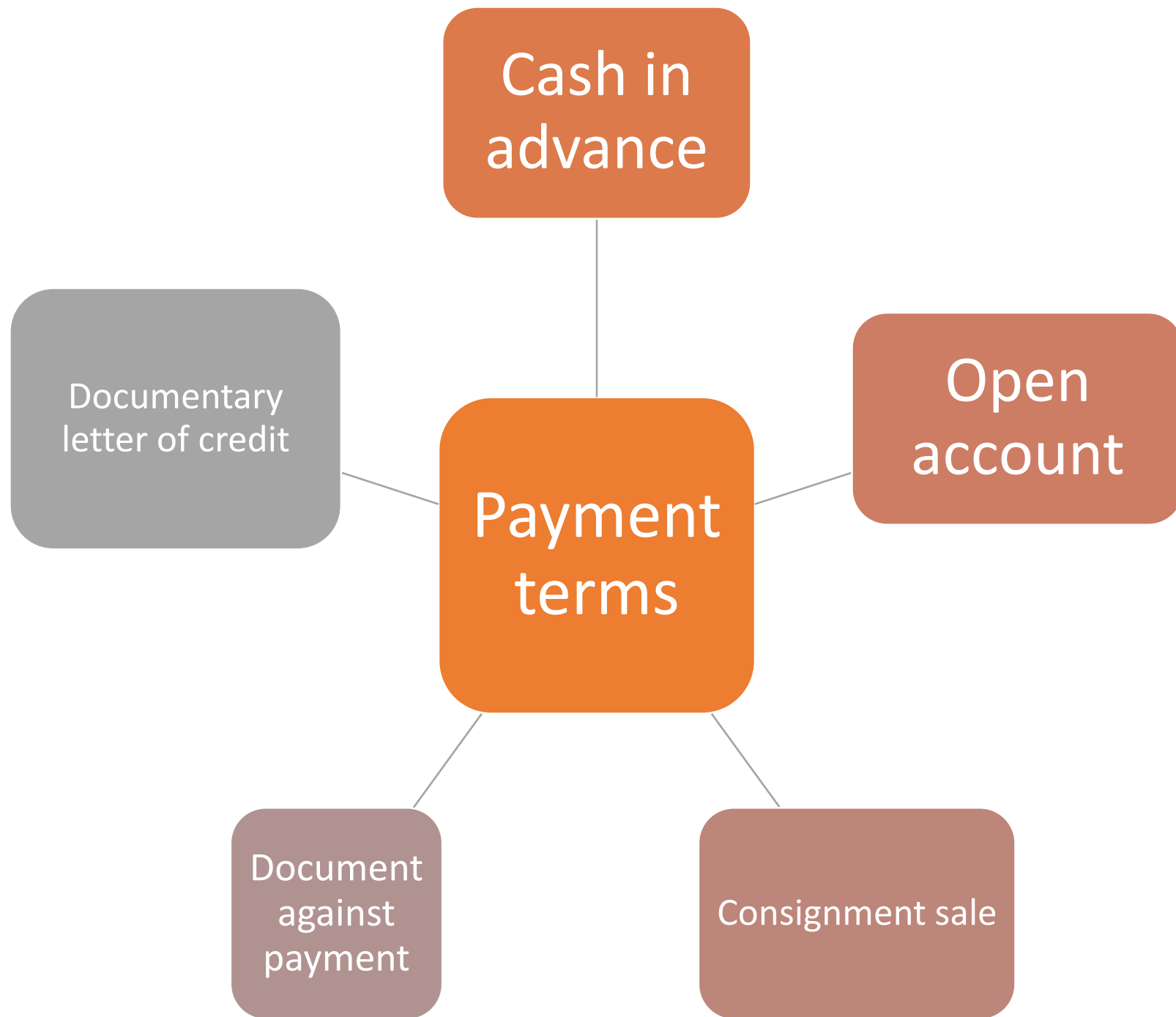


Export finance





Types of Export Credit:

**Pre-shipment / Packing Credit-** also known as '**Packing credit**' is a loan/ advance granted to an exporter for financing the purchase, processing, manufacturing or packing of goods prior to shipment. Packing credit can also be extended as working capital assistance to meet expenses such as wages, utility payments, travel expenses etc; to companies engaged in export or services. Packing credit is sanctioned/granted on the basis of letter of credit or a confirmed and irrevocable order for the export of goods / services from India or any other evidence of an order for export from India. It is granted by commercial banks for a period of 180 days from the date sanctioning the credit.

**'Post-shipment Credit'** means any loan or advance granted or any other credit provided by a bank to an exporter of goods / services from India from the date of extending credit after shipment of goods / rendering of services to the date of realisation of export proceeds as per the period of realization prescribed by Reserve Bank of India (RBI) and includes any loan or advance granted to an exporter, in consideration of, or on the security of any duty drawback allowed by the Government from time to time. As per extant guidelines of RBI, the period prescribed for realisation of export proceeds is 12 months from the date of shipment.