

November 14, 2008

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 25 million
to the Government of the Syrian Arab Republic**

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated June 5 ,2008 with the Government of the Syrian Arab Republic making available to the latter, a Line of Credit (LOC) of USD 25 million (USD twenty five million) for financing export of goods from India . The goods from India for exports under this Agreement are 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 contract, an amount up to 90% (ninety percent) of the FOB (free on board)/CFR (cost & freight) / CIF (cost, insurance &freight) contract price of the Eligible Contract may be made available to the Government of the Syrian Arab Republic.

2. The Credit Agreement under the LOC is effective from October 27, 2008 and date of execution of Agreement is June 5, 2008. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in case of project exports and 72 months (June 4, 2014) from the execution date of the Credit Agreement in case of supply contracts .

3. Shipments under the LOC 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 LOC. However, if required, the exporter may use his own resources or utilize balances of his 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 payment of contract value subject to compliance with the prevailing 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 Line of Credit from Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to www.eximbankindia.in.

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 are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

Salim Gangadharan
Chief General Manager-in-Charge