

Raw Material Assistance Scheme

Details (Raw Material Assistance Scheme)

The scheme "Raw Material Assistance Scheme" was started by the National Small Industries Corporation (NSIC), Government of India Enterprise under the Ministry of Micro, Small and Medium Enterprises (MSME) to assist the Micro, Small and Medium Enterprises (MSMEs) in procuring the raw material(s). The Scheme aims to help MSMEs by way of financing the purchase of Raw Materials (Both indigenous & imported). This allows MSMEs to focus better on manufacturing quality products.

Objectives (Raw Material Assistance Scheme)

- The Scheme aims to help MSMEs by way of financing the purchase of Raw Materials (Both indigenous & imported).

Important Features (Raw Material Assistance Scheme)

- The scheme "Raw Material Assistance Scheme" was started by the National Small Industries Corporation (NSIC), Government of India Enterprise under the Ministry of Micro, Small and Medium Enterprises (MSME) to assist the Micro, Small and Medium Enterprises (MSMEs) in procuring the raw material(s).
- The Scheme aims to help MSMEs by way of financing the purchase of Raw Materials (Both indigenous & imported).
- This allows MSMEs to focus better on manufacturing quality products.

Benefits (Raw Material Assistance Scheme)

- 1. Facilitating procurement of Raw Materials with credit support for up to 180 days. 2. MSMEs helped to avail Economics of Purchases like bulk purchases, cash discounts, etc. 3. Assistance against the security of Bank Guarantee
- Rate of interest in respect of assistance availed on or after 01.02.2023: Particulars Effective Rate of Interest(% per Annum) Effective Rate of Interest(% per Annum) Normal Interest (Compounded on monthly rest) Upto 180 Days Micro Small & Medium (i) Units having valid SME 1 rating * 9.00 9.50 (ii) Units having valid SME 2 rating * 9.50 10.00 (iii) Other units 10.00 10.50 *Note: The concessional rate of interest for the good
- rated MSMEs, as mentioned at Sl. No. (i) and (ii) in the table above shall be applicable only to those cases, where the units make timely repayments of the Corporation's dues. The units which have not re
- paid its dues within the stipulated 180 days, shall not be eligible for the concessional rate of interest. Such units shall be charged the rate of interest mentioned at Sl. No. (iii) above. 4. Additional rate of interest on delayed payment (beyond 180 days), over and above the normal rate of interest, would be as under: In case any outstanding is more than 180 days 1.25% per quarter Processing Fee: Processing Fee Micro Small & Medium On new sanctions 1.0% per annum 1.0% per annum On Renewal 0.5% per annum 1.0% per annum Note: Security in the form of Bank Guarantee from Approved Banks.

Eligibility (Raw Material Assistance Scheme)

- Any Manufacturing/Service MSME having a Udyam Registration Certificate can apply for assistance under the Scheme.
- Note: No trading activity is allowed under the scheme.

Application Process (Raw Material Assistance Scheme)

- Application Process: Step 01: The Entrepreneurs are required to apply for Raw Material Assistance only on the prescribed application forms.
- Step 02: The applicants may download the application forms from the official website of NSIC.
- Also, the blank forms are available free of charge from the Branch offices.
- Step 03: The duly filled application form along with the Application is to be submitted to the nearest Branch Office.

- Post-Application Process: Step 01: Preliminary appraisal and Unit inspection is carried out by NSIC.
- Step 02: Sanction of Limit to the Unit.
- Step 03: Signing of agreement between NSIC and Unit.
- Step 04: Disbursement of assistance to the unit.

Documents Required (Raw Material Assistance Scheme)

- A passport-size photograph of each of the Proprietor/Directors/Partners/Society office bearers. Identity proof i.e. PAN Card
- Aadhaar Card etc. Residence proof i.e. Utility Bill (Latest Telephone/postpaid mobile /Electricity bill)
- Property or Municipal Tax receipt
- Bank Account or post office savings bank account statement
- Passport
- Driving Licence
- Voter's Identity Card. Self-attested photocopy of Udyam Registration Certificate/UAM
- GST Registration Certificate
- Self-attested statement of personal assets and liabilities along with the residential address of Proprietor/Directors/Partners/ Society office bearers. A copy of the Board Resolution in case of Pvt./Public Ltd. Co.
- Power of Attorney in case of a partnership firm & a Governing Body Resolution in case of Society authorizing the signatory to sign and to deal with NSIC in respect of financial assistance required
- for and on behalf of the applicant unit. Specimen signatures of authorized signatory attested by the bank. Copy of sanction letter for credit limit sanctioned by the FIs/ banks. Audited/Provisional financial statements of the unit i.e. (i) Last year's Audited financial statements. (ii) Provisional current-year financial statements. (iii) For startup MSME unit Current year Estimates financial statements duly certified by its Auditors or Chartered accountants Bank statement of the unit for the last six months. Copy of the latest Electricity Bill. Conduct a Report of Accounts of the unit with Banks (Other than Bank Guarantee issuing Bank) and Financial Institutions in cases where the status/ conduct of loans is not available in the credit information report. Certificate/ undertaking from the unit that their name(s)
- name of the company/its owners/associates/sister concern/ members/directors
- in any way does not fall in the list of CIBIL/RBI defaulters list or any sort of case is there against them. Copy of orders in hand
- in case of enhancement of limit beyond five crores. Documents Required for Renewal of Cases: Unit's request letter for renewal of limit and declaration that there is no change in constitution
- promoters & address. In case there is any change in the constitution
- promoters & addresses
- and relevant supporting documents are to be obtained. Copy of the latest and valid Bank Sanction letter. In case of renewal is due after the due date of filing of income tax return
- a copy of the Audited Annual Accounts for the last financial year. In case
- audited annual accounts are not finalized
- a self-attested declaration of financial parameters of the last financial year of Appraisal form along with the latest available Audited Annual Accounts. Projected/Estimated annual accounts of the Current Financial Year or self-attested financial parameters as per the appraisal note. ■ Documents to be enclosed with the Application form ■