



Reserve Bank of India
Foreign Exchange Department
Central Office, Mumbai 400 001

RBI/2007-08/232

A. P. (DIR Series) Circular No. 27

Dated 5th February, 2008

**Exim Bank's Line of Credit of US\$ 35.20 million to the
Government of the Kingdom of Cambodia**

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated December 8, 2007 with the Government of the Kingdom of Cambodia, making available to the latter, a Line of Credit (LOC) of US\$ 35.20 million (US\$ thirty five million two hundred thousand only) for financing (i) Stung Tasal Development Project (US\$ 15 mn), (ii) purchase of water pumps (US\$ 5.20 mn), and (iii) construction of the electric transmission line between Kratie and Stung Treng Province (US\$ 15 mn) [projects at (i) and (iii) to be executed by Water and Power Consultancy Services (I) Ltd.]. The goods and services including consultancy services to be exported from India 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 of the value of at least 85 per cent of the contract price shall be supplied by the seller from India and the remaining goods and services (other than consultancy services) may be procured by the seller for the purpose of the Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from January 17, 2008. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in case of project exports and 72 months (December 7, 2013) from the execution date of the Credit Agreement in case of other supply contracts.

3. Shipments under the credit will have to be declared on GR/SDF Forms as per instructions issued by 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 of 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 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 Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005.

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

Sd/-
(SALIM GANGADHARAN)
Chief General Manager