

Foreign Exchange Developments

February 2008

(i) Exim Bank's Line of Credit of USD 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 USD 35.20 million (USD thirty five million two hundred thousand only) for financing (i) Stung Tasal Development Project (USD15 mn), (ii) purchase of water pumps (USD 5.20 mn), and (iii) construction of the electric transmission line between Kratie and Stung Treng Province (USD15 mn) [projects at (i) and (iii) to be executed by Water and Power Consultancy Services (I) Ltd.].

[A.P. (DIR Series) Circular No.27 dated February 5, 2008]

(ii) Memorandum of Instructions for Opening and Maintenance of Rupee / Foreign Currency Vostro Accounts of Non-resident Exchange Houses

In view of the increased number of transactions being handled by the Exchange Houses and the rapid developments in the communication facilities between Exchange Houses and drawee banks, there was a need to rationalise the existing instructions on maintenance of rupee / foreign currency Vostro accounts of non-resident Exchange Houses. Accordingly, the Memorandum of Instructions

containing procedural instructions has been rationalised and detailed guidelines have been issued for opening and maintenance of rupee/foreign currency vostro accounts of non-resident Exchange Houses.

[A.P. (DIR Series) Circular No.28 dated February 6, 2008]

(iii) Exim Bank's Line of Credit (LOC) of USD 122 million to the Government of the Federal Democratic Republic of Ethiopia

Export-Import Bank of India (Exim Bank) has concluded an agreement dated October 4, 2007 with the Government of the Federal Democratic Republic of Ethiopia, making available to the latter, a Line of Credit (LOC) of USD 122 million (USD One hundred twenty two million only) for financing export and services relating to projects for development of sugar industry in Ethiopia. The goods and services,

including consultancy services, for export from India 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.

[A.P. (DIR Series) Circular No.29 dated February 22, 2008]

(iv) Compilation of Bank-wide consolidated R-Return

At present, AD Category - I banks have the option of submitting either branch-wise or bank-wide R-Return. A time limit has now been stipulated for all AD Category - I banks for transition from branch-wise to bank-wide submission of R-Return. Accordingly, all AD Category - I banks will be required to submit bank-wide R-Return from the first fortnight of January 2009.

[A.P. (DIR Series) Circular No.30 dated February 25, 2008]