

September 19, 2005

To
All Banks Authorised to Deal in Foreign Exchange

Madam/Sir,

Exim Bank's Line of Credit of USD 10 Million to
Banque Marocaine du Commerce Extérieur (BMCE Bank), Morocco

The Export-Import Bank of India (Exim Bank) has concluded an agreement with Banque Marocaine du Commerce Extérieur (BMCE Bank), Morocco on July 4, 2005 making available to the latter a Line of Credit (LOC) upto an aggregate sum of USD 10 Million (US Dollar Ten Million only). The credit agreement has become effective from July 22, 2005. The credit is available for financing any items that may be agreed upon between Exim Bank and BMCE Bank and which are eligible for being exported from India to buyers in Morocco under the Foreign Trade Policy of the Government of India. Full details of the Line of Credit are available at Exim Bank's office or it's website (www.eximbankindia.com).

2. The last dates for opening letters of credit and disbursement of credit are July 21, 2007 and January 21, 2008, respectively.

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

4. No agency commission is ordinarily payable under the above line of credit. However, if necessary, the exporter can either use his own resources or utilise balances in his EEFC account for payment of commission in free foreign exchange. Authorised dealer banks may allow such remittance after realisation of full payment of contract value, subject to compliance of prevailing instructions on payment of agency commission. Further, Reserve Bank may consider on merit, requests for payment of agency commission upto a maximum extent of 5 per

cent of the f.o.b. / c & f / c.i.f. value in respect of goods exported which require after sales service. In such cases, commission will have to be paid in Morocco 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 such payment of commission should be obtained before the relevant shipment is effected.

5. Authorised Dealer Banks may bring the contents of this circular to the notice of their exporter constituents.

6. The direction contained in this circular has 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.

Yours faithfully,

Vinay Baijal
Chief General Manager