

RBI/2005-06/334
A.P.(DIR Series) Circular No. 27

March 24, 2006

To,

All Banks Authorised to Deal in Foreign Exchange

Madam / Sir,

Exim Bank's Line of Credit of US\$ 60 Million
to the Government of Ghana

The Export-Import Bank of India (Exim Bank) has concluded an agreement with the Government of Ghana making available to the latter a Line of Credit (LOC) upto an aggregate sum of USD 60 million (US Dollar Sixty million only). The credit agreement has become effective on February 27, 2006. The credit is available for financing exports from India, of equipment, goods and services for rural electrification Project (USD 30 mn) and construction of Presidential Office (USD 30 mn) in Ghana, which are eligible for export under the Foreign Trade Policy of the Government of India. Full details of the Line of Credit are available at the Exim Bank's office or its website (www.eximbankindia.com)

2. The terminal utilization period under the LOC is 48 months from scheduled completion date of contract in case of project exports and 60 months from the date of execution of the Agreement i.e. August 23, 2010 in case of other supply contracts
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 payable under the above line of credit. However, if required the exporter may use his own resources or utilize 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.

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

6. The directions contained in this circular have been issued under Section 10 (4) and 11 (1) of the Foreign Exchange Management Act, 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