Qualification and their period of employment with your company.
19. Whether the applicant have own or on lease seed processing unit
(Pls mention owner's details in case plant Is on lease / hire)
20. Location and size of Seed Processing Plant :
21. Whether the applicant have own godown
(Pls mention owner's details in godown is on lease / hire)

22. Location and size of Godown :

23. Any other relevant information:

Place:.....

Date:.....

Stamp)

**Name / Designation /Signature
of Authorized Signatory with**

NOTE-- Please use extra sheets for details and put signature and stamp on each sheet.

Annexure C (iii)

FORMAT OF UNDERTAKING TO BE FURNISHED BY THE SUPPLIER
ON STAMP PAPER OF RS 100

M/S thereafter to be referred to as ASSOCIATE having its registered office, is in the business of producing / marketing of certified /truthfully labeled/ HYBRID seeds of various varieties and saplings/planting material.

That the associate , is desirous of getting empanelled with National Agricultural Cooperative Federation of India Ltd, thereafter to be referred to as NAFED, for supply of certified / truthfull labeled/hybrid seeds and saplings/planting material on behalf of Nafed.

That the associate hereby undertakes that they shall arrange supply of certified /truthfully labeled/ hybrid seeds / plating material / saplings on behalf of Nafed to various State agencies / State Governments , etc. in accordance with the prescribed quality and guidelines of the buyer . That the associate shall be fully responsible for quality of seeds/saplings/planting material supplied by them on behalf of NAFED.

The associate also undertakes to indemnify NAFED from any costs, risk , responsibility and losses that may be incurred on account of any action or inaction on part of the organizer.

Signed this day of in the year , through its director and authorized signatory Shri ----- at -----

Name / Signature / Seal of Authorized Signatory)

For and on behalf of
M/S.....

Witness

1).....

2).....

