



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2014-15/429
A.P. (DIR Series) Circular No.66

January 27, 2015

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 100 million
to the Government of the Federal Republic of Nigeria**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated May 22, 2014 with the Government of the Federal Republic of Nigeria for making available to the latter, a Line of Credit (LOC) of USD 100 million (USD One hundred million) for financing eligible goods, Machinery, equipment and services including consultancy services from India for the purpose of financing completion of three power sector projects in Nigeria viz. [i] Supply and Commissioning of Transmission lines, 33 KV, 33/0/415 KV distribution transformers and associated accessories for 96 communities in three senatorial zones of Enugu State [USD 40.00 million]; [ii] 132/33 KV substation, solar mini grid electrification and solar street lighting in the state of Kaduna [USD 29.85 million]; and [iii] construction of 2 x 26 MW gas-based power plant in the cross river state [USD 30.00 million]. The goods, 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, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from December 31, 2014 and the date of execution of Agreement is May 22, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date of contract in the case of Project exports and 72 months (May 21, 2020) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms 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 his own resources or utilize balances in his 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 prevailing 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 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

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,

(C. D. Srinivasan)
Chief General Manager