Inland Letters of Credit (INLCs)

Purpose

Inland Letters of Credit (INLCs) are being provided to our existing MSME customers:

a. INLCs for purchase of capital equipment, which forms part of the project cost against which SIDBI has sanctioned assistance.

b. INLCs for purchase of raw material against the Working Capital assistance sanctioned by SIDBI.

Amount of assistance (limit)

Need based. INLC is sanctioned to the unit as a sub limit, i.e. the total Fund based and non fund based exposure at any point of time shall not exceed the aggregate financial assistance sanctioned to the customer.

Margin

Not applicable, since INLC is proposed to be opened against aggregate sanctioned assistance where the margin / promoter contribution requirements have already been taken into account.

Security

Since the INLC facility shall form part of the aggregate sanctioned assistance, no separate security norms has been stipulated.

Any other special new conditions to be imposed

Depends on the operational requirements of the customers.

Financial Parameters

Satisfying minimum financial parameters under the scheme.

For enquiries, please contact the nearest SIDBI office