

## FAQs

Question: Under which scheme NSIC distributes raw material?

Answer: NSIC distributes various Raw Materials under its Raw Material Distribution Scheme.

Question: Which materials are being distributed by NSIC?

Answer: NSIC distributes following material

Aluminum	-	National Aluminum Co. Ltd (NALCO)
Iron & Steel	-	SAIL & RINL (Allocated by Ministry of Steel)
Paraffin Wax	-	Chennai Petrochemicals Ltd (CPCL) (Southern States)
Coal	-	Coal India Ltd (Odisha)

Question: In raw material scheme, what are the options available to procure material?

Answer: Under raw material distribution scheme, the MSME can procure material either against Advance Payment or may avail credit under RMA against BG scheme of the Corporation.

Question: What documents are required to procure material under Raw Material Distribution against Advance Payment?

Answer: Following documents are required for an MSME to procure raw materials from NSIC

- i) Request letter of the unit.
- ii) Self attested copy of, Udyog Aadhar.
- iii) Self attested copy of certificates of TIN and Excise.
- iv) Self attested copy of latest electricity bill.

Question: What is the rate of interest under our RMA against BG Scheme of the Corporation for availing credit?

Answer: The present rate of interest for availing credit under RMA against BG scheme of the Corporation is 10.50% to 12.00% P.A, depending on the credit rating and category of the unit.

Question: Is there any concession in interest available to unit?

Answer: Yes, the unit can get a concession in rate of interest. It depends upon the category of the unit and credit rating of the unit. The concession up to 1% is dependent upon the category and credit rating of the unit.

Question: Aluminum available from which producer under the arrangement?

Answer: Aluminum products of NALCO are being available under the arrangement.

Question: How is the unit benefitted, if it gets NALCO material through NSIC?

Answer: If a unit procures material through NSIC, the unit gets bulk & higher slab discounts, as NSIC gets maximum discounts under MoU for lifting material under the arrangement, which is shared with units.

Question      What is the scheme of NSIC for distributing Iron & Steel to MSMEs?

Answer        Ministry of Steel allocate the Iron & Steel material from SAIL & RINL to NSIC. NSIC distributes material in the state through its branches to the MSMEs. NSIC procures the material from the main producers i.e. SAIL & RINL.

Question      Which are the products available under the scheme of Iron & Steel?

Answer        The product range produced by SAIL & RINL

Question      What would be the normal time of delivery of Iron & Steel Material?

Ans.            After receiving the offer from producers, acceptance and payment by unit, NSIC deliver the material either same day or the next day.

Question.     What could be the payment mode for supply of Iron & Steel material?

Answer        NSIC will provide Iron & Steel material against advance payment as well as financed against security of Bank Guarantee.

Question      How material is distributed by NSIC?

Ans.            The main producers send the offer to Branch office. The information about the material, rate & tonnage is disseminated to all the MSME units under the branch by sending email/phone. The unit has to make the financial arrangement along with request letter.

Question      How credit facility is extended for procuring Iron & Steel material?

Answer        For availing credit facility of NSIC under Raw Material Assistance scheme, the unit has to submit a request letter with minimal documents alongwith Bank Guarantee.

Question.     Do NSIC charge any service charges on distribution of Iron & Steel?

Ans.            No service charges are levied by NSIC on distribution of the Iron & Steel material.

Question      From where the material will be supplied?

Answer        The material will be supplied from the stockyard within the State. If the requirement of the material is sufficient for wagon load booking, NSIC take the booking and forward the requirement with the main producer alongwith advance booking charges as per the terms of bulk producers.

Que What is the modus operandi of procurement on direct dispatch basis (Wagon Booking)?

Ans On receipt of advance from MSME, NSIC book material under direct dispatch booking. On receipt of the documents from the producer, the same are endorsed favoring unit and unit lifts the material directly from the Railway siding.

Que What additional benefits MSME will get to procure material through NSIC which are not available through producer?

Ans Allocation of material was made by Ministry of Steel to NSIC just to ensure that there should be no material shortage to MSME. Unit will get preference because material is offered on priority as per Ministry of Steel guidelines. You can avail credit from NSIC also at competitive rates.

Que Who will issue invoice to the MSME?

Ans NSIC will issue invoice to the MSME.

Que What is the scheme of NSIC for distributing Paraffin Wax to MSMEs?

Ans NSIC distribute Paraffin Wax material in the Southern states through its various branch offices to the MSMEs. NSIC procures the material from the main producers i.e., Chennai Petroleum Corporation Limited (CPCL) and stock it at its warehouse for distribution.

Que Who will issue invoice to the MSME?

Ans NSIC will issue invoice to the MSME.

Que From where the material will be supplied?

Ans The material will be supplied from stockyard maintained by NSIC

Que What would be the normal time of delivery of Paraffin Wax?

Ans NSIC deliver the material either same day or the next day.

Que What would be the formalities for lifting of Paraffin Wax material against advance payment?

Ans Unit has to submit following documents before delivery of the material.

- i) Request letter of the unit
- ii) Self attested copy of Udyog Aadhaar
- iii) Self attested copy of certificates of TIN and Excise
- iv) Self attested copy of latest electricity bill

- Que What could be the modus of operandi for supply of Paraffin Wax material?  
Ans NSIC will provide paraffin wax material against advance payment as well as credit support against security of Bank Guarantee.
- Que How credit facility is extended for procuring paraffin Wax material?  
Ans For availing credit facility of NSIC under Raw Material Assistance scheme, the unit has to submit a request letter with minimal documents along with Bank Guarantee.
- Que What is the rate of interest charged for availing the said credit?  
Ans NSIC charge simple rate of interest, at present the rate of interest is 10.50% to 12.00% pa. depending upon the credit rating and category of the unit.
- Que What is the scheme of NSIC for distributing Coal to MSMEs?  
Ans. State Govt. nominate NSIC as a nodal agency to distribute Coal in the state as per New Coal Policy of 2004. , NSIC distributing coal in the state of Odisha to the Micro , Small and Medium unit consuming coal for their own Manufacturing purpose.
- Que Who can procure coal through NSIC ?  
Ans. MSME unit having maximum yearly consumption capacity not more than 4200 MT can procure coal through NSIC provided concerned State Govt. dept. recommend their names to NSIC for supply.
- Que. Who decides the price of Coal ?  
Ans. Coal India fixes the Coal Price at subsidized rate . NSIC charges only 5% on basic price as handling charge according to the current provision.
- Que. What is the modus of operandi for supply of Coal ?  
Ans. NSIC provide Coal against advance payment as well as financed against security of Bank Guarantee.
- Que . How credit facility is extended for procuring Coal ?  
Ans. For availing credit facility of NSIC under Raw Material Assistance scheme, the unit has to submit a request letter along with few nominal documents and Bank Guarantee.
- Que. What is the rate of interest charged for availing the said credit?  
Ans. NSIC charge simple rate of interest, at present the rate of interest is 10.50% to 12.00% pa. depending upon the credit rating and category of the unit.

Que. From where NSIC supplies the material ?  
Ans. As per the availability of material Coal India allocates coal from its subsidiary colliery . NSIC supply coal from that colliery only .

Que Is the MSMEs required mining license for procuring coal ?  
Ans. It depends on state govt. policy. In some States Mining License is mandatory .

Que. Is NSIC keeping any stock of Coal ?  
Ans. NSIC don't stock any Coal .

Que. What are the main documents require for lifting Coal from NSIC ?  
Ans. Unit has to submit following documents

- i) Request letter of the unit.
- ii) Self attested copy of EM Part-II issued from DIC/ Uddyog Addhar
- iii) Self attested copy of certificates of TIN and Excise.
- iv) Joint capacity assessment report
- v) Recommendation letter from State Govt. for procurement of coal through NSIC.
- vi) Copy of valid Mining License if specified by State govt.
- vii) Security Deposit as required by Coal Company.
- viii) Undertaking for proper utilization of Coal .

Que. How material is distributed by NSIC?  
Ans

- a) NSIC asks the enrolled units to pay the coal booking amount in full before the monthly cutoff date as prescribed by Coal Company and collectively make payment to Coal Company for reserve the allocated quota.
- b) Coal Company issues Delivery Order (DO) to NSIC.
- c) NSIC apply to the Mining Dept. of State Govt .in the name of individual units for granting permission to lift coal from the colliery as per booking and allocation, if require .
- d) Mining Dept issues individual I-Form . NSIC coordinating the coal lifting of the units through their mutually nominated transporter and monitor the distribution.
- e) The local office verify the same. And give a utilization report every month , which again submitted at Coal Company for record.
- f) Every DO valid for 45 days .
- g) In case of non lifting of material with in the stipulated time the allocated quota get lapsed.

Que. Who issues Invoice to Unit ?

Ans. NSIC issues invoice to the units.