



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2016-17/13

July 14, 2016

A.P. (DIR Series) Circular No. 02

To

All Category - I Authorised Dealer Banks

Madam/Sir,

**Exim Bank's GoI supported Line of Credit of USD 86.31 million
to Myanma Foreign Trade Bank (MFTB), Myanmar**

Export-Import Bank of India (Exim Bank) has entered into an agreement dated December 11, 2013 with Myanma Foreign Trade Bank (MFTB), Myanmar for making available to the latter, a Government of India supported Line of Credit (LOC) of USD 155 million (USD one hundred fifty five million only) for financing the procurement of rolling stock, equipment and upgradation of three major railway workshops in Myanmar. Subsequently, Exim Bank signed First Amendatory Agreement with MFTB on October 03, 2015, for reducing the value of the LOC from USD 155 million to USD 86.31 million (USD eighty six million three hundred ten thousand). The goods, machinery, equipment, and services including consultancy services 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 Agreement, the goods and services including consultancy services of the value of at least 75% of the contract price shall be supplied by the seller from India and the remaining 25% goods and services may be procured by the seller for the purpose of the eligible contract from outside India.

2. The credit agreement under the LOC is effective from June 27, 2016. Under LOC, the terminal utilization period is 48 months from scheduled completion date of contract in case of project export and 72 months from execution of the Credit Agreement in case of other supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the 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 in 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 the 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 section 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,

(A. K. Pandey)
Chief General Manager