

November 30, 2006

To

All Category - I Authorised Dealer Banks

Madam/Sir,

Exim Bank's Line of Credit of USD 10 million to the Government of Angola

The Export-Import Bank of India (Exim Bank) has concluded an agreement dated July 6, 2006 with the Government of the Republic of Angola making available to the latter, a Line of Credit (LOC) for USD 10 million. The credit is available for financing export of 'SAME' brand of tractors manufactured by SAME Deutze –Fahr India (Pvt) Ltd., related implements, spares and services from India, which are eligible for export under the Foreign Trade Policy of the Government of India.

2. The credit agreement is effective from October 27, 2006 and under the LOC, the terminal date for opening Letters of Credit will be October 26, 2008 (24 months from the effective date of Credit Agreement) and terminal date for disbursements will be April 26, 2009 (30 months from the effective date of Credit 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. 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, 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

