



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2016-17/68
A.P. (DIR Series) Circular No. 03

September 29, 2016

To

All Category - I Authorised Dealer Banks

Madam/Sir,

**Exim Bank's GoI supported Line of Credit of USD 87.00 million
to the Government of the Republic of Zimbabwe**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated October 27, 2015 with the Government of the Republic of Zimbabwe for making available to the latter, a Government of India supported Line of Credit (LOC) of USD 87.00 million (USD Eighty Seven million) for financing renovation/up-gradation of Bulawayo Thermal Power Plant in Republic of Zimbabwe. Subsequently, Exim Bank has signed First Amendatory Dollar Credit Line Agreement with the Government of the Republic of Zimbabwe on May 31, 2016 on account of the revision of the Guidelines on Lines of Credit extended by the Government of India to various countries under its Indian Development and Economic Assistance Scheme (IDEAS) dated December 7, 2015. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75% of the contract price shall be supplied by the seller from India and the remaining 25% goods and services may be procured by the seller for the purpose of the eligible contract from outside India.

2. The credit agreement under the LOC is effective from August 19, 2016. Under the LOC, last date for opening letters of credit disbursement is 60 months after the scheduled completion date of the project.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to www.eximbankindia.in.

6. The Directions contained in this circular have been issued under section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Shekhar Bhatnagar)
Chief General Manager-in-Charge