

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

RBI/2007-08/176

A. P. (DIR Series) Circular No. 16

Dated 31st October, 2007

**Exim Bank's Line of Credit (LOC) of USD 10 million to Government
of the Republic of Senegal for IT Training Project**

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated July 2, 2007 with the Government of the Republic of Senegal, making available to the latter, a Line of Credit (LOC) of USD 10 million (USD Ten million) for financing exports of eligible goods and services including consultancy services for the Information Technology Training Project in the Borrower's country and which are eligible for export under the Foreign Trade Policy of the Government of India. Out of the total credit by Exim Bank under this Agreement, the goods and services of the value of at least 85 per cent of the contract price shall be supplied by the seller from India.

2. The Credit Agreement under the LOC is effective from September 19, 2007. Under the LOC, the last date for opening of Letters of Credit will be 48 months from scheduled completion date of contract in case of project exports and 72 months from execution date of the Credit Agreement in case of other supply contracts viz., July 1, 2013.

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

4. No agency commission is payable under the above line of credit. However, if required, the exporter may use his own resources or utilise 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 with the 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.

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 is without prejudice to permissions/approvals, if any, required under any other law.

Sd/-
(SALIM GANGADHARAN)
Chief General Manager