

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 01.10.2020)

Particulars	Discounting Rate (% per annum)		
	Micro	Small	Medium
Normal Interest			
A. Upto the Usance Period			
(i) Units (SMEs) having valid SME 1 rating	6.50	7.00	8.00
(ii) Units (SMEs) having valid SME 2 rating	7.00	7.50	8.00
(iii) Other units	7.50	8.00	8.00
In case amount is not repaid within usance period :Additional rate of interest 1.25% per quarter on delayed payment (beyond usance period), over and above the normal rate of interest			

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.	1.0% p.a.
On Renewal	0.5% p.a.	1.0% p.a.	1.0% p.a.

9. [Click here to download APPLICATION FORM](#)

10. [Click here to download List of documents to be enclosed with Application Form](#)