



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2016-17/246

March 09, 2017

A.P. (DIR Series) Circular No. 37

To

All Category - I Authorised Dealer Banks

Madam / Sir,

Exim Bank's Government of India supported Line of Credit of USD 750 million to the Government of Nepal

Export-Import Bank of India (Exim Bank) has entered into an agreement on September 16, 2016 with the Government of Nepal for making available to the latter, a Government of India supported Line of Credit (LOC) of USD 750 million (USD Seven hundred fifty million only) for financing the post-earthquake reconstruction projects in Nepal. The goods including plant, 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, goods and services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India, except for civil works for which 50 per cent of the contract price shall be supplied by the seller from India.

2. The credit agreement under the LOC is effective from February 24, 2017. Under the LOC, the terminal utilization period is 60 months after the scheduled completion date of the project.

3. Shipments under the LOC will have to be declared on Export Declaration Form 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 its own resources or utilize balances in its

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 extant 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 LOC from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or from their website www.eximbankindia.in.

6. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(J. K. Pandey)
Chief General Manager