

RBI/2006-07/ 142

A. P. (DIR Series) Circular No. 09

October 06, 2006

To,
All Category I Authorised Dealer Banks

Madam / Sir,

Exim Bank's Line of Credit of USD 30.97 million
to the Government of Burkina Faso

The Export-Import Bank of India (Exim Bank) has concluded an agreement with the Government of Burkina Faso making available to the latter a Line of Credit (LOC) up to an aggregate sum of USD 30.97 million (US Dollars Thirty million nine hundred and seventy thousand only) . The credit agreement has become effective on September 21, 2006. The credit is available for financing export of equipment, goods and services, including consultancy services for agricultural projects (US\$ 30 mn) which are eligible for export under the Foreign Trade Policy of Government of India from India to Burkina Faso and construction of a national post office (US\$ 0.97 mn).

2. Under the LOC, the utilization period will expire at the end of 48 months from scheduled completion date of contract/s in case of project exports and October 10, 2012 (72 months from the date of execution of the Credit Agreement) in case of supply contracts.

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 of 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