

**Exim Bank's Line of Credit of
USD 25 Million to Vneshtorgbank, Russia
A.P. (DIR Series) Circular No.80 (February 18, 2003)**

RESERVE BANK OF INDIA
EXCHANGE CONTROL DEPARTMENT
CENTRAL OFFICE
MUMBAI 400 001

A.P. (DIR Series) Circular No.80

February 18, 2003

To
All Authorised Dealers in Foreign Exchange

Madam/ Sirs,

**Exim Bank's Line of Credit of
USD 25 Million to Vneshtorgbank, Russia**

Export-Import Bank of India (Exim Bank) has concluded an agreement with Vneshtorgbank, Russia (Bank for Foreign Trade, Russia) on July 3, 2002 making available to the latter, a line of credit (LOC) up to an aggregate sum of USD 25 million (US Dollar Twenty five Million only). The credit has become effective from November 14, 2002 and is available for financing exports from India of eligible goods (listed in the Annexure) and related services to buyers in the borrower's country i.e. Russian Federation. The eligible goods will include initial spares, drawings and designs, together with services related thereto.

2. The terminal dates for opening letters of credit and utilisation of credit are November 13, 2003 and May 13, 2004, respectively.
3. Shipments under the credit will have to be declared on GR/SDF Forms as usual.
4. No agency commission shall be payable in respect of exports financed under the above line of credit. However, Reserve Bank may consider on merit, requests for payment of commission upto a maximum extent of 5 per cent of the f.o.b/c & f/c.i.f value in respect of goods specified in the Annexure and which require after-sales service. In such cases, commission will have to be paid in the Russian Federation only 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.
5. Authorised Dealers may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain further details of the Line of Credit from Exim Bank's office or their web-site.
6. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,
Grace Koshie
Chief General Manager

List of Eligible Goods for finance out of the Credit

PART 'A'

1. Air compressors
2. Air conditioning, heating, cooling, fume extraction, dust collection, humidification and ventilation equipment for industrial use including blowers and exhaust fans.
3. Alcohol and brewery plant.
4. Aluminium plant and equipment
5. Asbestos cement machinery
6. Cement machinery
7. Cinematographic equipment for motion picture and television studios.
8. Chemical and pharmaceutical plant and machinery.
9. Cigarette making machinery.
10. Coffee processing machinery.
11. Coke oven plant and equipment
12. Coke oven refractories
13. Control and Process Instruments including X-Ray equipment for Industrial Applications.
14. Copper Ore concentration machinery
15. Dairy equipment and animal feed plant
16. Earth moving equipment like crawler tractors, shovels, excavators, loaders, dumpers etc.
17. Edible Oil Mill machinery and oil expellers.
18. Electric motors and pumps
19. Electronic Data Processing equipment
20. Fertilizer plant and equipment
21. Flour, rice and dal mill machinery
22. Food processing plant
23. Foundry equipment including mould making machinery, Sand and Shot blasting equipment
24. Freight containers
25. Garage equipment

26. Gas and air separation plants
27. Glass and Ceramic machinery
28. Heat Exchangers
29. Integrated Steel Plants (complete or in parts), mini steel plants (electric arc and reduction furnaces). Re-heating and heat treatment furnaces, Rolling Mills and other finishing lines for ferrous and non-ferrous metals.
30. Ice-making machinery
31. Industrial boilers
32. Industrial furnaces
33. Industrial switchboards, Control panels, circuit breakers, air break switches
34. Jute machinery
35. Leather tanning and processing machinery
36. Machine tools
37. Machinery for manufacturing air conditioners, bicycles, corks, electrical goods, enamel-ware, hard board, metal containers, radios, razor blades, refractories and bricks, sewing machines, shoes, steel furniture, wire-ropes and cables etc.
38. Machinery for manufacturing any product figuring in Part B of this List, not specified separately in this Part.
39. Material handling equipment like fork lifts, electric lifts, cranes, hoists etc. and conveyor systems.
40. Metal working machinery
41. Mining machinery
42. Motor vehicles and chassis, including three-wheelers
43. Oil drilling rigs
44. Oil refinery equipment
45. Packaging and weighing machinery
46. Pile foundation machinery
47. Plastic machinery
48. Power generation, transmission and distribution equipment including boilers, generators, transformers, switchgears, transmission line towers, conductors, cables, sub-station equipment and protective equipment.
49. Power line carrier communication equipment
50. Power station structures, hydraulic structures like penstocks, gates and gearings, sub-station structures.
51. Pressure vessels.
52. Printing and book-binding machinery

53. Pulp and Paper Mill machinery
54. Railway electrification equipment and structures and railway signalling equipment.
55. Railway rolling stock including locomotives, wagons, coaches and trolleys.
56. Refractories for use in hot blast stores, hot blast main and bustle pipes and blast furnace proper
57. Rubber machinery
58. Road and construction equipment including road rollers, tar boilers, continuous batch plants, stone crushers, asphalt mixers, concrete mixers and vibrators.
59. Ships, boats, trawlers, steamers, launches, barges.
60. Solvent extraction machinery
61. Spraying equipment
62. Steam, diesel and petrol engines
63. Steel fabrication for bridges, factories etc.
64. Steel rails and railway track equipment including sleepers, fishplates, points and crossings.
65. Steel shuttering and scaffolding materials
66. Steel tanks
67. Sugar (including Khandsari) machinery
68. Tele-communication and signalling equipment
69. Textile machinery
70. Tractors and Trailers
71. Vending machines
72. Water supply equipment including pumping plant, large diameter fabricated steel pipes, C.I. spun pipes and storage tanks, water treatment and sewage treatment plant.
73. Weigh bridges
74. Welding machinery
75. Wood working machinery

PART 'B'

1. Agricultural implements.
2. Auto parts
3. Bicycles, motorcycles, scooters, mopeds and parts
4. Construction materials including sanitary ware, tiles and precast cement products, false ceiling, flooring materials, pipes, decorative laminates, fittings, electricals and steel/aluminium doors and windows, provided they are exported as separate items and not as items forming part of civil construction/turnkey projects.

5. Agricultural chemicals and industrial chemicals.
6. Pressure cookers, watches and clocks, knitting/sewing machines, vacuum flasks, cutlery, plastic moulded luggage.
7. Domestic electric appliances
8. Drugs and Pharmaceuticals
9. Electrical equipment including low tension insulators, batteries and accumulators, parts of electrical machinery and lamps, fuses and electrodes for industrial application.
10. Electronic components.
11. Electronic goods including radios, TV, public address systems, record players, tape recorders.
12. Fibreglass, PVC and plastics based products including pipes and tubes, tyre cord.
13. Ferrous/non-ferrous castings, forgings, stampings, extrusions and rolled products.
14. Ferrous/non-ferrous pipes, tubes, sheets, strips, foils, rods, wires, wire ropes
15. Heating and cooling equipment including air conditioners, refrigerators, water coolers.
16. Industrial rubber products including tyres and tubes, cots and aprons, conveyor belts, rubber rollers, hose pipes.
17. Instruments for measurement, scientific survey and for surgical applications.
18. Industrial fasteners, bearings, valves, gears and gaskets.
19. X-ray and other electro-medical and other hospital equipments
20. Office equipments including typewriters, calculators, duplicators, teleprinters.
21. Metal and plastic furniture
22. Hand tools, cutting tools, grinding wheels, moulds dies.
23. Gas cylinders, fire fighting equipment, photographic equipment, helmets, including fibreglass helmets.
24. Any item not included in Part `B' above may be financed by agreement between Exim Bank and the Borrower.