

RBI/2006-07/ 136
A. P. (DIR Series) Circular No. 08
2006

September 25,

To,

All Category I Authorised Dealer Banks

Madam / Sir,

Exim Bank's Line of Credit of USD 10 million
to the Government of Mauritius

The Export-Import Bank of India (Exim Bank) has concluded an agreement with the Government of Mauritius making available to the latter a Line of Credit (LOC) up to an aggregate sum of USD 10 Million (US Dollar Ten million only). The credit agreement has become effective on August 11, 2006. The credit is available for financing export from India of equipment, goods and services which are eligible for export under the Foreign Trade Policy of Government of India for construction of Baie du Tombeau Sewerage Project in Mauritius.

2. The terminal dates for opening Letters of Credit will be August 10, 2008 (24 months from the effective date of Credit Agreement) and disbursement will be February 10, 2009 (30 months from the effective date of Credit Agreement).

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 utilize balances in 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 of 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 Building, 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.

Yours faithfully,

(M. Sebastian)
Chief General Manager