

## **BILL DISCOUNTING SCHEME**

The Scheme will cover discounting of bills arising out of genuine trade transactions i.e. supplies made by Micro, Small and Medium Enterprises (MSMEs) to reputed Public Limited Companies / State and Central Govt. Departments / Undertakings / Private Limited Companies (not traders), engaged in manufacturing / service activities.

### **1. SELLERS**

Micro, Small & Medium Enterprises engaged in manufacturing / service activities (Traders will be excluded).

### **2. BUYERS**

- i) State and Central Govt. Departments / Undertakings
- ii) Public Limited Companies
- iii) Private Limited Companies

### **3. GRANT OF PURCHASER-WISE LIMITS**

Purchaser unit may approach NSIC for sanction of annual limits by furnishing information as per the prescribed application form. Purchaser unit should also provide details about the MSMEs who are supplying the goods/services to purchaser unit. Bills (Bill of exchange) drawn by MSMEs for the supplies made by them and duly accepted by the Purchaser will be discounted against security of Bank Guarantee to be provided either by the Buyer or Seller, in favour of NSIC.

### **4. GRANT OF SELLER-WISE LIMITS**

Bills (Bill of exchange) drawn by MSMEs against their supplies made, duly accepted by the purchaser will be discounted. Annual limits can be fixed for such units by obtaining information as per the prescribed application form.

### **5. PERIOD OF USANCE OF BILLS TO BE CONSIDERED FOR DISCOUNTING**

The maximum usance period of the bills (Bill of Exchange) shall not exceed 180 days.

### **6. SECURITY:**

- i) Bank guarantees issued by approved banks equivalent to the value of assistance.
- ii) Personal guarantee of proprietor, partners of firms and Directors of the company.

## **7. DISCOUNTING CHARGES : Effective from 01.12.2023**

Particulars	Effective Discounting rate (% per annum) From 01.12.2023	
	Micro	Small & Medium
<b>Normal Interest</b>		
<b>A. Upto the Usance period</b>		
(i) Units having valid SME 1 rating	8.00	8.75
(ii) Units having valid SME 2 rating	8.50	9.25
(iii) Other Units	9.00	9.75
Additional rate of interest (over and above the normal rate of discounting charges) on delayed payment in case of payment is not received on the due date of Bill of exchange would be as under:		
In case payment is not realized as per original usance (period) of the Bill of Exchange	Additional rate of interest @ 1.25% per quarter for overdue period.	

It is clarified that the concessional rate of discounting charges for the good rated units as mentioned at S. Nos. (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 usance period, shall not be eligible for the concessional rate of discounting charges. Such units shall be charged rate of discounting charges mentioned at S. No. (iii) above.

The above reduction in the rate of discounting charges shall be applicable in respect of limits sanctioned / assistance granted under Bill Discounting Scheme against Bank Guarantee provided the assigned rating is valid on the date of sanction / assistance given. The concession will continue till the validity of the rating awarded by the rating agencies and shall cease on expiry of the rating, unless the rating is renewed.

## **8. PROCESSING FEE**

The processing fees on all the proposals sanctioned and / or disbursed under this scheme will be applicable as mentioned below:

Processing Fee	MICRO	SMALL AND MEDIUM
On new sanctions	1.0% p.a.	1.0% p.a.
On Renewal	0.5% p.a.	1.0% p.a.