

Direct Discounting Scheme (Equipments) [DDS(E)]



Objective & Purpose

The scheme enables the purchase / sale of indigenous machinery / capital equipment by purchaser / manufacturer in the MSME sector through deferred payment facility by discounting the Bill of Exchange with SIDBI.

Eligible customers

The scheme covers small machinery manufacturing units, service sector units and construction industry.

Eligibility criteria

Either Purchaser / Seller can belong to MSME sector.

Methodology

After sanction of limit to either seller or purchaser, the Bills of Exchange are lodged along with Resolution/ Declaration, Certificates from machinery supplier & purchaser, Letter from purchaser's banker, Reconciliation statement as per prescribed formats.

The applicable stamp duty on the BoE has to be paid.

Tenor

Usance ranges upto 5 years, which can be allowed upto 7 years.

Quantum of limit is based on firm enquiries in hand as also projected sales, in respect of Sellers; and in respect of Purchasers, based on a specific requirement for implementation of a new project or for expansion.

Rate of Discount

Discount rates are linked to the internal credit rating of the customers.

Security

- i) Limits backed by Bank Guarantee or Co-acceptance of bills by a Scheduled Commercial Bank.
- ii) In respect of facility backed by alternate security, charges on movable / immovable assets as per prescribed norms.



For enquiries, please contact the nearest SIDBI office