



**RESERVE BANK OF INDIA  
FOREIGN EXCHANGE DEPARTMENT  
CENTRAL OFFICE  
MUMBAI-400 001**

RBI/2004/149

A.P.(DIR Series) Circular No.85

April 16, 2004

To

All Authorised Dealers in Foreign Exchange

Dear Sirs/Madam,

**Exim Bank's Lines of Credit of USD 10 Million each  
to Government of Zambia and to  
Bank Gospodarstwa Krajowego  
(National Economy Bank - BGK Bank), Poland**

Export-Import Bank of India (Exim Bank) has concluded agreements with Ministry of Finance, Government of Zambia on December 20, 2003 and BGK Bank, Poland on January 20, 2004 making available Lines of Credit (LOCs) upto an aggregate sum of USD 10million (U.S.Dollar ten million) each. The Credit Agreements have become effective from March 18, 2004 and March 15, 2004 respectively and are available for financing export of eligible Indian goods and services to Zambia and Poland under the respective LOCs.

2. The last dates for opening Letters of Credit and disbursements are March 17, 2006 and September 17, 2006, respectively in respect of the LOC extended to Government of Zambia. In respect of LOC extended to BGK Bank, Poland, the last dates for opening letters of credit and for disbursements are March 14, 2006 and September 14, 2006 respectively.

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

4. While no agency commission shall be payable in respect of exports financed under the above lines of credit, Reserve Bank may consider, on merit, requests for payment of commission up to a maximum extent of 5 per cent of the f.o.b./c&f/c.i.f. value in respect of goods exported and which require after sales service. In such cases, commission will have to be paid in Zambia and Poland only for the exports under the respective LOCs, by deduction from the invoice of the relevant shipment and the reimbursable amount by the Exim Bank to the negotiating bank will be 90 per cent of the f.o.b./c&f/c.i.f. value minus the commission paid. Approval for payment of commission should be obtained before the relevant shipment is

effected. In other cases (i.e. exports not involving after sales service), requiring payment of agency commission, the exporter will have to use his own resources for such payments.

5. Authorised Dealers may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Lines of Credit from Exim Bank's office or its website.

6. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

**Grace Koshie**

Chief General Manager