



Machine Selling Scheme Through “NSIC-Aggregation Services”

Prepared by
General Manager
BD-Machine Selling
NSIC, HEAD OFFICE
New Delhi-110020



Scheme for Machines & Equipments Selling through Aggregation Services

Introduction:

NSIC was earlier having verticals like Hire Purchase Scheme, Equipment Leasing Scheme and Composite Term Loan Scheme. Under the said schemes, NSIC was mainly helping to SSI units (now known as MSEs) by providing Equipment and Machine on hire purchase basis/ lease basis & term loan basis. The Hire Purchase Scheme and Equipment Leasing Scheme were very popular schemes of the Corporation at one point of time, but after passage of time many other financial institutions/ banks started entering into this field and gradually NSIC stopped financing under Hire Purchase Scheme & Equipment Leasing Scheme. However, under composite term loan scheme projects were being financed by NSIC under CGTFSI Scheme and the financing of machine was one of the essential components of the scheme but later on this scheme was also discontinued by the Corporation.

Scope of Scheme:

Now considering the increase in demand of machines & equipment by MSMEs due to liberalization of the economy the MSMEs are critically dependent on their modernization and technology up-gradation. Up-gradation of both the process of manufacturing and corresponding machinery is necessary for the MSMEs to reduce the cost of their production and remain price competitive at a time when cheaper products are easily available in the global market. In this endeavor NSIC can help MSMEs by catering the need of machines to them through a pool of machine suppliers already available with NSIC. This pool may be further strengthened by adding more suppliers during the course of time. NSIC will cater the demand of MSMEs through B2B portal, MSME Databank, SPRS, advertisements and workshops.

It is proposed to create an online web / offline platform for selling new Machines & Equipment through NSIC, to facilitate MSMEs and others in a hassle free manner on Pan India Basis.

Key Features of the Scheme:

- Detailed & Accurate information about Machines & Equipments.
- Verification to ensure authentic Seller
- Physical verification of the Machines & Equipments prior to supply
- Secured transactions
- Tie-ups with Indian Manufacturers of Machines & Equipments
- On boarding Authorized Indian Dealers of Imported Machines & Equipments

Salient Features:

- Aggregation of Machines & Equipments Manufacturer and Indian Supplier of imported Machines & Equipments through EOI
- Agreement with empaneled agencies along with the condition of charging minimum NSIC percentage (Min.5%) as Service Charge.
- All discounts for machines selling offered by the Seller shall be passed on to the Buyers except Incentives on Sale Volume/ Turnover.
- Service Charge shall be charged from Seller by the NSIC.
- All Warranty/Guarantee/Commissioning/Installation of the Machines/Equipments shall be borne by the Supplier/Manufacturer of Machine & Equipments.

Beneficiaries:

- Beneficiaries will be MSMEs including OEM's, SPRS Units, Manufacturing Clusters, and Industry Associations etc.
- Demand Generation for Manufacturers & Customers (MSMEs) will be by field offices and from B2B Portal, MSME Databank, SPRS, advertisements and workshops etc.

Scheme:

1. Identification of the Machines/Equipments through Expression of Interest (Eoi) for MSMEs or others
2. Agreement will be executed with all the empaneled Sellers (manufactures/authorized dealers in case of imported machines) by the Head Office of NSIC.
3. NSIC would extend Machines & Equipments Selling Services to MSMEs/others.
4. NSIC will facilitate the purchase of Machinery & Equipment to the Buyer through on-board Sellers in aggregation services for sale of Machines & Equipments. NSIC will work only as a Facilitator.
5. All Sellers will be provided access to NSIC offline/online portal through a link regarding display, pricing, specifications, model of Machines & Equipments offered for sale up to validity of Agreement with NSIC. However, final uploading of details regarding Machines & Equipment on NSIC portal, on standard format, will be approved by Moderator within NSIC, at Head Office.
6. A link may be provided on online portal for finance of Machines & Equipments through third party, without any commitment/liability on the part of NSIC.

7. Guidelines:

1. Display of Machines & Equipments with all technical specifications, terms and conditions and latest ex-works or FOR price plus taxes for sale, of various Manufacturer/OEM Supplier/Indian-Imported Machinery/Equipment Supplier will be available on our offline/online portal or at nearest NSIC's Office.
2. Buyer will select the Seller and machine from the on line portal or at nearest NSIC's Office.
3. For purchase of selected Machines & Equipments, Purchase Order Form for booking will be available /downloaded through NSIC link on our online portal or at nearest NSIC's Office.
4. Before booking of Machines & Equipments through NSIC, it is incumbent on the Buyer to satisfy himself/herself regarding the quality, capacity, specifications, pricing, suitability and any other features of the Machines & Equipments.
5. NSIC shall charge 5% of the ex-works or FOR price of Machines & Equipments as service charges plus GST etc.as per statutory norms, from the Seller for the facilitation services of Machines & Equipments selling.
6. For the booking of the Machines & Equipments Purchase Order Form, duly filled and signed by the Buyer, will be submitted to the nearest office of the NSIC, along with minimum Rs.5000/- or 10% booking amount of the Ex-works or FOR price of the machine whichever is higher.
7. Immediately after receipt of Purchase Order with booking amount from Buyer, a communication will be sent by the respective NSIC office to the Seller regarding booking of machine with details of price etc.
8. Seller will submit Proforma Invoice (PI) to the NSIC.PI will also mention the delivery time of machine and other conditions of sale. Subsequently, NSIC shall issue PI to the Buyer with terms & conditions of the sale.
9. Buyer may cancel the booking of Machines & Equipments within three days from the date of deposit of booking amount and a flat amount of Rs.5000/- along with applicable GST, shall be recovered as service charges from booking advance. Balance if any, shall be refunded to the Buyer and refund amount will not attract any interest.
10. To **Seal the Deal, Buyer** shall accept the PI & deposit further 60% advance of ex-works or FOR price of Machine & Equipment to the concerned office of NSIC through RTGS/NEFT within 15 days from the date of booking. In any case total advance received from the Buyer shall not exceed 70% of the Ex-works or FOR price of machines & equipment.
11. In case neither Buyer has cancelled the booking of machine within 03 days nor deposited the balance 60% amount within 15 days from the date of booking the machine, the PO will stand cancelled and 50%of booking advance or Rs.5000/- whichever is higher, will be forfeited. Balance of the booking advance if any, shall be returned through digital preferably mode to the Buyer without interest.

12. After receipt of the total 70% of ex-works or F.O.R. price of Machines & Equipments as deal sealing advance from the Buyer, deal will not be cancelled. Subsequently, PO will be issued to Seller by respective office of NSIC.
13. After issuance of the Purchase Order, if the deal is cancelled by the Buyer, then **50% of 70% of Ex-works or FOR price of machine's advance** paid by the Buyer for purchasing of Machine & Equipment shall be forfeited and balance amount will be refunded, without any interest. Thereafter, no claim will be entertained for the transaction.
14. Forfeited amount as per clause No 7.13 i.e. equal to 35% of price of Machine & Equipments shall be shared between Seller & NSIC in equal proportion.
15. After "Seal the Deal" with Buyer, NSIC will issue a Purchase Order to Seller, along with 1st installment of 5% of ex-works or FOR price of the Machines & Equipments as an advance payment for confirmation of deal.
16. It is mandatory for Seller to offer pre-dispatch inspection to Buyer. It is the discretion of Buyer that he may inspect the Machines & Equipments, himself or through his authorized representative or through third party inspection agency at the premises of the Seller at his own cost to satisfy himself before dispatch of machine and sign Material Dispatch Clearance Certificate (MDCC).
17. After signing of Material Dispatch Clearance Certificate (MDCC) by the Buyer, NSIC Office will issue delivery instructions (DI) to Seller.
18. Balance 30% payment towards Machines & Equipments purchase will be deposited by Buyer at NSIC Office on or before the date of dispatch of machine/consignment to Buyer on FOR basis or other applicable conditions of sale as per PO.
19. Seller shall raise the invoice to NSIC (respective branch) & ship the machine/consignment to the Buyer/consignee on FOR basis or as per other conditions of sale as per PO.
20. NSIC shall provide the invoice to Buyer (Original + 02 Copies), shipment documents regarding supply of machine to the Buyer on FOR basis or as per other conditions of sale as per PO.
21. Discount offered, if any on Machines & Equipments by the Seller shall be passed on to Buyer except the Incentives on volume Sale or other incentives offered as per Agreement, which will not be shared.
22. All standard Guarantee/Warranty/Installation/Commissioning/Trial run & indemnity associated with the Machines & Equipments shall be the sole responsibility of the Seller as per terms & condition of agreement/PO and NSIC shall in no way be liable for the same.
23. All the payments for sale of Machines & Equipments to the Seller by the Buyer shall be routed through NSIC. No direct payment shall be received by the Seller from the Buyer.
24. 75% payment (2nd Installment to Seller) shall be released after delivery of machines & equipments in good condition, to the Buyer or consignee as per PO/DI with all relevant documents i.e. negotiable copy G/R, R/R, copy of invoice, E-way bill & packing list etc.

25. Delivery time of machine after the issuance of DI shall remain firm to the Seller and Buyer unless and until warranted by unforeseen circumstances.
26. 20% balance payment shall be released within 15 days by the concerned NSIC Office after completion of OK Certificate (installation, commissioning, trial run reports, etc.) duly signed by the authorized representative of the Seller and Buyer.
27. Seller will pay demurrage @ 0.25% of ex-works or FOR price of the Machines & Equipments per day subject to maximum 10% of ex-works or FOR price of the Machines & Equipments in case of delay in delivery of Machines & Equipments. Demurrage will be effective from the next day of expiry of delivery period till the date of delivery of Machines & Equipments. NSIC will be authorized to deduct the demurrage charges from the amount payable to Seller towards sale of Machines & Equipments. Demurrage amount shall be paid to the Buyer only if recovered & received from the Seller.
28. NSIC in no manner whatsoever will be responsible for delay if any, in delivery of machine & Seller have sole responsibility for the same. Any cost incurred towards fixing of manufacturing defect(s), malfunctioning of machine etc. shall be borne by the Seller.
29. Buyer shall not claim from the NSIC any compensation for cancellation of deal or repair of the machine nor claim any damage or loss which he may have to suffer, whether directly or indirectly on account of damage of the machine.
30. Buyer shall indemnify the NSIC against any loss arising out of or in connection with damage, deterioration, destruction etc. of the machine through any cause whatsoever.
31. Seller shall not claim from the NSIC any compensation or damages for cancellation of deal other than as prescribed guidelines.
32. Seller shall indemnify the NSIC against any loss arising out of or in connection with damage, deterioration destruction etc. of the machine through any cause whatsoever.

8. Terms & condition for receipt of payment from Buyer to NSIC:

1. 1st Payment Schedule

For the booking of the Machines & Equipments Purchase Order Form, duly filled and signed by the Buyer, will be submitted to the nearest office of the NSIC, along with minimum Rs.5000/- or 10% booking amount of the ex-works or FOR price of the machine whichever is higher

2. 2nd Payment Schedule

Buyer shall deposit 60% payment as an advance to "Seal the Deal" at the concerned office of NSIC through RTGS/NEFT within 15 days from the date of booking. In any case, the total advance received from the Buyer shall not exceed the 70% of Ex-works or FOR price of Machines & Equipments.

3. 3rd Payment or balance payment Schedule

Buyer will satisfy himself before dispatch of machine and sign Material Dispatch Clearance Certificate (MDCC), thereafter, Buyer will pay third & final 30% balance amount immediately to NSIC for purchasing of Machines & Equipments.

9. Terms & condition for payment to Seller by NSIC:

1. **1stPayment Schedule**--After the "Seal the Deal" with Buyer, NSIC will issue a Purchase Order to Seller along with 1stinstallment 5% of ex-works or FOR price as an advance payment for confirmation of purchasing Machines & Equipments.
2. **2ndPayment Schedule** -- 75% payment shall be released after delivery of machines & equipments in good condition to the Buyer or consignee as per PO/DI with all relevant shipping documents i.e. G/R, R/R, copy of invoice & packing list etc.
3. **3rd Payment or balance payment Schedule** — Final installment of 20% of ex-works or FOR price with applicable GST for Machines & Equipments Selling shall be released within 15 days by the concerned NSIC Office after completion of OK Certificate (installation, commissioning, trial run reports, etc.) duly signed by the authorized representative of the Seller and Buyer. Amount payable to NSIC for service may adjusting/deducting with GST.
4. Prior to releasing final payment to Seller, all recoverable amounts (Demurrage Charges, Incentives, discount etc.) will be adjusted or deducted by NSIC office.
5. Service Charge Invoice will be issued by NSIC to Seller towards 5% of Ex-works or FOR price of Machines & Equipments +Applicable GST and shall be adjusted with final payment to the Seller.

10. Invoicing Criteria:

1. Seller Unit will raise invoice to NSIC and shipped to Buyer/consignee as per the terms & conditions of sale. NSIC will further raise invoice to Buyer/consignee.
2. Service Charge Invoice will be issued by NSIC to Seller towards 5% of Ex-works or FOR price of Machines & Equipments + Applicable GST.

11. Tax Implications:

1. GST/Other applicable tax shall be paid to Seller by NSIC against purchase of Machines & Equipments. For claim against GST or other applicable taxes, NSIC may ask for compliance document in support of their claim.
2. GST/Other applicable tax shall be collected from the Buyer by NSIC against sale of Machines & Equipments as per sale invoice.
3. Buyer/Seller have to comply all Taxes applicable as per statutory norms from time to time.

Business Model Machine Selling Scheme Through Aggregation Services

Identification of the Machine & Equipment through Expression of Interest (Eoi).	→	Evaluation of EOI.	→	Signing of Agreement with all selected Sellers (Manufactures/Authorised dealers in case of imported machines) by the Head Office.	→	Issuance of guidelines to NSIC Offices	→	Launching of Scheme	↩			
Deal finished.	Flat amount of Rs.5000/- shall be deducted towards Service charges & Balance if any shall be refunded.	←	Cancellation of booking of Machine & Equipment within three days.	←	←	←	←	←	←			
Deal finished.	50 % Booking Advance or a flat amount of Rs.5000/-, whichever is higher, shall be recovered towards service charges. Balance booking advance if any shall be refunded.	←	Cancellation of Booking of Machine & Equipment order beyond three days.							Booking of Machines & Equipments on receipt of advance minimum Rs.5000/- or 10% price of Machines from Buyer whichever is higher, along with duly filled & signed PO Format.	Selection of Machines by the Buyer	Display of Machine & Equipment on online portal
	To "Seal The Deal" Buyer should deposit adv. 60% price of Machine within 15 days subject to total advance to be paid by the buyer, shall not exceed 70% of price of machine.	←	If Deal Not Cancelled							Offline display of Machine & Equipment at NSIC's Office		
PO of NSIC Along with 5% of (Total Machine Cost) booking amount as a confirmation will be issued to Seller.	→	Deal Cancelled after Seal of Deal due to unforeseen reason(s).	→	50% of Total 70% advance paid by Buyer shall be forfeited	→	Forfeited Amount will be shared in equal proportionate b/w Seller & NSIC.	→	Bal. Amount 50% of 70% received of Advance Refunded	Deal Finished			
		Deal not Cancelled after Seal Of Deal	→	Pre Dispatch Inspection call/ offered by Seller	→	After the call of inspection MDCC (Material Dispatch Clearance Certificate) will be submitted to NSIC duly signed by Buyer/Seller.	→	Buyer submitted the 30% balance of cost machine & equipment to NSIC office & DI issued.	↩			
↩	Delivery Received Report along with (Consignee Invoice + GRN + E-way Bill+ LRR+ Gate Entry Copy if any) copies duly signed by the Buyer will be sent directly to NSIC.	←	Submission of Bill for Machine Supply by the Seller to NSIC.	←	←	Issuance of original invoice to buyer by NSIC for price of sale of Machines & Equipments.	←	Submission of Original Sale Invoice of Machine Supply by the Seller to NSIC along with (Original Invoice + GRN + E-way Bill) copies duly signed by the Buyer to claim 75% 2nd instalment.	Delivery Received Report along with (Consignee Invoice + GRN + E-way Bill+ LRR+ Gate Entry Copy if any) copies duly signed by the Buyer will be sent directly to NSIC.			
After supply of Machines & claim of Bill by Seller, NSIC will pay 75% of price of the Machines to Seller as 2nd Instalment.	→	NSIC will raise invoice for 5% service charges plus GST to the Seller.	→	Within 15 days from the submission of OK Certificate with relevant documents, submit final bill to the NSIC concerned office and final instalment of the payment will be release to Seller after deducting NSIC's Service Charges.	→	Deal Completed						



Basic Steps of “Machine Selling Scheme” through Aggregation Services

Activities at BO/ZO/NTSC/HO for Empanelment & Agreement

EMPANELMENT PROCEDURE FOR SELLER--

1. Fill the Empanelment form along with desired documents as per Empanelment criteria to nearest BO/ZO/NTSC/HO and application form can be filled offline/online or formats can be downloaded from our website – www.nsic.co.in
2. Selection for empanelment of m a n u f a c t u r e s of Machines & Equipments/Indian Supplier of Imported of Machines & Equipments will be done by empanelment committee at NSIC Office as per the Empanelment criteria mentioned in Guidelines for Machine selling Scheme.
3. Evaluation of Empanelment by BO/ZO/NTSC/HO as per the Guidelines for Machine selling Scheme & in accordance with DOP

Remarks

Format No.01
Format No.02
Annexure- A &B

4. NSIC Office will scrutinized the application and recommendation for empanelment to create Vendor/Empanelment ID

PROCEDURE SIGNING OF AGREEMENT BETWEEN & SELLER--

5. NSIC Office shall execute the Agreement signing activities with recommended Seller (Manufactures/Authorized dealers in case of imported Machines) for empanelment as per standard agreement format (Annexure-I, Board Resolution Format, GP of Attorney Format) only after creation of Vendor/Empanelment ID by the NSIC.
6. The Documents as per Annexure list pertaining to Agreement formats shall be submitted in hard form as well as in exact formats to executing NSIC office
7. Formats for manufacturer's machine & equipments specification ,Rates ,Machine Model etc. shall be UPLOADED BY EXECUTING NSIC OFFICE in exact detail formats (EXCEL) on web link-MACHINE SELLING SCHEME
8. Any Change Display of Machines & Equipments on offline/online portal shall done with prior approval with approving authority
9. Offline/Online display of Machines & Equipments at NSIC's Office.
10. Selection of Machines by the Buyer on Terms & Condition of NSIC.
11. Booking of Machines & Equipments on receipt of advance minimum Rs.5000/- or 10% price of Machines from Buyer whichever is higher, along with duly filled & signed PO Format.
12. To “Seal the Deal” Buyer should deposit 60% price of Machines as advance, within 15 days subject to total advance equivalent to 70% of price of Machines.
13. PO of NSIC will be issued to seller along with 5% booking amount of Machines price.
14. Pre Dispatch Inspection call/offered by Seller.
15. After the call of inspection MDCC (Material Dispatch Clearance Certificate) will be submitted to NSIC duly signed by Buyer/Seller.

Format No.10
Annexure- I
Format No.11
Format No.12

Format No.02

Format No.05

Format No.05

Format No.04

Format No.05

Format No.07



16. Buyer will submit balance 30% payment of Machines & Equipments to NSIC office.	
17. Issuance of the DI to seller by NSIC.	Format No.06
18. Supply of Machines & Equipments by the Seller with (invoice Original+ two copy) & E-way bill as per <u>Delivery Instruction of NSIC.</u>	Format No.06
19. Issuance of original invoice to buyer by NSIC for price of sale of Machines & Equipments.	Format No.03
20. Submission of Original Sale Invoice of Machine Supply by the Seller to NSIC along with (Original Invoice + GRN + E-way Bill) copies duly signed by the Buyer to claim 75% 2 nd instalment.	
21. Delivery Received Report (Material Receipt Certificate) along with (Consignee Invoice + GRN + E-way Bill+ LRR+ Gate Entry Copy if any) copies duly signed by the Buyer will be sent directly to NSIC.	Format No.08
22. After supply of Machines & claim of Bill by Seller, NSIC will pay 75% of price of the Machines to Seller as 2nd Instalment.	
23. After completion of installation, commissioning, trial run reports, OK Certificate duly signed by the buyer & seller or authorised representative of the Buyer & Seller.	Format No.09
24. NSIC will raise invoice for 5% service charges plus GST to the Seller.	Format No.13
25. Within 15 days from the submission of OK Certificate with relevant documents, submit final bill to the NSIC concerned office and final instalment of the payment will be release to Seller after deducting NSIC's Service Charges.	
26. Deal Completed *****	
27. Terms & Conditions for cancellation of Order	
a) If the booking of Machines & Equipments is cancelled within three days. Flat amount of Rs.5000/- shall be deducted towards Service charges & Balance if any shall be refunded and deal will be closed.	
b) If the booking of Machines & Equipments is cancelled beyond three days, 50 % Booking Advance or a flat amount of Rs.5000/-, whichever is higher, shall be recovered towards service charges. Balance booking advance if any shall be refunded and deal will be closed.	
c) Normally the Deal will not be cancelled after Seal of Deal. If the deal is cancelled due to unforeseen circumstances then 50% of total 70% advance paid by Buyer shall be forfeited. Forfeited Amount will be shared in equal proportionate b/w Seller & NSIC.	
d) All balance after forfeited amount if any shall be refunded without interest, preferably with digital mode.	
* Please refer detailed Guidelines of Machines Selling Scheme.	