

A. Introduction about the Loan:

SBI IFSC Gift City Gandhinagar has sanctioned a Term loan Facility of USD 1000 Mio backed by Guarantee of Government of India for the purpose of import of Eligible Goods and Services (means food items, medicines, fuel and industrial raw material) by Sri Lanka from India.

The Credit Facility will be available for drawdown up to 12 months from the Signing Date of Facility Agreement i.e., up to 16th March 2023.

Payment will be released to beneficiaries (exporters in India) as per the SOP (placed as annexure).

B. Operations of Disbursements and Payment to Indian Exporters:

- i. Exporters need to submit copies of the relevant documentary evidence pertaining to the trade transaction/s (Commercial invoice/Invoice copy, Shipping Bill/bill of lading, Insurance copy, Country of origin) to the Govt of Sri Lanka.
- ii. SBI Gift City shall, upon receipt of the Payment Authorization complete in all respects and upon being satisfied that GoSL has complied with all the conditions stipulated under the End Use Mechanism of Facility agreement will carry out due diligence at its end.
- iii. Thereafter, SBI Gift City branch will transfer the Eligible Value mentioned therein from GoSL account in INR for the credit to the Indian exporters.
- iv. FIRC shall be issued to exporters by their Authorized Dealer.

C. Eligibility of contract to be financed out of the Credit Facility:

A contract shall **not** be eligible to be financed out of the Credit Facility unless:-

- a) The contract was executed after 17.01.2022;
- b) it is for the import of Eligible Goods and Services (means food items, medicines, fuel and industrial raw material) into the Borrower's Country from the Republic of India;
- c) the Borrower has authorized inclusion of the contract between the importer in Sri Lanka ("**Importer**") and exporter in India ("**Exporter**"), under the Credit Facility and approved by the High Commission of India in Colombo / MEA;
- d) the contract between the Importer and the Exporter in India requires the Importer to make payment to the Exporter of 100% (one hundred per cent) of FOB/CFR/CIF/CIP contract price of the Eligible Goods and Services, pro-rata against the shipments;

- e) the Borrower confirms to SBI that no amount from the Credit Facility is being used for taxes, levies and duties of any nature whatsoever levied in the Borrower's Country;
- f) the contract provides for the Borrower to issue a Payment Authorization to SBI to enable the Exporter to claim payment from SBI of the Eligible Goods and Services apportionable to the amount of invoice for such items or the amount of advance payment, as the case may be;
- g) the Borrower has sent to SBI brief details of the contract in the format at Annexure I and such other documents and information as SBI may require in this behalf, and SBI has, in writing, conveyed inclusion of the contract under the Credit Facility indicating the Eligible Value thereof;
- h) the contract will conclude within 12 (twelve) months from the date of the Credit Agreement i.e., 17.03.2022. Provided however that, the Borrower and SBI may mutually agree to extend the time for concluding the contract.

D. Frequently asked questions (FAQ)

Q : How will the payment to Indian exporters be made?

Ans. GoSL will provide the SBI Gift City Branch (through the High Commission of India, Colombo) the Payment authorization-

Q : Which are the documents required along with the payment authorization?

Ans: Exporters to submit the copies of the relevant documentary evidence pertaining to the trade transaction/s (Commercial invoice/Invoice copy, Shipping Bill/bill of lading, Insurance copy, Country of origin) to GoSL for further processing and payment. In case of any discrepancy, SBI Gift City branch will notify GoSL and Indian High Commission in 2 working days of the same to the designated email l'd/s.

Q : When will the payment be made to Indian exporters?

Ans: In relation to any payment, it will be credited to the Indian exporters account within maximum T+2 business days from the requested date of payment (T) considering no holidays in New York, Mumbai, Ahmedabad, Kolkata & Colombo during the period.

Q : Which are the eligible goods?

Ans: Eligible Goods means Food Items, Medicines, Fuel, and Industrial Raw Material from Indian exporters.

Q . Who will bear the charges on account of currency conversion from USD to INR.

Ans: The currency conversion charges from USD to INR and other charges related to USD 1 billion facility will be borne by GOSL.

Q. What will be the implication if any dispute arises between Import and exporter after the payment has been made to the Indian exporter?

Ans. The liability of the GOSL to make any payment is primary and shall in no way be conditional upon due performance by the Exporter / Importer or effected by any dispute between an Importer and an Exporter.

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DGM (Official Language)

REQUEST FOR HINDI VERSION

We request you to kindly arrange to provide us the Hindi version of the attached document for uploading at bank's website.

International Banking Group
Corporate Centre, Mumbai

(Tarun Kumar Saxena)
AGM Credit-II
IC-40738