

**BUSINESS DEVELOPMENT AND PLANNING
CORPORATE OFFICE, THRISSUR**

Circular No. BD&P/ 04 /2019-20

4th May 2019

**To
All Branches, Regional Offices & Departments**

SCHEDULE OF CHARGES (SOC) – TRADE FINANCE PRODUCTS & SERVICES

It has been decided to revise the charges for various Trade Finance products and services, in line with the market trends/ practice. The last revision was in October 2014. Proposed SOC, duly approved by the Board of Directors, is attached herewith as Annexure 1. All concerned are requested to note the following in this regard.

- Revised SOC is effective from 3rd June 2019.
- Branches to bring the contents of this circular to all concerned customers
- The revised SOC should be prominently displayed in Notice Board for the customer to see and understand.

Concessions

Considering the competition and need at field level for concessions, the following approval matrix is incorporated.

a. Borrowal Accounts

Discounts in the standard charges (in %)	Approving Authority
Upto 25% reduction / discount in Standard pricing	Regional Head and Head IBD /Treasury – Joint Approval
Above 25% and full waivers	Credit Review Committee at Central Office

However, waivers are not permitted if the facility / service is sanctioned by a higher authority.

b. Other than borrowal Accounts

For all other type of customers, concessions would be considered by Business Planning and Development Department at Corporate Office.

All are requested to note the following while recommending waivers:

- No concessions are permitted in case of out of pocket expenses like SWIFT charges, postage etc.
- While considering proposals for concession, cost benefit shall be examined in detail. The recommendation for such concessions should be initiated by the concerned branch, in the format attached to this circular as Annexure 2, through their Regional Offices.
- The relaxation in charges should be subject to annual review.
- Concessions given to the customers, communicated in the Credit Sanction Memo should be aligned to the modified SOC in their next review.
- Wherever the customer is presently enjoying concessional rate of charges, a review to be initiated and get it aligned to the revised SOC by 30th June 2019.

**Manikandan P
Chief General Manager**

Schedule of charges – Trade Finance Products and Services
(Applicable taxes extra)

Charges Description	Charges
A. IMPORTS	
1. Letter of Credit (Outward) and Co-acceptance	
a. Issuance / Amendment / Revival Charges - Sight LCs (Commitment)	1) 1.25% pa from the date of issuance till date of expiry plus 15 days, minimum Rs.2000/-. Amendment not involving an increase in tenor will be Rs.2000/- per amendment. 2) SWIFT Charge - Rs.1250/-
b. Issuance / Amendment / Revival Charges - Usance LCs (Commitment + Usance)	1) 1.25% pa from the date of issuance till date of expiry plus usance period, minimum Rs.2500/-. Amendment not involving an increase in tenor will be Rs.2500/- per amendment. 2) SWIFT Charge - Rs.1250/-
c. Issuance / reinstatement / amendment charges for a Revolving LC - Sight	1) 2.50% pa from the date of issuance till date of expiry, minimum Rs.2500/-. Amendment not involving an increase in tenor will be Rs.2500/- per amendment. 2) SWIFT Charge - Rs.1250/-
d. Issuance / reinstatement / amendment charges for a Revolving LC - Usance	1) 2.50% pa from the date of issuance till date of expiry plus usance period, minimum Rs.2500/-. Amendment not involving an increase in tenor will be Rs.2500/- per amendment. 2) SWIFT Charge - Rs.1250/-
e. LC issuance with confirmation clause; confirmation being arranged by Dhanlaxmi Bank	1) Normal LC issuance charges plus Rs.2500/- for arrangement of confirmation. Plus confirmation charges of overseas bank
2. Bills handled under import LC issued	
a. Retirement Charges	1) 0.30%; minimum Rs.1750/- 2) SWIFT Charge - Rs.1250/-
b. Crystallization	0.50%; minimum Rs.3000/-
3. Inward Import Bills for collection – non LC	
a. Retirement Charges	1) 0.40%; minimum Rs.1750/- 2) SWIFT Charge - Rs.1250/-
b. Dishonoured Bill return charges	1) Rs.2500/- or equivalent 2) SWIFT Charge - Rs.1250/- 3) Courier Charges – Rs.1000/-
4. Direct Import Bill payments	
Direct Import Bill payment - SWIFT Mode	1) 0.30%; minimum Rs.1500/- 2) SWIFT Charge - Rs.1250/-
5. Advance Payment for imports	
Advance payment - SWIFT Mode	1) 0.30%; minimum Rs.1500/- 2) SWIFT Charge - Rs.1250/-
6. Countersigning / co-acceptance of bills of exchange guaranteeing payment on due date	1.25% pa from the date of issuance till date of expiry; minimum Rs.1500/-
7. LC secured by 100% fixed deposit margin	1) 1.25% pa from date of issuance till date of expiry plus 15 days; minimum Rs.1500/-. Amendment not involving an increase in tenor will be Rs.1500/- per amendments

Charges Description	Charges
	2) SWIFT Charge - Rs.1250/-
8. Other Miscellaneous Charges	
a. Import payment later than 6 months from the date of shipment (excluding capital imports) – AD approval	All applicable charges + Rs.1000/-
b. Import license endorsement cancellation in case of replacement imports and remittance approval	Rs.2000/-
c. AD approval for documents received directly by importer	Rs.1000/-
d. AD approval for receipt of documents directly by AD from overseas supplier	Rs.1000/-
e. Obtaining credit reports of overseas buyers / suppliers on behalf of our customers	Rs.1000/- plus agency cost
f. Bill of entry not received within 3 months from the date of remittance – for follow up process	Rs.1500/- per quarter irrespective of the amount (Max 4 quarters)
g. If CA certificate not provided within 6 months from the date of import for non physical imports – if the remittance done through Dhanlaxmi Bank – for follow up	Rs.1500/- per quarter irrespective of the amount (Max 4 quarters)
h. Merchanting trade transactions	Rs.1500/- Plus applicable charges of import & export legs of the transaction
i. Custody charges for overdue import bills	Rs.1000/- per quarter
B. EXPORTS	
1.Inward Letters of Credit / Guarantees	
a. Advising of Inward Letter of Credit / Guarantees (Export) or their amendments	Rs.1750/- or USD 50 subject to arrangement with correspondent bank, if any, if recovered from Foreign client
b. Transfer of export letter of credit	1) Rs.2500/- or USD 50 subject to arrangement with correspondent bank, if any, if recovered from Foreign Client 2) Rs.1000/- for each inland transfer / USD 50 for each international transfer
c. Handling charges for bills under transferred LC	1) 0.30% of the Bill amount; minimum Rs.1500/- 2) SWIFT Charges - Rs.1000/-
d. Confirmation charges on any Inward LC / Guarantee	a) Sight LC – 2% p.a. from date of issuance till date of expiry plus 15 days; minimum Rs.2000/-. Amendment not involving an increase in tenor will be Rs.2000/- per amendment. b) Usance LC – 2% pa from the date of issuance till date of expiry plus usance period, minimum Rs.2000/-. Amendment not involving an increase in tenor will be Rs.2000/- per amendment.
e. Issuance / Amendment of Guarantee against inward counter guarantee of a foreign bank	2% pa from the date of issuance till date of expiry plus claim period, minimum Rs.2000/-. Amendment not involving an increase in tenor will be Rs.2000/- per amendment.
2. Advance Remittance received for Exports	0.13% of the Bill amount; minimum Rs.1250/-
3. Conversion from EEFC account	0.13% of the INR amount; minimum Rs.1250/-
4. Packing Credit	Rs.1500/- for each disbursement irrespective of the amount

Charges Description	Charges
5. Export Bills under LC / non-LC	
a. Export Bills for collection including under consignment exports	1) 0.13% of the bill amount; minimum Rs.1250/- 2) Postage - Rs.1000/-
b. Negotiation / discounting – handling charges	1) Rs.1500/- 2) Courier/ Postage - Rs.1000/-
c. Overdue Bills – Handling charges	Rs.1500/- per quarter
d. Crystallization of negotiated / discounted bills	Rs.1500/-
e. Dishonoured bills – Handling charges	Rs.2000/-
f. Handling GR of bills under direct dispatch from exporter	Rs.1500/-
g. Export bills drawn and collected in Rupees, foreign currency bills (negotiated, purchased, discounted) where proceeds are received in rupees through other banks)	0.13% of the bill amount; minimum Rs.1250/-
6. Project Exports	
a. Application for processing by Bank / RBI	Rs.25000/-
b. Any subsequent reporting / related correspondence or submission of documents or information with/to RBI	Rs.1000/-
7. Other Miscellaneous Charges	
a. GR Waiver approval	Rs.750/-
b. Approval to realize export bill in case of part drawings / undrawn balances	Rs.1000/-
c. Consignment exports – handling charges	Rs.750/-
d. Approval for opening / hiring warehouses abroad	Rs.1000/-
e. Approval for direct dispatch for regular customer – one time basis (valid for 1 year)	Rs.1500/-
f. Approval for regularization of direct dispatch cases	Rs.1000/-
g. Handling of GR in case of shut out shipments	Rs.750/-
h. Arranging approval from RBI for opening Escrow accounts for counter trade agreement	Rs.2000/-
i. Arranging approval from RBI for Export of goods on lease, hire etc.	Rs.2000/-
j. Arranging approval from RBI for export on elongated credit terms	Rs.2000/-
k. Approval for delay in submission of GR	Rs.750/-
l. Export bills getting reported in XOS	Rs.750/-
m. Approval for reduction in invoice	Rs.1000/-

Charges Description	Charges
value	
n. Approval for claims on exporters	Rs.250/-
o. Extension / self write off by exporters – AD handling charges	Rs.500/-
p. Approval by AD / RBI for extension / write off	Rs.1000/-
q. Approval for write off in case of claims received from insurance companies	Rs.1000/-
r. Handling of cases where shipment is lost in transit	Rs.750/-
s. Approval for netting off for units in SEZ	Rs.1000/-
t. Approval for set off of export receivables against import payables	Rs.1000/-
u. Approval for remittance of agency commission on exports	Rs.500/-
v. Approval for refund of export proceeds	Rs.1000/-
w. Issuance of FIRC (Foreign Inward Remittance Certificate)	Rs.250/-
x. Approval for GR in case the exporter is in the caution list	Rs.1000/-
y. M Bill Booking	Rs.1250/- per shipping bill
C. DOMESTIC	
1. Inward letter of Credit / Guarantee	
a. Advising of inward letters of credit / guarantees (Domestic)	1) Rs.1500/- 2) Postage - Rs.250/-
b. Transfer of domestic letter of credit	1) Rs.1500/- 2) Postage - Rs.250/-
2. Letters of Credit (outward and Co-acceptance)	
a. Issuance / Amendment charges – Sight LCs (Commitment)	1) 1.25% pa from date of issuance till date of expiry plus 15 days, minimum Rs.2000/-. Amendment not involving an increase in tenor will be Rs.1500/- per amendment 2) SFMS Charges - Rs.750/-
b. Issuance charges / amendment – Usance LCs (commitment plus usance charges)	1) 1.25% pa from date of issuance till date of expiry plus usance period, minimum Rs.2000/-. Amendment not involving an increase in tenor will be Rs.1500/- per amendment. 2) SFMS Charges - Rs.750/-
c. Issuance / re-instatement / amendment charges for a revolving LC – Sight	1) 2.50% pa from the date of issuance till date of expiry plus 15 days, minimum Rs.2000/- 2) SFMS Charges - Rs.750/-
d. Issuance / re-instatement / amendment charges for a revolving LC – Usance	1) 2.50% pa from date of issuance till date of expiry plus usance period, minimum Rs.2000/-. Amendment not involving an increase in tenor will be Rs.2000/- per amendment 2) SFMS Charges - Rs.750/-
3. Bills received under domestic LC - Retirement charges	0.30%; minimum Rs.1750/-
4. Inward Domestic Bills for collection –	Rs.5/- per thousand irrespective of the bill amount - minimum

Charges Description	Charges
non LC - Retirement charges	Rs.100/-
5. Inland Bills purchased / discounted (LC/non-LC)	
For bills upto Rs.10000/-	1) Rs.250/- per bill 2) Postage - Rs.250/-
For bills above Rs.10000/-	1) Rs.5 per thousand subject to a minimum of Rs.250/- 2) Postage - Rs.250/-
6. Invoice financing	
For bills upto Rs.10000/-	1) Rs.250/- per bill 2) Postage - Rs.250/-
For bills above Rs.10000/-	1) Rs.5 per thousand subject to a minimum of Rs.250/- 2) Postage - Rs.250/-
7. Outward collections	
LC Backed Bills	1) Rs.2500/- per bill 2) Postage Rs.250/-
Non-LC Bills	1) Rs.2000/- per bill 2) Postage Rs.250/-
D. GUARANTEE	
1. Bank Guarantees / Stand by LCs (Domestic), issuance or amendment	
a. Performance Guarantees	1) 2% p.a. (Minimum Rs.2000/-) 2) SFMS Charge - Rs.500/-
b. Performance Guarantees (100% Cash Margin)	1) 0.75% p.a. (Minimum Rs.1500/-) 2) SFMS Charge - Rs.500/-
c. Financial Guarantees	1) 3% p.a. (Minimum Rs.3000/-) 2) SFMS Charge - Rs.500/-
d. Financial Guarantees (100% margin cases)	1) 0.75% p.a. (Minimum Rs.1500/-) 2) SFMS Charge - Rs.500/-
e. Amendment without change in value or period	1) Rs.1500/- 2) SFMS Charge - Rs.500/-
2. Bank Guarantees / Standby LCs (Foreign Currency), Issuance or amendment	
a. Performance Guarantees	1) 2% p.a. (minimum Rs.3000/-) 2) SWIFT Charges - Rs.1750/-
b. Financial Guarantees	1) 3% p.a. (minimum Rs.5000/-) 2) SWIFT Charges - Rs.1750/-
c. Amendment without change in value or period	1) Rs.2500/- 2) SWIFT Charge - Rs.1750/-
3. Delivery order / Shipping Guarantees	
Delivery order / Shipping Guarantee	Rs.2500/-
All purposes other than the above	1.5% p.a. (minimum Rs.2000/-)
E. MISCELLANEOUS REMITTANCES	
1. Outward A2 remittances including liberalized remittances	

Charges Description	Charges
a. Individuals	1) Commission - Rs.750/- 2) SWIFT Charges - Rs.1000/-
b. Others	1) Commission - Rs.1250/- 2) SWIFT Charges - Rs.1000/-
c. ACU remittances	1) Commission - Rs.1500/- 2) SWIFT Charges - Rs.1000/-
2. Inward Remittances excluding Export proceeds	Upto Rs.1 lakh Rs.200/- Above Rs.1 lakh Rs.350/-
3. Foreign Cheques / other instruments under collection	0.30% pa
4. Foreign cheques / other instruments under cash letter arrangements	0.60% pa
F. FOREIGN DIRECT INVESTMENTS	
Automatic or Approval route	
a. Scrutiny and Handling charges	Rs.22000/-
b. Reporting Charges under same UIN	Rs.3000/-
G. EXTERNAL COMMERCIAL BORROWINGS	
Automatic or Approval route	
a. Scrutiny and Handling charges	Rs.2500/-
b. Reporting charges	1) Rs.1000/- 2) Postage - Rs.250/-
c. Approval for creation of charge over immovable assets	Rs.2500/-
d. Approval for changes or modification in the drawdown or repayment schedule	Rs.2500/-
e. Approval for change in the currency of borrowing	Rs.2500/-
f. Providing NOC for changing the AD bank to another	Rs.5000/-
g. Approval for change in the name of borrower company	Rs.2500/-
h. Approval for change in the recognized lender	Rs.2500/-
i. Approval for change in the LRN	Rs.2500/-
j. Approval for change in the end use of ECB proceeds	Rs.2500/-
k. Approval for reduction in the amount of ECB	Rs.2500/-
l. Approval for reduction in the all-in-cost of ECB	Rs.2500/-
H. OVERSEAS DIRECT INVESTMENTS	
Automatic or Approval route	
a. Scrutiny and Handling charges	Rs.27000/-
b. Reporting Charges under same UIN	Rs.3000/-
I. ESTABLISHMENT OF PROJECT OFFICE / LIAISON OFFICE	

Charges Description	Charges
Automatic or Approval route	
a. Scrutiny and Handling charges	Rs.2500/-
b. Reporting Charges under same UIN	1) Rs.1500/- 2) Postage - Rs.250/-
J. GENERAL	
Postage	
Domestic	Rs.250/-
International	Rs.1000/-
SWIFT	
Tracers	Rs.1000/-
Other than tracers	Rs.1250/-
Change in AD	
From our Bank to another Bank (seeking our NOC)	ODI/FDI cases Rs.2000/- Others Rs.500

Annexure 2

Recommendation for Concessional charges – Trade Finance products and Services

Name of the customer	Branch and respective RO	Type of accounts maintained with present balance	Concession proposed in (nature of charges)	Card Rate	Concession (in Amt.)	Concession in % to the card Rate

Justification for recommending concession, in Brief (Branch)

Branch Head

Recommendation (RO)

Regional Head