



Export Management Training Programme

VTPC Bangalore

STATE BANK OF INDIA

Export Finance



What does an exporter need?

Eligibility Criteria

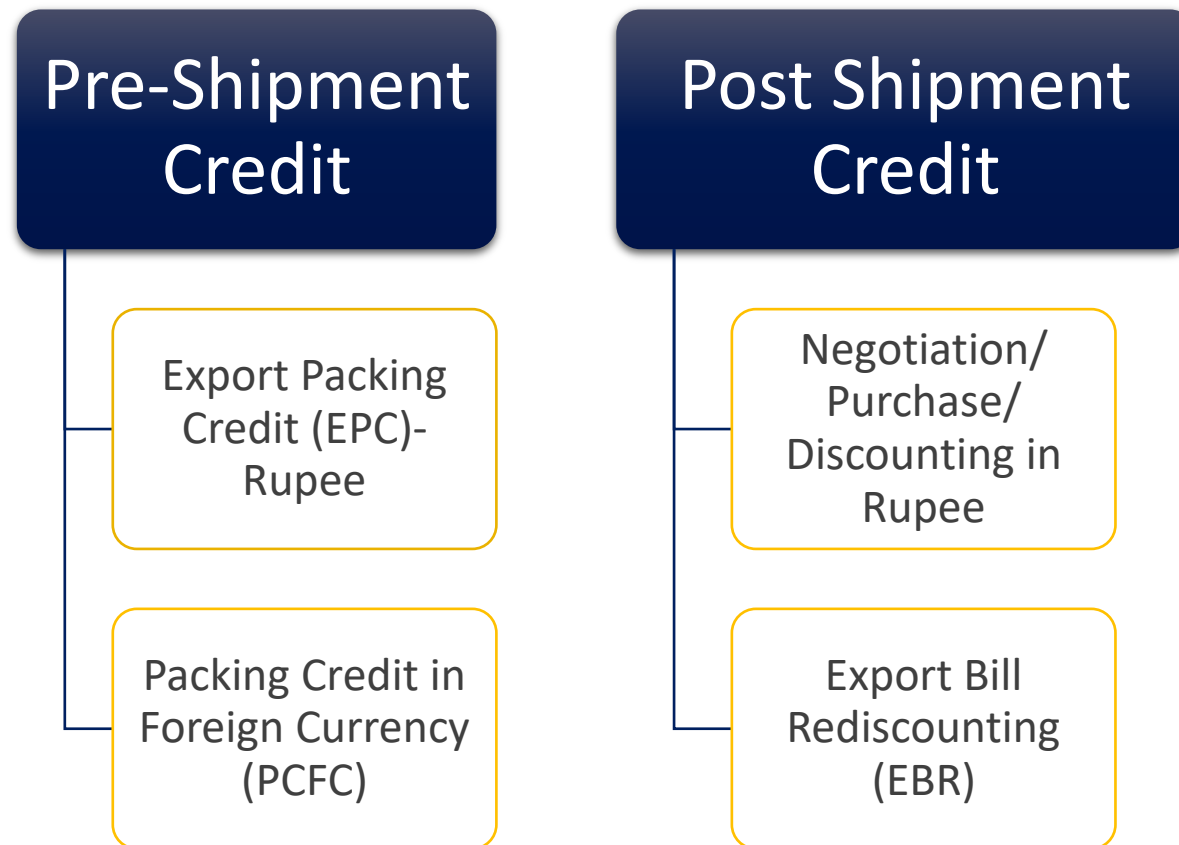
- IEC (Importer Exporter Code)
- RCMC (Registration Cum Membership Certificate) issued by EPC (Export Promotion Council) or Commodity Board
- GST registration certificate/PAN
- Status Holder Certificate issued by DGFT

Eligible Exporter

- **Manufacturer Exporter**
- **Merchant Exporter or EOH (Export Order Holder)**
- **Status Holder / Star Export House**



So how can we fund exporters?



Export Finance : Pre-Shipment

- For purchase of Raw Materials, Processing, Manufacturing, Packing & Meeting Other Expenses upto Shipment against LC / Firm Order
- Tenor of Credit depends on manufacturing/trade cycle
- Self Liquidating in Nature from Post-shipment finance / Advance Remittance / Export Realization

Export Packing Credit – Rupee (EPC)

- Pre-shipment Credit in Rupee
- Rate of Interest – T Bill linked
- 91D T-Bill + 1.15% (1% for PSUs or AA rated)
- Forward contract can be booked for Export proceeds

Packing Credit In Foreign Currency (PCFC)

- Pre-shipment credit in FCY (EURO, GBP, JPY, USD)
- Rate of Interest – 2% above 3 / 6 month FC rate (ARR)

Interest Equalization

- The rate of interest equalisation @ 2% to 3% per annum will be available on Pre-Shipment Rupee Export Credit and Post Shipment Rupee Export Credit.(Till August 2024 only of MSME)
- The scheme will be available to all exports under 416 tariff lines and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC (HS) codes.
- Banks are required to completely pass on the benefit of interest equalisation, as applicable, to the eligible exporters upfront and submit the claims to RBI for reimbursement, duly certified by the external auditor.

Export Finance : Post - Shipment

- Finance against shipping document (Demand / Sight Bill – Transit Period, Usance Bills – Usance Period)
- Finance upto 100% of invoice value
- credit maximum for 180 days
- Self Liquidating in Nature by Export Proceeds

Negotiation / Purchase / Discounting in Rupee

- Post-shipment Credit in Rupee
- Liquidation by export proceeds – by conversion in INR
- Forward contract can be booked for Export proceeds

Export Bill Re-Discounting (EBR)

- Post-shipment credit in FCY (EURO, GBP, JPY, USD)
- Liquidation by export proceeds – without conversion

Gold Card Scheme for Exporters

Eligibility

- Account 'standard' for last 3 years
- Unit has not incurred losses during past 3 years
- Overdue export bills not in excess of 10% of turnover

Benefits

- Assessment of limit: Simplified
- Stand by limit 20% of assessed limit to meet sudden orders
- Limits valid for 3 years – automatic renewal thereafter
- Priority in allocating Funds for PCFC



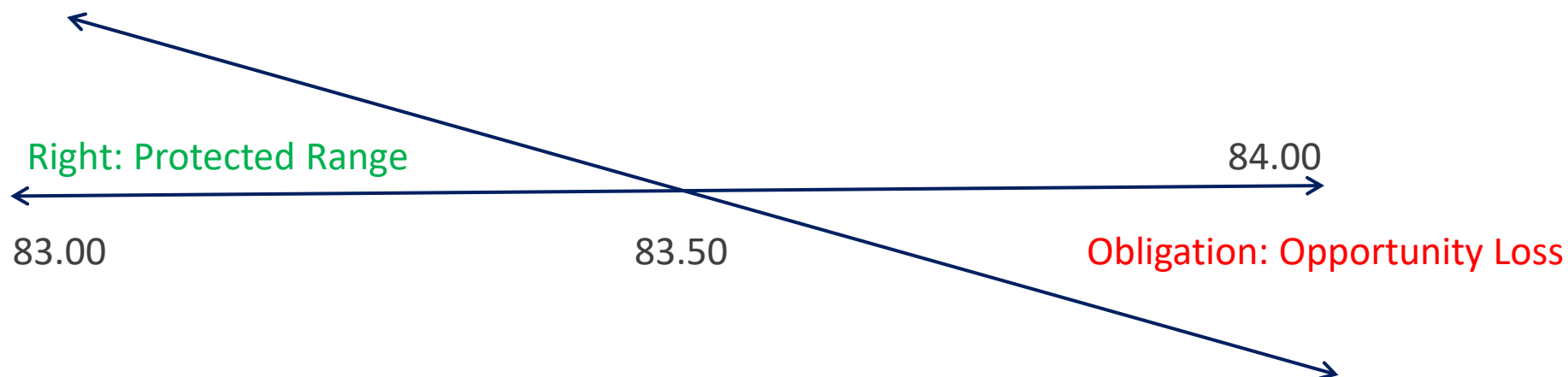


HEDGING TOOLS

Forward Contracts

Forward Contract

- Agreement to buy or sell at a future date
 - Pre specified date and price
 - Right and obligation
 - OTC traded
 - Full hedge but no opportunity
- The contracted rate holds good till the contract is delivered (used), cancelled or rolled over
- Forward premiums are quoted month wise, represent the cost for each calendar month and are easily quoted and liquid for up to 12 months
- Available in all major currency pairs



Exporter : Spot 83.20 + 3 M Fwd say 30 paise

YONO E-trade/E-Forex

- Our upgraded YONO business/e-Trade will facilitate our corporate customers registered under YONO Business/e-Trade the facility for requesting
- Issuance of LC/BG
- Online acceptance of import bills
- In the case of Export LCs facility for viewing and downloading LCs and amendments along with online submission of request for adding confirmation to the Export LCs
- Bill negotiation/discounting (LC & Non-LC)
- Export bill lodgment
- Import advance payment
- Outward remittance (A-1 & A-2 – Trade and Non-Trade)
- Booking of Exchange rates

FX RETAIL – RATE BOOKING PLATFORM

- It is a web-based order matching platform which helps you booking exchange rates for Forex transactions & Forwards in USD/INR.
- Transparent deals and rates quoted are actual dealt rates in the market.
- Available both on PC/Laptops as well as on Mobile phones.
- Backed by RBI specifically to cater to interests of SMEs and individuals
- **Currencies available** – USD/INR
- **Min transaction size** – No minimum amount. Can book rate even for USD 1
- **Max Transaction size** – **USD 5 Mio** per transaction
- **Eligibility criteria** : Should have import or export transactions or foreign remittances. Documents need to be submitted to your branch.
- **Documents required for FX Retail** (i) Application form (ii) Stamped Indemnity

FX-Retail Platform

General Reports

Bank Relationships

Historical Reports

Audit Log Reports

Participants Interface

Settings

USDINR

SPOT

TOM

CASH

FORWARD

Load Board with: SPOT

TOM

CASH

FORWARD

Customer ID : INPR33000109

teetash

SPOT

23-Jul-2020

YOU SELL

74.7950

699,800.00

LTP

74.8050

YOU BUY

74.8050

390,000.00

Interbank SPOT

23-Jul-2020

SELL

74.7950

1,500,000

LTP

74.7950

BUY

74.7975

2,000,000

STATE BANK OF INDIA

YOU SELL

YOU BUY

Settlement Date

CASH

21-Jul-2020

TOM

22-Jul-2020

EndJul20

31-Jul-2020

EndAug20

31-Aug-2020

EndSep20

30-Sep-2020

EndOct20

29-Oct-2020

Order at the Price

BUY

SELL

BUY & SELL

SPOT

TOM

CASH

FORWARD

STATE BANK OF INDIA

DAY

IOC

GTT

LIMIT

MKT

SL

TP

Order Quantity

100,000.00

Limit Price

Limit Available 9,950,000.00

Market Depth

SPOT

IB. SPOT

BOTH

Bid Quantity	Bid Price	Offer Price	Offer Quantity
699,800.00	74.7950	74.8050	390,000.00
150,000.00	74.7925	74.8075	100,000.00
100,000.00	74.7900	74.8100	150,000.00
100,000.00	74.7850	74.8125	150,000.00
100,000.00	74.7800	74.8150	100,000.00

Outright Comparison

Settlement Date

21-Jul-2020

STAT...

Bank Comparative Quotes

Markup

Bank	CASH/SPOT		TOM/SPOT		EndJul20	
	Bid	Offer	Bid	Offer	Bid	Offer
STAT...						

(Vol in Paise)

Pending Orders

Trades

Outstanding Trades

Limits

STATE BANK OF INDIA

--All--

GO

Search

Bank	Inst	Order Type	B/S	Settlement Date	Order Price	Order Qty (USD)	Pending Qty (USD)	Traded Qty (USD)	Price Condition	Eqv. S Order P
------	------	------------	-----	-----------------	-------------	-----------------	-------------------	------------------	-----------------	----------------

THANK YOU