



## Inland Letters of Credit (INLCs)

### **Inland Letter of Credit (INLC)**

The Inland Letters of Credit (INLCs) is a scheme that provides assistance to MSME's for purchase of capital equipment, and raw materials, which forms a part of the project cost against which SIDBI has sanctioned assistance.

## 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**