

A. Introduction about the Credit Line Facility:

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 (means food items, medicines, fuel and industrial raw material) by Sri Lanka from India.

Previously ,the Credit Facility was available for drawdown up to 12 months from the signing date of Facility Agreement i.e., up to 16th March 2023 which has been further extended for another one year i.e. **upto 16th March 2024.**

Step 01:Contract Inclusion

For any contract inclusion, the Indian exporter submits the contract/ accepted proforma-invoice & other related documents to GOSL i.e. Government of Sri Lanka (Indian Credit Line department under Ministry of Finance, Govt. Of Sri Lanka), through their Sri Lankan Importers under the Credit line facility for approval. Subsequently the contract is submitted for approval to Indian High Commission at Colombo and further to SBI Gift City for due diligence. Upon completion of the process, the exporter is provided with a UNI number as an approval for export by the Govt. of Sri Lanka.

The detailed SOP, documents forms to be submitted are available on official website of Govt. of Sri Lanka ([Ministry of Finance - Sri Lanka \(treasury.gov.lk\)](http://Ministry of Finance - Sri Lanka (treasury.gov.lk))).

Step 02: Payment under Indian Credit Line (Short note to understand) :

Phase-I

The importer makes payment through their respective bank as per the SOP available on (treasury.gov.lk). Upon completion of payment, statutory clearances and other documents, a payment authorization letter is issued by Department of GOSL.

Phase-II

The payment authorization letter in the agreed format with the related documents is forwarded to High Commission of India (HCI) at Colombo by Sri Lankan Department, Indian Credit Facility Co-ordination Unit (ICLFU) for the HIC approval and onward submission to Ministry of External Affairs'(MEA), Govt. Of India.

Phase-III

Upon approval by MEA, the payment authorisation and the related documents is forwarded to SBI, IFSC, Gift City, Gandhi Nagar Branch for approval and payment.

Phase- IV

Upon receipt of payment authorization and related documents, SBI Gift City proceeds with the payment through SBI's ISB Mumbai branch within 05* business days (as defined below) considering the account details in the Payment authorisation are correct.

*Business day is any working day which is not a holiday in any of New York, Mumbai, Ahmedabad, Kolkata & Colombo. In case of any discrepancy, SBI Gift City branch will notify GoSL and Indian High Commission in 2 business days of the same .

Please note that the USD 1000 Mio credit line facility given by SBI GIFT City to Government of Sri Lanka is on behalf of Government of India, hence SBI GIFT City will

USD 1.00 Billion Credit Line Facility To Government OF Sri Lanka

proceed for payment only after receipt of approval from Ministry of External Affairs, Government of India in accordance with the agreed mechanism.

Process Flow for details understanding of the Indian Credit Line facility is mentioned in SOP on (treasury.gov.lk). In case of any further clarification, please refer the mentioned contacts mentioned on the last page.

Important Points to remember for Credit Line Facility:

1. The approval for contract inclusion given by High Commission of India & SBI, IFSC, Gift City will be subject to final approval by Government of Sri Lanka.
2. Every transaction and or failed/returned transaction will be processed after correct account details are provided by the exporter and will be subject to transaction charge as levied by SBI, ISB Mumbai.
3. SBI Gift City transact only in USD, hence the E FIRC certificate will be issued through SBI's ISB Mumbai branch (remit.isbmum@sbi.co.in) after payment of relevant charges.

Eligibility of contract to be financed under the Credit Facility:

A contract shall be eligible to be financed through the Credit Facility only if: -

a) The contract was executed after **17.01.2022**.

b) It is for the import of eligible goods (means food items, medicines, fuel and industrial raw material) into the GOSL from the Republic of India. The contracts to be executed for a minimum amount of USD 10,000 (Ten Thousand only).

c) GOSL has authorized inclusion of the contract in between the importer in Sri Lanka ("Importer") and exporter in India ("Exporter"), under the Credit Facility and subsequently approved by the High Commission of India in Colombo / MEA.

d) The contract between the Sri Lanka Importer and the Exporter in India (Origin of goods must be India only) requires the Importer to make payment 100% (one hundred per cent) of FOB/CFR/CIF/CIP contract price of the eligible goods, (pro-rata against the shipments).

e) GOSL to confirm 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 GOSL to issue a Payment Authorization of the Eligible Goods apportionable to the amount of invoice for such items or the amount of advance payment, as the case may be.

g) The GOSL has sent to SBI details of the contract in the agreed formats 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 to GSOL.

h) The contract will conclude within 24 (twenty four) months from the date of the Credit Agreement i.e., from 17th March 2022.

Contact details:

1. HIGH COMMISSION OF INDIA	2. GOVERNMENT OF SRI LANKA
1. High Commission of India Ms. Irina Thakur First Secretary (Commerce and Culture) High Commission of India Mobile no: +94773479197 email ID: com2.colombo@mea.gov.in	Mr. Samantha Bandara Director, Department of External Resources Ministry of Finance Mobile no: +94718556565 Office No.: +94 11 2151453 email ID: samantha@erd.gov.lk

3. State Bank of India, GIFT City**1st Level**

Mr. Pushkara Nand Jha DGM & Branch Head State Bank of India, 1401,Hiranandani Signature Tower GIFT IFSC, GIFT City, Gandhinagar Tel : +91 79 6171 0901 Mobile : +91 99875 84235 bh.ibu@statebank.com	Mr. Gautam Gupta Assistant General Manager State Bank of India, 1401,Hiranandani Signature Tower GIFT IFSC, GIFT City, Gandhinagar Tel : +91 79 6171 0905 Mobile : +91 76000 44948 loans.ibu@statebank.com
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2nd Level

Mr.G.C. Jeyakumar General Manager (Credit) State Bank of India International Banking Group, Corporate Centre, Madame Cama Road Mumbai-400 021 Tel : +91 22 227 40980 Mobile : +91 9025608635 gmwb.ibg@sbi.co.in	Mr.Pradipta Hazra Deputy General Manager (Credit - II) State Bank of India International Banking Group, Corporate Centre, Madame Cama Road Mumbai-400 021 Tel : +91 22 227 42710 Mobile : +91 8452946684 dgmocc2.ibg@sbi.co.in
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