



Reserve Bank of India
Foreign Exchange Department
Central Office, Mumbai 400 001

RBI/2008-09/268

A. P. (DIR Series) Circular No. 28

Dated 5th November, 2008

**Exim Bank's Line of Credit of USD 30 million to the
African Export-Import Bank (Afreximbank)**

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated March 20, 2008 with the African Export-Import Bank (Afreximbank), making available to the latter, a Line of Credit (LOC) of USD 30 million (USD thirty million) to facilitate purchase of capital and engineering goods, industrial manufactures, consumer durables and services and other items from India by Buyers in any of the Afreximbank's Member States. The goods and 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.

2. The Credit Agreement under the LOC is effective from September 22, 2008 and date of execution of Agreement is March 20, 2008. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 36 months (September 21, 2011) from the scheduled completion date(s) of contract(s) in case of project exports and 42 months (March 21, 2012) from the effective date of the Credit Agreement in case of supply contracts.

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

4. While no agency commission shall be payable in respect of exports financed under the above line of credit, Reserve Bank may consider, on merit, requests for payment of commission up to a maximum extent of 5 per cent of the f.o.b./c&f /c.i.f. value in respect of goods exported and which require after sales service. In such cases, commission will have to be paid only by deduction from the invoice of relevant shipment and the reimbursable amount by the Exim Bank to the negotiating bank will be 90 per cent of the f.o.b./c&f/c.i.f value minus commission paid. Approval for the payment of commission should be obtained before the relevant shipment is effected. In other cases (i.e. exports not involving after sales service), if required the exporter may use his own resources or utilize balances of his EEFC account for payment of commission in free foreign exchange. Authorised Dealer Category-I (AD Category-I) banks may allow such remittance after realisation of full payment of contract value subject to compliance of prevailing instructions on 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 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 Sections 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.

Sd/-
(SALIM GANGADHARAN)
Chief General Manager-in-Charge