Raw Material Assistance SchemeAre you sure you want to sign out?CancelSign OutEngEnglish/à□¹à□¿à□,à□dà€Sign InBackDetailsBenefitsEligibilityApplication ProcessDocuments RequiredFrequently Asked QuestionsSources And ReferencesFeedbackSomething went wrong. Please try again later.OkYou need to sign in before applying for schemesCancelSign InSomething went wrong. Please try again later. OkIt seems you have already initiated your application earlier. To know more please visit CancelApply NowCheck EligibilityMinistry Of Micro, Small and Medium EnterprisesRaw Material Assistance SchemeCredit SupportMSMENSICRaw MaterialDetailsThe 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. Benefits1. 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:ParticularsEffective Rate of Interest(% per Annum)Effective Rate of Interest(% per Annum)Normal Interest (Compounded on monthly rest) Upto 180 DaysMicroSmall & Medium(i) Units having valid SME 1 rating\*9.009.50(ii) Units having valid SME 2 rating\*9.5010.00(iii) Other units10.0010.50\*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 days1.25% per quarterProcessing Fee:Processing FeeMicroSmall & MediumOn new sanctions1.0% per annum1.0% per annumOn Renewal0.5% per annum1.0% per annumNote: Security in the form of Bank Guarantee from Approved Banks. Eligibility 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 ProcessOffline 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 RequiredA 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 accountantsBank 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 formi», Frequently Asked QuestionsWhat is Raw Material Assistance Scheme? In order to assist the Micro, Small and Medium Enterprises (MSMEs) in procuring the raw material(s), NSIC arranges to provide raw material as per specific needs and requirement of the unit(s). Who can avail assistance under the Scheme? Any Manufacturing/Service MSME having Udyam Registration Certificate can apply for the assistance under the Scheme. Does NSIC facilitate procurement of raw materials for trading activities? No trading activity allowed under Raw Materials Assistance Scheme. Does NSIC facilitate MSMEs for raw material procurement against advance payment or on credit?NSIC facilitates MSMEs in raw material procurement in both way i.e. against advance payment and also on credit, as per the requirement of MSMEsHow to apply for raw material assistance on credit under the Scheme? Any MSME needs raw materials through NSIC may apply to any of the NSIC field offices for Raw Material Assistance in the prescribed application forms, which can be downloaded from NSIC's website (www.nsic.co.in) or may be obtained from any of the field offices. Where to submit application for raw material assistance? The duly filled in application form along with prescribed documents can be submitted with the nearest branch office of NSIC. Details of NSIC offices are available on www.nsic.co.in.How the limit is sanctioned for procurement of material on credit? A limit is sanctioned keeping in view the raw materials requirements of the unit, financial position of the unit and available security of equivalent value in the form of bank guarantee. Whether there is any ceiling of the limit to be sanctioned under the Scheme? Maximum exposure to a single unit under the scheme is â, 1000 Lakhs in case of manufacturing unit and â, 600 lakhs in case of service unit. Maximum exposure to an Infrastructure unit will be â, 1500 lakhs whether individual or group. The ceiling for maximum exposure to all associate/sister concerns or connected accounts belonging to a â€~GROUP' is fixed at â,¹2000 lakh for manufacturing units, â, 1500 Lakh for service units and â, 500 Lakh for Infrastructure unit. What is the validity of the limits sanctioned under the Scheme? One year. Thereafter, the limit can be renewed for one year provided conduct of the account was satisfactory during last year. How does NSIC provide credit support to MSMEs for procurement of raw materials? The unit has to submit proforma invoice/ original invoice/ material receipt note with the specific request to release the payment. The maximum assistance is provided upto 95% of the Bank Guarantee value. Whether payment is released to the MSME? No. NSIC releases the payment to the supplier as requested by the MSME.What is the credit period of the assistance provided?The credit is allowed for 180 days. However, it can further be extended on the request of MSME with the consent of the respective Zonal Head, provided the unit serves interest, the total outstanding is within the Bank Guarantee limit and the Bank Guarantee remains valid for an extended period. What are the benefits to MSMEs under the Raw

Material Assistance Scheme?1. Materials facilitated under Bulk supply arrangements are provided at the bulk supplier's rate by eliminating the middlemen. 2. Discounts received under bulk supplies arrangements are shared with MSMEs, enabling them to reduce the cost of purchase of materials. 3. Availability of raw material on credit and enabling MSMEs to execute the orders in handWhat is the rate of interest charged, if repayment is not made within 180 days?1.25% per quarterSources And ReferencesOfficial WebsiteApplication FormOkWas this helpful?News and UpdatesNo new news and updates availableShareSomething went wrong. Please try again later.OkYou need to sign in before applying for schemesCancelSign InSomething went wrong. Please try again later.OkIt seems you have already initiated your application earlier. To know more please visit Cancel Apply NowCheck EligibilityMinistry Of Micro, Small and Medium EnterprisesRaw Material Assistance SchemeCredit SupportMSMENSICRaw MaterialDetailsBenefitsEligibilityApplication ProcessDocuments RequiredFrequently Asked QuestionsThe 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. OkWas this helpful?ShareNews and UpdatesNo new news and updates available©2024Powered byDigital India Corporation(DIC)Ministry of Electronics & IT (MeitY)Government of India®Quick LinksAbout UsContact UsScreen ReaderAccessibility StatementFrequently Asked QuestionsDisclaimerTerms & ConditionsUseful LinksGet in touch4th Floor, NeGD, Electronics Niketan, 6 CGO Complex, Lodhi Road, New Delhi - 110003, Indiasupportmyscheme[at]digitalindia[dot]gov[dot]in(011) 24303714Last Updated On: 28/03/2024 | v-2.1.1