

## **Exchange Control October 2002**

### **1. Opening, holding and maintaining Foreign Currency Account in India by Units in Special Economic Zones (SEZs)**

Units located in Special Economic Zone have been allowed to open, hold and maintain Foreign Currency Account with an authorised dealer in India subject to certain conditions, in lieu of the special provision for EEFC Accounts for units in the Special Economic Zones given earlier.

### **2. Indo-Sri Lanka Credit Agreement dated July 3, 2002 for US\$ 31 Million**

The Government of India have extended a line of credit of US\$ 31 million (U.S. Dollar Thirtyone million only) to the Government of the Democratic Socialist Republic of Sri Lanka under a credit agreement entered into between the two Governments on July 3, 2002. The credit of US\$ 31 million will be available to the Government of Sri Lanka for importing from India upto 3,00,000 tonnes of wheat or any other item as may be mutually agreed to between the two Governments. The credit will not cover third country imports. The export of wheat from India and their import into Sri Lanka under the line of credit shall take place through normal commercial channels and will be subject to the laws and regulations in force in both the countries.

### **3. Exim Bank's Line of Credit of USD 10 Million to Banca Comerciala Romana (BCR), Romania**

Export-Import Bank of India (Exim Bank) has concluded an agreement with the Banca Comerciala

Romana S.A., (BCR) on June 25, 2002, making available to the latter, a line of credit upto an aggregate sum of USD 10 million (U.S. Dollar Ten Million only). The credit has become effective from August 29, 2002, and is available for financing export of eligible Indian goods and related services to buyers in the borrower's country *i.e.* Romania. The eligible goods will also include initial spares, drawings and designs together with services related thereto. The export of goods from India and their import into the borrower's country shall be subject to the laws and regulations in force in both the countries.

### **4. Release of Exchange for Private Travel**

Authorised Dealers have been advised to forward applications for release of foreign exchange exceeding USD 5,000 for private visits, to Reserve Bank by either fax or e-mail. With a view to ensuring that such applications received in the Bank are disposed of on the same day, a Nodal Officer has been nominated in each Regional Office of the Bank. [The limit of USD 5,000 has since been enhanced to USD 10,000 or its equivalent with effect from November 18, 2002.]

### **5. Cross-currency Derivative Products-Submission of Report**

In modification of the earlier directions, authorised dealers have been advised that instead of sending a separate report for each transaction for cross-currency derivatives, they may consolidate the data on half-yearly basis and forward it in the prescribed format to the Reserve Bank.

### **6. Export of Goods and Services**

The facility allowing manufacturer exporters/ merchant exporters/traders of certain products having export contracts of Rs. 100 crore and above in value terms in one year to realise and repatriate full value of the export of the specified products within a period of 365 days from the

date of shipment has been extended for one more year upto September 30, 2003.

**7. Exchange Earners' Foreign Currency (EEFC) Account Scheme**

Authorised dealers have been allowed to permit exporters to repay packing credit advances, whether availed of in Rupee or in foreign currency, from balances in their EEFC account to the extent exports have actually taken place, under certain conditions.