RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2016-17/298
A.P. (DIR Series) Circular No. 46 **May 04, 2017**

To
All Category - I Authorised Dealer Banks

Madam / Sir,

Exim Bank's Government of India supported Line of Credit of USD 4 million to the Government of the Co-operative Republic of Guyana

Export-Import Bank of India (Exim Bank) has entered into an agreement dated February 22, 2017 with the Government of the Co-operative Republic of Guyana for making available to the latter, a Government of India supported Line of Credit (LoC) of USD 4 million (USD Four million only) for the purpose of financing the procurement of high capacity fixed and mobile drainage pumps and associated structures in the Co-operative Republic of Guyana. The credit is available for financing export of eligible goods from India which means any goods and services including plant, machinery and equipment for the purpose of high capacity fixed and mobile drainage pumps and associated structure in terms of the Agreement and 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, goods and services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 per cent of goods and services may be procured by the seller for the purpose of the eligible contract from outside India.

2. The Agreement under the LoC is effective from April 18, 2017. Under the LoC, the terminal utilization period is 60 months after the scheduled completion date of the project.

3. Shipments under the LoC will have to be declared on Export Declaration Form as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable for export under the above LoC. However, if required, the exporter may use its own resources or utilize balances in its 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 eligible value of export subject to compliance with the extant 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 LoC from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or from their website www.eximbankindia.in

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

Yours faithfully,

(Deepak Kumar)
Chief General Manager