



**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

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**RBI/2012-13/384**  
**A.P. (DIR Series) Circular No.77**

**January 18, 2013**

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit (LOC) of USD 20 million to Nigerian Export-Import Bank**

Export-Import Bank of India (Exim Bank) has concluded an agreement dated November 15, 2011 with the Nigerian Export-Import Bank, making available to the latter, a Line of Credit (LOC) of USD 20 million (USD Twenty millions) for financing exports of eligible goods and services from India. The goods and services for export under the 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 Exim Bank under this agreement. Out of the total credit under this Agreement, the goods and services of the value of at least 90 per cent of the contract price shall be supplied by the seller from India.

2. The Credit Agreement under the LOC is effective from May 10, 2012 and the date of execution of Agreement is November 15, 2011. Under the LOC, the last date for opening Letters of Credit and Disbursement will be 36 months (May 9, 2015) and 42 months (November 09, 2015) from the effective date of the 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. While no agency commission shall be payable in respect of exports financed under the above line of credit, the Reserve Bank may consider, on merit, requests for payment of commission up to a maximum of 5 per cent of the f.o.b. (free on board) / c&f (cost and freight)/c.i.f.(cost, insurance and

freight) value in respect of goods exported and which require after sales services. In such cases, commission will have to be paid by deduction from the invoice of relevant shipment to agents 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. Approval for the payment of commission should be obtained from the office of the Reserve Bank of India (Foreign Exchange Department) within whose jurisdiction the Head Office of the exporter is situated, before the relevant shipment is effected. In other cases (i.e. exports not involving after sales services), if required the exporter may use his own resources or utilize balances of his EEFC a/c for payment of agency 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 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, 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 are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(Rashmi Fauzdar)**  
**Chief General Manager**