

Working Capital Assistance to MSMEs



Objective

To provide timely and adequate WC assistance to eligible MSMEs for meeting WC requirements under the SIDBI – IDBI Working Capital Arrangement.

Eligibility parameters

Should be an eligible MSME unit.

WC assistance shall be considered to any of the following category of customers:

- i. Existing customers who are solely banking with SIDBI (including enhancement).
- ii. Existing customers of SIDBI (who are also banking with other banks) and have placed major share of immovable security with SIDBI.

iii. Existing well performing units who do not enjoy WC facility with any other bank.

iv. New entities, where term loan is considered by SIDBI.

Nature of assistance

All forms of rupee assistance for financing WC requirement.

Financial Parameters

Satisfying minimum financial parameters under the scheme.

Total outside liabilities/ tangible Network (TOL/TNW)	Not to exceed 4:1
Current Ratio	1.25
Interest Coverage	Minimum 1.5 times
Overall Asset Coverage	1.3 for existing units and 1.4 for new projects
Internal Rating	As per existing Bank's Norms

For enquiries, please contact the nearest SIDBI office