

April 05, 2007

To,

All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit (LOC) of USD 7.50 million to
the Government of Jamaica**

Export-Import Bank of India (Exim Bank) has concluded an agreement dated January 19, 2007 with the Government of Jamaica, making available to the latter, a Line of Credit (LOC) of USD 7.50 million (USD Seven million five hundred thousand only) to finance purchase of water pumps by National Water Commission, Jamaica which are eligible for export under the Foreign Trade Policy of the Government of India and which may be agreed to be financed by Exim Bank in terms of this Agreement. Out of the total credit, not less than 85 per cent shall be utilised for financing purchase of eligible goods from India or be of Indian origin.

2. The credit agreement under the LOC is effective from March 2, 2007. The terminal date for opening of Letters of Credit will be March 1, 2009 (24 months from the effective date) and the terminal date for disbursement will be January 18, 2013 (72 months from the date of execution of the Credit Agreement i.e. January 19, 2007)
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 shall be payable in respect of exports financed under the above line of credit. However, if required, the exporter may use his own resources or utilise 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,

(Salim Gangadharan)
Chief General Manager-in-Charge