



**RESERVE BANK OF INDIA  
Foreign Exchange Department  
Central Office  
Mumbai - 400 001**

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**RBI/ 2011-12 /125  
A.P. (DIR Series) Circular No.06**

**July 26, 2011**

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 5 million  
to the Indo-Zambia Bank Limited**

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated September 29, 2010 with the Indo-Zambia Bank Limited making available to the latter, a Line of Credit (LOC) of USD 5 million (USD five million) for financing eligible goods and services. The goods and 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.

2. The Credit Agreement under the LOC is effective from June 29, 2011 and the date of execution of the Agreement is September 29, 2010. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 36 months (June 28, 2014) and 42 months (December 28, 2014) from the execution date of the Credit Agreement respectively.

3. Shipments under the credit will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. While no agency commission shall be payable in respect of exports financed under the above line of credit, the Reserve Bank may consider, on merits, requests for payment of commission up to a maximum of 5 per cent of the FOB (free on board)/ CFR (cost and freight)/ CIF (cost, insurance and freight) value in respect of goods exported and which require after sales service. In such cases, commission will have to be paid by deduction from the invoice of relevant

shipment to agents and the reimbursable amount by the Exim Bank to the negotiating bank will be 90 per cent of the FOB / CFR / CIF value. Approval for the payment of commission should be obtained from the office of the Reserve Bank of India (Foreign Exchange Department) within whose jurisdiction the Head Office of the exporter is situated, before the relevant shipment is effected. In other cases (i.e. exports not involving after sales service), if required, the exporter may use his own resources or utilize the balances of his EEFC a/c for payment of agency 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 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 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](http://www.eximbankindia.in).

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 are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(Rashmi Fauzdar)**

**Chief General Manager**