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<b>Title</b>	Preshipment Credit – Packing Credit
<b>Objective</b>	Extending timely finance to exporter is a national priority.
<b>Purpose</b>	The finance is extended prior to shipment, for purchase / processing / manufacturing / packing of goods on the basis of LC or an order for export from India
<b>Eligibility</b>	Exporters who have export orders or a Letter of Credit established by the overseas buyer in their favor. However, Packing Credit can also be granted to suppliers or supporting manufacturers who do not have export order/ LC in their own name and are exporting through merchant exporters or Star Exporters who are the Export Order Holders ( EOH ) subject to observance of requirements stipulated by the Reserve Bank of India in this regard
<b>Nature of Advance</b>	Pre-shipment finance is a working capital finance (mainly inventory finance) extended to exporters at pre-shipment stage enabling them to procure / process / produce / manufacture / pack the goods meant for export.
<b>Currency of Advance</b>	Pre-shipment credit may be extended either in Indian Rupees (PC) or in designated currencies (PCFC) (as per guidelines) at the option of the exporter.
<b>Quantum of Advance</b>	Need based
<b>Period of Advance</b>	<ul style="list-style-type: none"><li>➤ Period depends on time required for procuring, manufacturing or processing, and shipping.</li><li>➤ The maximum period for which PC can be granted at concessional rate of interest is 270 days, subject to conditions.</li><li>➤ The period of a PC will generally begin with the procurement of raw materials for execution of a particular LC / Order and the credit gets liquidated once the goods are shipped and shipping documents are presented to the Bank.</li></ul>
<b>Rate of Interest</b>	At concessional interest rates as per Reserve Bank of India directives, which are subject to modifications.

Conditions apply. The information provided above is only illustrative and not exhaustive.

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