

August 04, 2008

To

All Category – I Authorised Dealer Banks

Madam / Sir,

Advance Remittance for Import of Rough Diamonds

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to A. P. (DIR Series) Circular No.34 dated March 02, 2007 in terms of which AD Category - I banks have been permitted to make advance remittance without any limit and without bank guarantee or standby letter of credit, by an importer (other than a Public Sector Company or a Department / Undertaking of the Government of India / State Government/s), for import of rough diamonds into India from the undernoted mining companies, subject to certain conditions :

- i) Diamond Trading Company Pvt. Ltd., UK,
- ii) RIO TINTO, UK,
- iii) BHP Billiton, Australia,
- iv) ENDIAMA, E. P. Angola,
- v) ALROSA, Russia, and
- vi) GOKHARAN, Russia.

2. Based on the recommendations made by the Gems and Jewellery Export Promotion Council (GJEPC), it has been decided to include the undernoted mining companies in addition to the six mining companies listed above.

- (i) RIO TINTO, Belgium, and
- (ii) BHP Billiton, Belgium.

3. The terms and conditions mentioned in A. P. (DIR Series) Circular No. 34 dated March 02, 2007, including submission of report in the format annexed to the above circular, shall remain unchanged.

4. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. 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