

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

RBI/2007-08/230

A. P. (DIR Series) Circular No. 26

Dated 28th January, 2008

**Exim Bank's Line of Credit (LOC) of USD 60 million to
Myanma Foreign Trade Bank, Myanmar**

Export-Import Bank of India (Exim Bank) has concluded an agreement dated October 29, 2007 with Myanma Foreign Trade Bank, Myanmar, making available to the latter, a Line of Credit (LOC) of USD 60 million (USD Sixty million only) for financing export of goods and services for financing the Thahtay Chaung Hydropower Project in Myanmar to be executed by M/s. Bharat Heavy Electricals Limited. The goods and services for export under the 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 Exim Bank under this agreement. Out of the total credit 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.

2. The Credit Agreement under the LOC is effective from December 19, 2007. Under the LOC, the last date for opening Letters of Credit will be 48 months from the scheduled completion dates(s) of contracts(s) in case of Project exports and 72 months (October 28, 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 line of credit. However, if required the exporter may use his own resources or utilize balances of his EEFC account for payment of agency commission in free foreign exchange. Authorised Dealer Category – I (AD Category – I) banks may allow such remittance after realisation of full payment of contract value subject to compliance of 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