

US\$ 100 Mn

DOLLAR CREDIT LINE AGREEMENT

DATED JULY 23, 2008

BETWEEN

**THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST
REPUBLIC OF SRI LANKA**

AND

EXPORT-IMPORT BANK OF INDIA



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SCHEDULE

General Conditions

ANNEXURES

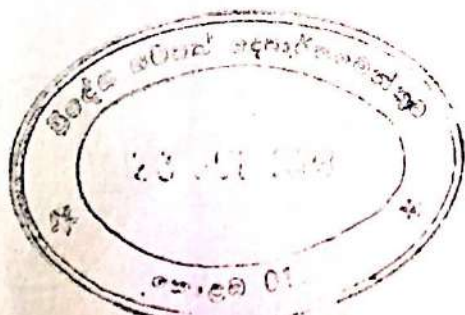
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THIS AGREEMENT made as of 23rd day of July, 2008 between the **Democratic Socialist Republic of Sri Lanka, acting through the Ministry of Finance and Planning, Government of the Democratic Socialist Republic of Sri Lanka, Colombo, Sri Lanka** (hereinafter referred to as "**the Borrower**" which expression shall, unless the context or subject otherwise requires, include its successors and permitted assigns) of the **One Part** and **EXPORT-IMPORT BANK OF INDIA**, a corporation established under the Export-Import Bank of India Act, 1981 (an enactment by the Parliament of India) and having its Head Office at Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai-400 005, India (hereinafter referred to as "**Exim Bank**", which expression shall, unless the context or subject otherwise requires, include its successors and assigns) of the **Other Part**

WHEREAS:

- (i) it has been agreed between the parties hereto for the provision by Exim Bank of a Credit to the Borrower up to an aggregate sum of \$ 100,000,000 (Dollars one hundred million), which shall be availed of by the Borrower for financing upgradation of railway line (Colombo- Matara) in Sri Lanka;
- (ii) the parties hereto are desirous of recording the terms and conditions of the Credit.



NOW THEREFORE IT IS HEREBY AGREED by and between Exim Bank and the Borrower as follows:-

1. **Definitions:**

In this Agreement and in the Schedules hereto, unless the context shall otherwise require, the following expressions shall have the meanings respectively assigned to them as under :-

“Advance” means each disbursement of a portion of the Credit in accordance with Clause 4 hereof, or as the context may require, the principal amount thereof outstanding;

“Borrower’s Country” means the Democratic Socialist Republic of Sri Lanka;

“Business Day” means any day on which Exim Bank and banks (as applicable) shall remain open for business in Mumbai, Colombo (Sri Lanka), New York and London for the purpose contemplated by the Agreement;

“Buyer” means a buyer in the Borrower’s Country in relation to an Eligible Contract;

“Credit” means the whole or any part of the Credit referred to in Clause 2 hereof, and where the context so requires, the principal amount thereof outstanding from time to time;

“Credit Agreement” means this Agreement;

“Dollars” and the sign “\$” mean the lawful currency of the United States of America;

“Effective Date of the Agreement” means the date on which this Agreement shall become effective in terms of Clause 9.1 hereof;

“Eligible Contract” means a contract as is considered eligible under Clause 3 hereof to be financed out of the Credit;

“Eligible Goods” in respect of an Eligible Contract means any goods and services including consultancy services for financing upgradation of railway line (Colombo-Matara) in Sri Lanka, which may be agreed to be financed by Exim Bank under this Agreement, out of which goods and services of the value of at least 85% 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;

“Eligible Value” means, in respect of an Eligible Contract, an amount up to 100% (one hundred per cent) of the FOB (free on board)/CFR (cost & freight)/CIF (cost, insurance



& freight) contract price of the Eligible Contract, that may be made available by Exim Bank to the Borrower out of the Credit in respect of that contract;

“Events of Default” means any of the events mentioned in Section M.1 of the General Conditions or any event which with the giving of notice and/or lapse of time and/or fulfillment of any other requirement, may become one of the events mentioned in that Section;

“FOB/CFR/CIF” means the seaway shipment terms as defined in Incoterms 2000;

“General Conditions” means the terms, conditions, covenants, stipulations and other provisions set out in SCHEDULE hereto which form an integral part of this Agreement and be deemed to be incorporated herein by reference;

“Interest Payment Date” means the last day of an Interest Period;

“Interest Period” means, in relation to an Advance, the period ascertained in accordance with Section C of the General Conditions;

“Interest Rate” means the sum of Margin and LIBOR, at which interest shall be chargeable by Exim Bank on the Advance, or as the case may be, on the outstanding amount of each Tranche of the Credit;

“Issuing Bank” means a bank in the Borrower’s Country which shall in that capacity be issuing letters of credit referred to in Clause 3.1 (c) hereof;

“LIBOR” means the per annum rate, or the arithmetical mean of the rates if there be more than one rate (rounded upwards, if necessary, to the nearest 1/16th of 1%) as advised to Exim Bank by its concerned lender(s) as appearing on the Reuters Screen LIBO Page or such other service as may be approved by Exim Bank or its lender(s) as the information vendor for the purpose of displaying LIBOR or rates comparable to LIBOR at or about 11AM (London time) on the relevant Quotation Date for deposits in euro dollars for an Interest Period of the duration of six months; or as applicable, the rate determined in accordance with the provisions relating to alternative basis of interest rate(s) mentioned in Section D of the General Conditions; and in relation to any Interest Period whose duration may be less than the aforesaid Interest Period, LIBOR shall mean the per annum rate as may be advised by Exim Bank which shall reflect the cost to Exim Bank of funding and maintaining the relevant Advance or the Tranche during such Interest Period from source(s) it may select;

“Margin” means, with reference to the Interest Rate, a spread of 50 basis points;

“Negotiating Bank” means a bank designated by Exim Bank for the purpose, to which documents shall be presented by the Seller for negotiation under letters of credit and through which payment shall be made to the Seller in relation to an Eligible Contract;



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"Payment Authorisation" means the authorization to be issued by the Borrower to Exim Bank in the format at Annexure I, irrevocably authorizing Exim Bank to make payment of the sum therein mentioned to the Negotiating Bank for account of the Seller, whenever a payment needs to be made to the Seller under an Eligible Contract for advance payment and / or for services rendered by the Seller in the Borrower's Country;

"Quotation Date" means, in relation to any period for which LIBOR is required to be determined, the date that shall be the second Business Day before the beginning of the relevant Interest Period;

"Repayment Date" means, with respect to each Tranche, the due date of payment of each installment of a Tranche;

"Reuters Screen LIBO Page" shall mean the display of London inter bank offered rates of major banks for euro dollar deposits, designated as page "LIBO" on the Reuters Monetary Money Rates Service (or such other page as may replace the LIBO page on such service);

"Seller" means a seller in India in relation to an Eligible Contract;

"Shipment" means any mode of dispatch, whether by sea or otherwise, agreed between the Seller and the Buyer;

"Terminal Disbursement Date" means the date falling on expiration of a period of 48 (forty eight) months after the scheduled completion date specified in the Eligible Contract relating to project exports and 72 (seventy-two) months of execution of this Agreement in case of supply contracts;

"Tranche" in relation to the Credit, means each portion thereof representing the aggregate amount of Advances made by Exim Bank to the Borrower hereunder up to the relevant Terminal Disbursement Date during each Interest Period, all of which Advances having the same repayment period, shall be consolidated on the last day of each such Interest Period.

2. Amount of the Credit:

Exim Bank agrees to extend to the Borrower and the Borrower agrees to avail from Exim Bank a Credit up to the maximum extent of \$ 100,000,000 (Dollars one hundred million), which shall be availed of by the Borrower towards financing the Eligible Value of each Eligible Contract on the terms and conditions herein set out. Provided However that not less than 85% of the Credit shall be availed of by the Borrower for financing purchase of Eligible Goods from India.

Eligibility of contract to be financed out of the Credit:

3.1 A contract shall not be eligible to be financed out of the Credit unless:-

- (a) it is for the import of the Eligible Goods into the Borrower's Country, and in the case of any contract which includes rendering of consultancy services, it provides for sourcing the consultancy services from India;
- (b) the contract price is specified in Dollars and is not less than \$ 50,000/- (Dollars fifty thousand only) or such amount as may from time to time be agreed upon between the Borrower and Exim Bank;
- (c) the contract requires the Buyer to make payment to the Seller of 100% (one hundred per cent) of FOB/CFR/CIF contract price of the Eligible Goods (other than services), pro-rata against shipments, to be covered under an irrevocable and non-transferable letter of credit in favour of the Seller;
- (d) in the case of services to be rendered by a Seller in the Borrower's Country, or where the contract requires advance payment to be made by the to the Seller which needs to be financed out of the Credit, the contract requires the Buyer to cause the Borrower to issue a Payment Authorisation to Exim Bank to enable the Seller to claim payment from Exim Bank of the Eligible Value apportionable to the amount of invoice for such services or, as the case may be, the amount of advance payment;
- (e) the contract contains a provision that the Eligible Goods shall be inspected before shipment on behalf of the Buyer and the documents to be furnished by the Seller to the Negotiating Bank under the letter of credit arrangement referred to in sub-clause (c) herein shall include an inspection certificate;
- (f) the contract also contains a provision to the effect that Exim Bank shall not be liable to the Buyer or the Seller for not being able to finance purchase of the Eligible Goods or any portion thereof by reason of suspension or cancellation of any undrawn amount of the Credit in terms of this Agreement;
- (g) the Borrower has sent to Exim Bank for its approval brief details of the contract in the format at **Annexure II** and such other documents and information as Exim Bank may require in this behalf, and Exim Bank has, in writing, approved of the contract as being eligible indicating the Eligible Value thereof.

3.2 Details of any amendment to an Eligible Contract agreed to by the parties thereto shall also be furnished by the Borrower to Exim Bank alongwith evidence of approval of the amendment by the Borrower. Provided, however, that Exim Bank's approval hereunder may not be necessary if such amendment is only a variation of technical specifications of the Eligible Goods to be supplied under the contract that does not involve a material change in the scope or object of the



contract. The Borrower shall, nevertheless, advise
amendment.

4. **Disbursements out of the Credit:**

4.A **Eligible Goods covered by letters of credit:**

4.A.1 All letters of credit in pursuance of Clause 3.1 (c) hereof shall be opened by the Issuing Bank in favour of the respective Seller within Terminal Disbursement Date as may be agreed by Exim Bank after the relative contract is approved by Exim Bank. The letters of credit shall be advised and negotiated through such offices of the Negotiating Bank as may be designated by Exim Bank in consultation with the Borrower from time to time. The letters of credit shall be subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) published by the International Chamber of Commerce, (Publication No.600 LF), and shall be irrevocable. Each letter of credit which shall be for an amount that shall cover the contract price and freight/insurance as applicable, shall provide for payment to be made to the Seller against presentation of documents as specified in the letter of credit and also an inspection certificate, and shall call for a set of extra copies of invoice(s), document(s) evidencing shipment(s) and inspection certificate(s) for being forwarded by the Negotiating Bank to Exim Bank.

4.A.2 Upon presentation of documents by the Seller to the Negotiating Bank, the Negotiating Bank shall pay to the Seller, an amount equal to hundred per cent (100%) of FOB/CFR/CIF contract value, apportionable to the relative shipment, as reduced by the amount of advance payment, if any, in equivalent amount, at the spot rate of exchange of the Negotiating Bank, by credit to the account of the Seller with such bank as may be specified by it, provided the documents presented are in order and are in conformity with the relevant letter of credit. The payment shall be made by the Negotiating Bank as aforesaid in such manner that receipt thereof by the Seller can be produced by the Negotiating Bank to Exim Bank, if so required.

4.A.3 The relevant letter(s) of credit shall, as regards payment made by the Negotiating Bank to the Seller of hundred per cent (100%) of the FOB/CFR/CIF contract value, provide instructions to the Negotiating Bank to claim reimbursement thereof from Exim Bank. The Negotiating Bank shall advise Exim Bank directly of the broad particulars of negotiation under the letter(s) of credit and details of its account with a bank in New York, U.S.A., to which such reimbursement shall be credited by Exim Bank. Such advice shall be issued by the Negotiating Bank as soon as practicable and shall state whether the negotiation was made with or without any reserve and the reasons for any reserve if it be the case. The advice shall be supported by one copy each of the relative invoice(s) and the document(s) evidencing the relative shipment(s), and the relative inspection certificate(s), in terms of letter(s) of credit.



4.A.4 Where negotiation has been effected without reserve, Exim Bank shall, upon receipt of the Negotiating Bank's advice referred to above, reimburse the Negotiating Bank in Dollars with the amount of the Eligible Value to the extent apportionable to the relative shipment, by transfer to the credit of the Negotiating Bank in such account with such bank in New York, USA, as may be specified by the Negotiating Bank in the said advice to Exim Bank. If negotiation has been made under reserve, Exim Bank shall make payment to the Negotiating Bank only after Exim Bank receives an advice from the Negotiating Bank that the Issuing Bank has lifted the reserve and has accepted the documents, or an advice from the Issuing Bank through the Borrower or the Negotiating Bank to that effect.

4.A.5 The amount of reimbursement that shall have been made by Exim Bank to the Negotiating Bank up to the Eligible Value apportionable to the relative shipment as aforesaid shall be deemed to be an Advance made by Exim Bank to the Borrower out of the Credit and the date on which Exim Bank pays or remits the amount from Mumbai to the Negotiating Bank shall be deemed to be the date of such Advance. Exim Bank shall thereafter, advise the Borrower of the date and amount of Advance. The records of Exim Bank as to the particulars of disbursements and accounts shall be final and binding on the Borrower save for arithmetical or manifest error.

4.A.6 Bank charges, expenses, commission or stamp duty payable outside the Borrower's Country shall be to the account of the Seller and those payable in the Borrower's Country shall be to the account of the relevant Buyer.

4.A.7 Exim Bank shall in no way be liable or responsible for any act or omission of the Negotiating Bank in handling the letter(s) of credit or negotiation of documents thereunder.

4.A.8 Notwithstanding anything contained hereinabove, Exim Bank shall not be obliged to make any payment to the Negotiating Bank after the Terminal Disbursement Date or otherwise in excess of the aggregate amount of the Credit facility. The Borrower shall therefore, ensure that contracts to be financed out of the Credit shall be concluded in such a manner that letter(s) of credit in respect of the Eligible Contracts shall be opened within the period specified in Clause 4.A.1 and the aggregate Eligible Value of the Eligible Contracts does not exceed the limit of the Credit.

4.B Disbursements against Payment Authorisation:

4.B.1 The Borrower shall on receiving an invoice from the Seller duly certified by the Buyer representing the amount of advance payment under an Eligible Contract

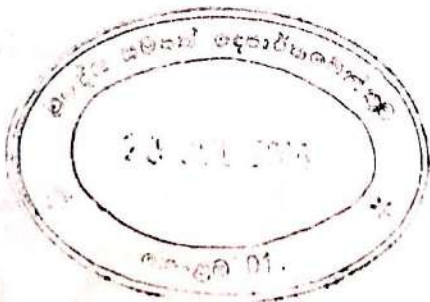


(where such advance payment is agreed to be financed out of the Credit) or, as the case may be, the amount of services rendered by the Seller under an Eligible Contract in the Borrower's Country, issue Payment Authorisation favouring Exim Bank to the Seller in the format given at **Annexure II** for the amount of the Eligible Value apportionable to the relevant invoice.

- 4.B.2 The Seller shall present the Payment Authorisation to the Negotiating Bank alongwith the Seller's payment instructions for being forwarded to Exim Bank.
- 4.B.3 Exim Bank shall on receipt of the original Payment Authorisation of the Borrower from the Negotiating Bank transfer the amount mentioned therein to the credit of the Negotiating Bank for account of the Seller in such account and with such bank in New York, USA, as may be specified in the Seller's payment instructions.
- 4.B.4 The amount remitted by Exim Bank to the Negotiating Bank pursuant to the Payment Authorisation for account of the Seller as aforesaid shall be deemed to be an Advance made by Exim Bank to the Borrower out of the Credit, and the date on which Exim Bank shall pay or remit the said amount from Mumbai to the designated account of the Negotiating Bank shall be deemed to be the date of such Advance. Exim Bank shall thereafter advise the Borrower of the date and the amount of the Advance by authenticated SWIFT message. The records of Exim Bank as to the amount of disbursement(s) and particulars in the Borrower's account shall be final and binding on the Borrower save for manifest error.
- 4.C. Notwithstanding anything contained hereinabove, Exim Bank shall not be obliged to make any payment to the Negotiating Bank after the Terminal Disbursement Date or otherwise in excess of the aggregate amount of the Credit facility. The Borrower shall therefore, ensure that contracts to be financed out of the Credit shall be concluded in such a manner that letter(s) of credit in respect of the Eligible Contracts shall be opened within the period specified in Clause 4.A.1, or as the case may be, Payment Authorization shall be received by Exim Bank and disbursements in respect thereof can be made by Exim Bank on or before the Terminal Disbursement Date, and the aggregate Eligible Value of the Eligible Contracts does not exceed the limit of the Credit.

5. **Interest:**

- 5.1 On each Interest Payment Date, the Borrower shall pay to Exim Bank interest accrued on the principal amount of each Advance or, as the case may be, on the amount of the Tranche outstanding during the Interest Period relating thereto, at the Interest Rate applicable to such Advance or Tranche.
- 5.2 Interest shall accrue from the date of each Advance and shall be calculated on the basis of the actual number of days elapsed (including the first day of the period during which it accrues) using 360 days a year factor.



5.3 Interest on other monies which may not be paid when due under the provisions of this Agreement shall also be payable on the relevant Interest Payment Date in the manner specified for payment of interest.

5.4 All interest on the outstanding amount of an Advance or the Tranche, as the case may be, and on all other monies accruing due under the Credit Agreement shall, if not paid on the respective due dates, carry further interest at the same rate as specified above, computed from the respective due dates and shall become payable upon the footing of compound interest with rests taken or made half-yearly, without prejudice to the provisions of Clause 8 below.

6. **Repayment:**

The Borrower hereby agrees and covenants to repay to Exim Bank the principal amount of each Tranche after a moratorium period of three (3) years from the date of such tranche formation, in successive half-yearly substantially equal installments over such period not exceeding ten (10) years, including the moratorium period, from the date of formation of such Tranche as may be agreed between Exim Bank and the Borrower the first of such installments falling due for payment on the date of expiry of the aforesaid moratorium period. Exim Bank shall advise the Borrower of the repayment schedule relating to each Tranche soon after formation thereof.

7. **Fees:**

7.1 **Commitment Fee:**

The Borrower shall pay to Exim Bank a commitment fee at the rate of 0.50% (fifty basis points) per annum on the amount of Credit remaining undrawn in respect of each Eligible Contract. The commitment fee shall begin to accrue from expiration of two months from the date of approval of the relevant contract by Exim Bank and shall cease on the date of final disbursement of the Eligible Value of the Eligible Contract or on the Terminal Disbursement Date relating thereto, whichever is earlier. The commitment fee shall be payable on each Interest Payment Date alongwith half-yearly interest as specified in clause 5 hereof following the expiry of the said period of two months. Provided however that commitment fee on the amount of Eligible Value of each Eligible Contract that may have remained undrawn on the relevant Terminal Disbursement Date shall be payable within ten Business Days from such Terminal Disbursement Date.

7.2 **Management Fee:**

The Borrower shall pay to Exim Bank a one-time management fee at the rate of 0.50% (fifty basis points) on the amount of the Eligible Value of each Eligible Contract, which shall be deemed to be an Advance made to the Borrower in



respect of such Eligible Contract on the date of
Value thereof.

- 7.3 **Fee to be non-refundable**
No portion of commitment fee and management fee shall be refundable by Exim Bank to the Borrower even if disbursement of the whole or any part of the Eligible Value of an Eligible Contract may not materialize for any reason whatsoever.

8. **Default Interest**

- 8.1 If there shall be a default by the Borrower in the payment of any sum when due under this Agreement, the Borrower shall pay to Exim Bank additional interest by way of liquidated damages on the defaulted amount(s) from the due date to the date of actual payment (as well after as before judgment) at the rate of 2% p.a. (Two per cent per annum) over and above the rate conclusively determined by Exim Bank to be the higher of (a) Interest Rate applicable thereto immediately before the due date, or (b) the aggregate of (i) Margin and (ii) LIBOR, calculated with reference to the period and the amount in default. For the purpose of this Clause, LIBOR shall be determined by Exim Bank on such date or dates on or after the due date for payment as it may select.
- 8.2 Interest at the rate determined from time to time as aforesaid shall accrue from day to day, shall be calculated on the basis of the actual number of days elapsed and 360 days a year factor.

9. **Conditions Precedent:**

- 9.1 This Agreement shall become effective upon Exim Bank confirming to the Borrower in writing that it has received the following documents/documentary evidence from the Borrower in form and substance satisfactory to it :-
- (a) an opinion of the Borrower's legal counsel substantially in the form given at **Annexure III** with respect to governmental and corporate authorizations, sanctions, consents and licences alongwith certified true copies thereof where available, that may be required for execution of this Agreement and all documents pursuant thereto, the execution, validity and enforceability of this Agreement and other documents in implementation thereof and such other matters pertaining to the transactions contemplated by this Agreement as Exim Bank may reasonably request;
 - (b) authenticated specimen signatures of the persons who are authorised to sign this Agreement and all documents there under including Payment Authorizations and to represent the Borrower in connection with implementation of this Agreement; such specimen signatures shall be



binding on the Borrower until Exim Bank receives notice of express revocation from the Borrower.

9.2 The Borrower hereby agrees to furnish the documents/documentary evidence mentioned in Clause 9.1 within 60 days from the date of this Agreement or within such extended period as may be agreed by Exim Bank.

9.3 Exim Bank shall approve a contract as eligible for being financed under this Agreement only after the Agreement has become effective, and Exim Bank shall disburse moneys for account of the Borrower subject to the following:-

- (a) fees, interest and costs, charges and expenses payable by the Borrower under this Agreement shall have been paid to Exim Bank when due;
- (b) Exim Bank shall have received from the Negotiating Bank a claim for reimbursement in terms of Clause 4.A.3, or, as the case may be, Payment Authorisation of the Borrower in terms of Clause 4.B.3, prior to the relevant Terminal Disbursement Date;
- (c) all representations and warranties made by the Borrower in the General Conditions of this Agreement shall have remained true and correct on the date of each Advance under the Credit as if all of them as may be relevant shall have been repeated with respect to the facts and circumstances existing on the date thereof;
- (d) no Event of Default shall have happened and be continuing.

10. **General Conditions to form part of Credit Agreement :**

This Agreement shall be read with the General Conditions contained in **SCHEDULE** hereto which shall form an integral part of this Agreement and be deemed incorporated herein by reference and the parties hereto agree to accept and be bound by the provisions thereof.

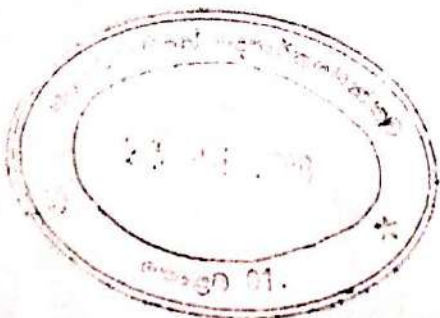


THE SCHEDULE ABOVE REFERRED TO

General Conditions

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SCHEDULE

GENERAL CONDITIONS

A. Definitions & Interpretations:

Except as expressly specified herein, all expressions used in the General Conditions and defined in the Credit Agreement of which the General Conditions form a part, shall have the same meanings as given to them in the Credit Agreement. In the event of any inconsistency between any provision of the Credit Agreement and the General Conditions, the relative provision of the Credit Agreement shall prevail.

B. Borrower's liability:

The liability of the Borrower to make any payment hereunder shall in no way be conditional upon due performance by the Seller in terms of an Eligible Contract and shall not be affected by reason of any dispute between a Buyer and a Seller or any right which a Buyer may have or claim to have against a Seller nor shall the Borrower be entitled to raise any defence or objection emanating from its business or contractual relations with a Buyer, for making any payment to Exim Bank under the Credit Agreement.

C. Interest Period:

- (1) The period for which an Advance or a Tranche, as the case may be, is outstanding shall be divided into successive periods (each an "Interest Period"), having duration of six months each or as otherwise mentioned.
- (2) The first Interest Period in relation to each Advance shall commence on the date on which an Advance is made and, except as mentioned below, shall end on the last day of the then current Interest Period relating to the Advance having the same repayment schedule, so that all such Advances made during an Interest Period shall be consolidated into their respective Tranche upon expiry of such Interest Period.
- (3) The first Interest Period in relation to the first Advance hereunder shall end on expiry of a period of six months or on such other date as may be advised by Exim Bank to the Borrower in writing at the time of making of such Advance.
- (4) Each Interest Period (other than the first Interest Period in relation to each Advance) shall commence on the day immediately following an Interest Period.
- (5) If any Interest Period commences on the last Business Day of a calendar month or on a day for which there is no numerically corresponding day in the month of its expiry, that Interest Period shall, subject to sub-sections (3) and (6) end on the last Business Day of such calendar month.



- (6) Any Interest Period that would otherwise end during the month preceding or extend beyond the final Repayment Date shall be of such duration that it shall end on that date subject to adjustment in accordance with Section G.4.
- (7) Where two or more Interest Periods begin and end on the same day, the Advances to which these Interest Periods relate, shall constitute and be referred to as one Advance.

D. Alternative Basis of Interest Rate(s):

- (1) If Exim Bank may at any time be advised by its lender(s) from whom Exim Bank may have borrowed funds to on-lend or maintain an Advance hereunder that by reason of circumstances affecting the London inter-bank market, Dollar funds were not available in requisite amount or that adequate and reasonable means do not or would not exist for ascertaining LIBOR applicable to any Interest Period or that LIBOR does not adequately reflect the cost to Exim Bank's lender(s) of obtaining or maintaining funds for that Interest Period, then Exim Bank shall notify the Borrower of such rate in lieu of LIBOR and any resultant change in the duration of the relevant Interest Period as may be agreed between Exim Bank and its lender(s), which shall be final, conclusive and binding on the Borrower.
- (2) If the rate of interest notified by Exim Bank to the Borrower as provided in sub-Section (1) shall not be found acceptable to the Borrower, then (i) if no Advance shall have been made, the Credit facility shall be cancelled and all sums outstanding under the Credit Agreement shall be forthwith paid to Exim Bank, or (ii) if any Advance shall have been made, the unavailed portion, if any, of the Credit facility shall be cancelled, and the Borrower shall after giving 30 days' prior written notice to Exim Bank prepay the relevant Advance or the Tranche(s), as the case may be, without prepayment premium on the next Interest Payment Date together with interest thereon up to the date of prepayment at the rate notified to the Borrower by Exim Bank in accordance with sub-Section (1) above.

E. Change of Law or Circumstances:

- (1) If it becomes unlawful for Exim Bank to give effect to its obligations hereunder, or for its concerned lender to give effect to its obligations under its agreement with Exim Bank, then Exim Bank shall notify the Borrower in writing of the occurrence of such event, whereupon any unavailed portion of the Credit facility shall be cancelled and its obligation to make, fund or maintain any Advance or the Credit, as the case may be, shall cease. The Borrower shall forthwith after notification or such longer period as Exim Bank may certify as being permitted by the relevant law, prepay without any prepayment premium, such Advance or the Credit, as the case may be, in full on the next Interest Payment Date, together with interest accrued thereon to the date of prepayment and any other monies owing to Exim Bank hereunder.



- (2) (i) If Exim Bank determines that by reason of (a) any change in law or regulation and/or (b) compliance with any request from or requirements of any central bank or other fiscal, monetary or any regulatory authority applicable to Exim Bank, (i) Exim Bank shall incur a cost as a result of it having agreed to make Advance(s) hereunder; or (ii) there shall be any increase in the cost to Exim Bank of making, funding or maintaining all or any of the Advance(s); or (iii) there shall be any other condition imposed on Exim Bank the effect of which shall be to reduce the amount of any payment receivable by, or the effective return to Exim Bank in respect of the Credit, then Exim Bank shall promptly notify the Borrower in writing of any such event(s) and the amount(s) as Exim Bank may certify to be necessary to compensate Exim Bank against (i) such cost; (ii) such increased cost (or such portion of increased cost as shall in the opinion of Exim Bank be attributable to its making, funding or maintaining Advance(s) hereunder); or (iii) reduction (each an "increased cost") as the case may be. For removal of doubt, it is hereby clarified that costs referred to in this Section shall not include administrative overhead expense of Exim Bank.
- (ii) In the event of an increase arising out of a situation set out at (i) above, the Exim Bank shall give immediate notice thereof to the Borrower, who shall within 1 month of the date of receipt of such notice inform the Exim Bank, either its agreement to proceed to use the balance Credit on such revised terms or its decision not to utilize the balance Credit.

For avoidance of doubt it is hereby agreed between the Exim Bank and the Borrower that such changes shall not apply to any part of the Credit pertaining to which the Exim Bank has already in writing approved any contract as being eligible, indicating the Eligible Value thereof in terms of Clause 3.1 hereof.

In the event the Borrower decides not to utilize the balance Credit, the same shall lapse and the Credit pertaining to which the Exim Bank has already granted approval in terms of Clause 3.1 as stated above shall be repaid by the Borrower on terms as originally envisaged in this Credit Agreement.

F. Taxes:

- F.1 All sums payable by the Borrower under the Credit Agreement shall be paid in full without set-off or counter-claim or any restriction or condition and free and clear of any deduction for or on account of any present or future taxes or other deductions or withholdings of any nature whatsoever, now or hereafter imposed by the Borrower ("the Taxes"). If (i) the Borrower shall be required by law to make any deduction or withholding from any sum payable by it hereunder; or (ii) Exim Bank shall be required by law to make any payment on account of tax



(other than tax on its overall net income) on or in relation to any amount received or receivable by it hereunder, or otherwise payable by Exim Bank to its lender(s) then the sum payable by the Borrower in respect of which such deduction, withholding or payment may be required to be made, shall be increased to the extent necessary to ensure that after the making of such deduction, withholding or payment, Exim Bank shall receive and retain (free from any liability in respect of any such deduction, withholding or payment) a net sum equal to the sum which it would have received and so retained had no such deduction, withholding or payment been made.

- F.2 The Borrower shall deliver to Exim Bank within thirty days after it shall have been required by law to make any deduction or withholding, a receipt issued by the relevant taxing or other authorities evidencing the deduction or withholding of amounts required to be deducted or withheld from such payment.
- F.3 The Borrower shall hold Exim Bank harmless from and against any liability with respect to any tax on or in relation to any amount payable by the Borrower under the Credit Agreement (whether or not properly or legally asserted) or with respect to or resulting from any delay or failure on its part to pay any such tax.
- F.4 If at any time the Borrower shall become aware that any such deduction, withholding or payment contemplated by sub-Section (1) above may need to be made, it shall immediately notify Exim Bank and provide all available details thereof.

G. Currency of Account and Place of Payment:

- G.1 Dollar is the currency of account and payment for each and every sum at any time due by the Borrower under the Credit Agreement and accordingly, each sum shall be payable by the Borrower to Exim Bank in Dollars.
- G.2 (i) If any sum due from the Borrower under this Agreement or under any arbitral award or judgement on an award given or made in relation hereto, may need to be converted from the currency ("the First Currency") in which the same shall be payable hereunder or under such award or judgement into another currency ("the Second Currency") for the purpose of (i) making or filing a claim or proof against the Borrower; (ii) obtaining an arbitral award or judgement on an award in any court or tribunal; or (iii) enforcing any such award or judgement given or made in relation hereto, then such conversion shall be made at the rate of exchange quoted to Exim Bank by a commercial bank for freely transferable Dollars, at the close of business on the day before the day on which the claim or proof is filed or award or judgement is rendered, and the Borrower shall indemnify Exim Bank and hold it safe and harmless from and against any loss suffered by it as a result of any fluctuation between (a) the rate of



exchange used for such purpose to convert the sum in question from the First Currency into the Second Currency and (b) the rate of exchange at which Exim Bank may in the ordinary course of business purchase the First Currency with the Second Currency upon receipt of a sum paid to it in satisfaction in whole or in part, of any such claim or proof or award or judgement.

- (ii) For the purpose of sub-Section G.2(i) and without prejudice to the indemnity therein contained, the Borrower further agrees, to the full extent permitted by law, that any award or judgement on an award made in the Second Currency shall be for such sum as would, at the rate or rates of exchange at which Exim Bank may in the ordinary course of business purchase the First Currency with the Second Currency as at the date of payment, enable Exim Bank to receive the sum due to it in the First Currency.

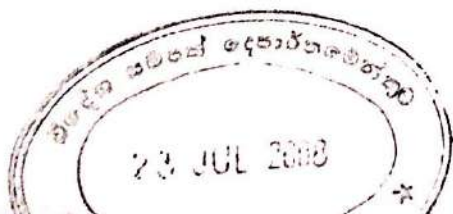
G.3 All payments to be made hereunder by the Borrower to Exim Bank shall be made by means of transfer/credit to the account(s) of Exim Bank with designated bank/s in India or abroad in Dollars. The payments shall be so made as to enable Exim Bank to receive or realize at par the amount of payment on or before the relative due date thereof. Unless otherwise advised by Exim Bank, the Borrower shall make payment to the credit of Exim Bank A/c. No. 36247347 with Citibank N.A., New York, U.S.A., CHIPS UID 173871. The payment obligations of the Borrower shall be deemed fulfilled only when and to the extent payments have been transferred without any deduction to the designated account of Exim Bank and are at its free disposal.

G.4 If the date on which any sum under the Credit Agreement is due and payable shall not be a Business Day at the place of payment or for Exim Bank, as applicable, then the due date for payment of any such sum shall be the next succeeding Business Day, unless such succeeding Business Day falls in another calendar month, in which event, the due date shall be the immediately preceding Business Day, and if necessary, interest and fee, if any, shall be recalculated accordingly.

H. Appropriation of Payments:

H.1 Unless otherwise required by Exim Bank, any payment under this Credit Agreement when made to or received/recovered by Exim Bank, shall be appropriated in the following order and the Borrower waives any right it may have to direct appropriation in any other order:

- (a) costs and expenses;
- (b) fee;
- (c) additional interest by way of liquidated damages;
- (d) compound interest;
- (e) interest; and



(f) installment(s) of principal due under the

H.2 Notwithstanding anything contained in sub-Section (1) hereinabove, Exim Bank may at its discretion, appropriate such payment towards satisfaction of dues, if any on account of any principal sum or interest payable by the Borrower in respect of any other loan/ facility availed of from Exim Bank.

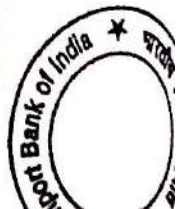
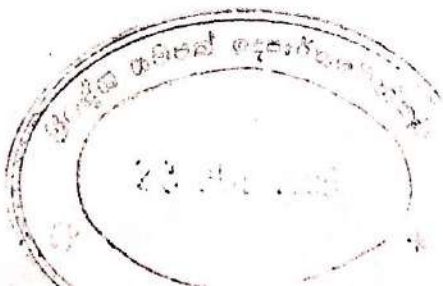
I. **Indemnity:**

The Borrower shall indemnify and keep Exim Bank indemnified from and against all losses, liabilities, damages, costs, charges and expenses which it may certify to have been incurred as a consequence of occurrence of any Event of Default or any other breach by the Borrower of any of its obligations under the Credit Agreement or by reason of a payment or prepayment to or receipt or recovery by Exim Bank of any installment of a Tranche or any overdue sum otherwise than on a Repayment Date or an Interest Payment Date relating thereto (including any loss incurred by Exim Bank in liquidating or redeploying funds acquired to maintain a Tranche or arranged for the purpose of a proposed Advance and any interest or cost incurred in funding any unpaid sum).

J. **Representations:**

J.1 The Borrower represents that:-

- (i) the official(s) signing this Agreement has/have full power, capacity and authority to execute and deliver the Credit Agreement on behalf of the Borrower and that necessary action (statutory and any others) has been taken to authorise its borrowings hereunder and the execution, delivery and performance of the Credit Agreement and all documents in pursuance thereof;
- (ii) all acts, conditions and things required to be done, fulfilled and performed in order (a) to enable the Borrower lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under the Credit Agreement and (b) to ensure that the obligations expressed to be assumed by it in the Credit Agreement are legal, valid and enforceable, have been done, fulfilled and performed in strict compliance with the laws of the Borrower's Country and there has been no default in fulfillment of the conditions of any of them;
- (iii) the obligations expressed to be assumed by the Borrower in the Credit Agreement constitute legal and valid obligations enforceable in accordance with their terms and are direct unconditional and general obligations of the Borrower, ranking at least *pari passu* with all its other unsecured obligations;
- (iv) it is not necessary in order to ensure the legality, validity, enforceability or



admissibility in evidence of the Credit Agreement and Payment Authorizations in the Borrower's Country that they or any other document be filed, notarized, registered, recorded or enrolled with any court or authority there or that any stamp, registration or similar tax be paid on or in relation to this Agreement;

- (v) the Borrower is subject to civil and commercial law and to legal proceedings with respect to its obligations under the Credit Agreement and all documents executed pursuant thereto and the borrowing of the Credit execution and delivery of the Credit Agreement and the performance by the Borrower there under constitute/will constitute private and commercial acts and not governmental or public acts;
- (vi) in any proceedings taken in the Borrower's Country for the enforcement of the Credit Agreement, the choice of the English law as the governing law of the Credit Agreement is a valid choice of law and any decree or judgement or arbitral award in respect of the Credit Agreement will be recognized and enforced by the courts in the Borrower's Country;
- (vii) Exim Bank shall not be deemed to be domiciled or carrying on business in the Borrower's Country by reason only of the execution of the Credit Agreement.

J.2 The Borrower further represents that:-

- (i) neither the execution or performance of the Credit Agreement or the Payment Authorizations nor the exercise by the Borrower of any of its rights hereunder will:
 - (a) conflict with or result in any breach of or default under any law, authorisation, judgement, order, agreement, instrument or obligation applicable to, or which is binding upon or affects the Borrower or any of its present or future assets or revenues, or
 - (b) result in the creation of or oblige the Borrower to create, any encumbrance on the whole or any part of its present or future assets or revenues;
- (ii) the Borrower is not in breach of or in default under any law, authorisation, agreement, instrument or obligation applicable to, or which is binding upon or affects the Borrower or any of its assets or revenues, being a breach or default which might have material adverse effect on the ability of the Borrower to duly observe and perform its obligations under the Credit Agreement;
- (iii) there is no restriction imposed in the Borrower's Country which limits or



prevents the transfer of foreign exchange by the Borrower for the purpose of performing any of its payment obligations under the Credit Agreement;

- (iv) no event has occurred which is or may become specified (with the giving of notice and/or the passing of time and/or any finding of materiality) as one of those events mentioned in Section M.1 and no other event has occurred which entitles, or which, with the giving of notice and/or the passing of time, would entitle any creditor of the Borrower to declare its indebtedness due and payable prior to its specified maturity or to cancel or terminate any credit facility or to decline to make advances there under; and
- (v) the information provided by the Borrower to Exim Bank before the date hereof in connection herewith is true and is not incorrect or misleading in any respect.

K. Affirmative Covenants:

The Borrower agrees, covenants and undertakes to:-

- (i) utilize the Credit facility at least up to 85% for financing purchase of Eligible Goods from India and remaining from elsewhere by Buyers in the Borrower's Country;
- (ii) promptly inform Exim Bank of the occurrence of any event which is or may become (with the giving of notice and/or the passing of time and/or any finding of materiality) one of those events mentioned in Section M.1 hereof;
- (iii) ensure that its obligations hereunder will at all times be direct, unconditional and general obligations ranking at least *pari passu* with all its other unsecured obligations;
- (iv) pay or cause to be paid all lawful claims of whatever nature, which, if unpaid, might become an encumbrance upon the assets, revenues or income of the Borrower, unless the validity thereof is being contested in good faith;
- (v) appoint a process agent in Mumbai whenever called upon by Exim Bank and ensure that until payment is made by the Borrower of all moneys to Exim Bank under the Credit Agreement, such agency relationship shall not be terminated after its appointment unless another process agent acceptable to Exim Bank has been substituted, and to notify to Exim Bank about any change in the appointment of process agent(s) or in their addresses, and pending appointment of a process agent, service of process by mailing copies thereof to the Borrower by registered airmail, postage prepaid, at the address specified herein, shall be deemed personal service accepted by the Borrower, and shall be valid and binding on it for the purposes of reference to arbitration.



L. Inspection by Exim Bank:

The Borrower covenants and agrees that until all amounts due under the Credit Agreement have been paid in full, the Borrower will facilitate inspection being taken by the representatives of Exim Bank of the Buyer's facilities, activities, books and records and cause their officers and employees to give full co-operation and assistance in connection therewith, it being understood that Exim Bank will exercise the right of inspection in limited circumstances and the inspection will be confined to that portion of the Buyer's project which may have utilized Exim Bank's funds. Such inspection may be subject to prior written approval of the concerned Buyer.

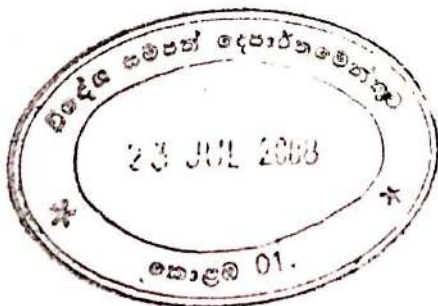
M. Events of Default:

M.1 For the purpose of this clause, there shall be an event of default if –

- (a) any amount payable by the Borrower to Exim Bank under the Credit Agreement is not paid when due;
- (b) the Borrower fails to perform or observe any of its other obligations under the Credit Agreement;
- (c) any information furnished or representation made by the Borrower to Exim Bank is found to be incorrect in any material respect;
- (d) any political event occurs by reason of which the Borrower's Country is declared to be on inimical terms with India;
- (e) any restriction shall have been imposed in the Borrower's Country which limits or prevents the transfer of foreign exchange by the Borrower for the purpose of performing any of its payment obligations under the Credit Agreement;

M.2 If an Event of Default occurs and remains unremedied within thirty (30) days after Exim Bank has notified the Borrower of such default, then Exim Bank may, by a notice in writing to the Borrower declare that:

- (a) access by the Borrower to availment of the Credit facility hereunder shall stand suspended in which event the Credit facility to the extent not availed of by the Borrower shall remain suspended until the event which gave rise to such suspension shall have ceased to exist to the satisfaction of Exim Bank and Exim Bank shall have notified the Borrower that access to the Credit facility has been restored; or
- (b) any undrawn portion of the Credit shall stand cancelled whereupon the same shall stand cancelled; and



(c) the unpaid principal amount of all Advance(s) and Tranche(s), if any, shall become immediately due and payable, whereupon the same shall become so payable by the Borrower to Exim Bank (anything to the contrary in the Credit Agreement notwithstanding) together with all interest accrued thereon and all other monies then owed by the Borrower to Exim Bank hereunder, without any further notice or demand of any kind whatsoever, all of which the Borrower hereby expressly waives in favour of Exim Bank.

M.3 All expenses incurred by Exim Bank after an Event of Default shall have occurred in connection with preservation of the Borrower's assets and collection of amounts due under the Credit Agreement shall be forthwith payable by the Borrower, and until payment, shall carry interest at the applicable Interest Rate, besides additional interest by way of liquidated damages at the rate provided in the Credit Agreement.

M.4 Notwithstanding any suspension, cancellation or acceleration pursuant to any of the events of default referred to above, all the provisions of the Credit Agreement shall continue in full force and effect during the period any amount payable by the Borrower to Exim Bank remains outstanding, and independent of the Borrower's obligations under the Credit Agreement, the Borrower also agrees to indemnify Exim Bank against the consequences (direct or indirect) of any action that may be taken by a Seller or Buyer against Exim Bank by reason of suspension of the Credit facility or cancellation of the undrawn portion of the Credit as aforesaid.

N. Evidence of Debt:

- (a) Exim Bank will maintain, in accordance with its usual practice, a loan account in the name of the Borrower evidencing the amount(s) from time to time lent by and owing to Exim Bank as also amount(s) received or recovered by it, and an interest receivable account showing therein the amount of interest and other moneys payable under the Credit Agreement as also amount(s) received or recovered by Exim Bank in respect thereof. Exim Bank shall make available such information to the Borrower, at least on a biannual basis.
- (b) In any proceedings arising out of or in connection with the Credit Agreement, entries made in the accounts maintained as aforesaid shall be prima facie evidence of the existence of the liability of the Borrower as therein recorded.

O. Waiver:

No delay in exercising or omission to exercise any right, power or remedy accruing to Exim Bank upon any default under the Credit Agreement or any other agreement or document executed pursuant thereto, shall impair any such right, power or remedy or shall constitute a waiver thereof or of any obligation of the Borrower hereunder or there



under or be construed as an acquiescence in such default, nor shall the action or inaction of Exim Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of Exim Bank in respect of any other default. The rights and remedies provided in the Credit Agreement are cumulative and not exclusive of any rights and remedies to which Exim Bank shall otherwise be entitled.

P. Assignment/Transfer:

Exim Bank shall be entitled at any time to transfer, assign, grant participation in or otherwise dispose of any of its rights and benefits under the Credit Agreement to any bank licensed to do banking business in India. If Exim Bank proposes to transfer, assign, grant participation in or otherwise dispose of any of its rights and benefits under the Credit Agreement to any other party, it shall obtain prior written consent of the Borrower, which consent shall not be unreasonably withheld. The Borrower however, shall not assign or transfer any of its rights or obligations arising under the Credit Agreement.

Q. Certification by Exim Bank:

Where pursuant to any provision of the Credit Agreement, Exim Bank may certify or determine a rate of interest or an amount to be payable by the Borrower or express an opinion on any matter, such certification, determination or opinion shall be conclusive and binding on the Borrower in the absence of manifest error.

R. Partial Invalidity:

If at any time any provision of the Credit Agreement shall become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity, enforceability of the remaining provisions hereof nor legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

S. Language of Documents:

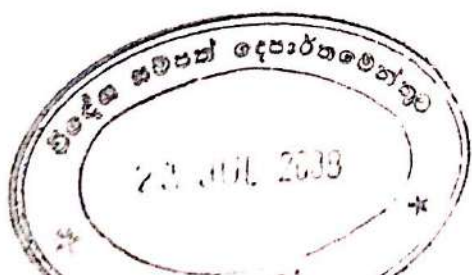
All documents required under the Credit Agreement shall be in English language.

T. Law:

The Credit Agreement shall be governed by and construed in accordance with the laws of England.

U. Arbitration:

U.1 Any dispute, controversy or claim arising out of or relating to this Agreement, or the interpretation, breach, termination or invalidity thereof, (hereinafter referred to as "Dispute") shall be settled by arbitration in accordance with the UNCITRAL



Arbitration Rules as at present in force, except in so far as is specifically provided for herein.

- U.2 A Party claiming that a Dispute has arisen must give written notice to the other Party specifying the nature of the Dispute, hereinafter referred to as the 'Dispute Notice'. On receipt of a Dispute Notice by the other Party, the Parties must first endeavour in good faith and recognizing their mutual obligations to resolve the Dispute expeditiously through negotiation to be undertaken within sixty (60) days after receiving of such Dispute Notice. In the event the Dispute is not resolved by signing of a settlement agreement by the Parties within sixty (60) days from the receipt of the Dispute Notice or such further period as may be agreed by the Parties in writing, the Dispute shall be settled by reference to arbitration, as provided for herein.
- U.3 Either Party may issue a notice of arbitration, hereinafter referred to as the "Arbitration Notice", to the other. The arbitration panel shall consist of three arbitrators; one arbitrator to be appointed by each party within twenty one (21) days of the Arbitration Notice and the third arbitrator to be jointly appointed by such arbitrators within twenty one (21) days after their appointment. The governing law of the arbitration shall be English Law Arbitration and shall take place in Singapore. The language used in the arbitration shall be English.
- U.4 The decision of the arbitration panel shall be rendered without undue delay by majority vote of the arbitrators and shall be final and binding upon the Parties.
- U.5 Any information and/or documentation disclosed by a Party, specifically for the purpose of endeavouring to conclude a final settlement of a dispute, during the negotiation process shall be kept confidential at all times.

V. Immunity Waiver:

The Borrower irrevocably acknowledges and accepts that this Credit Agreement and all agreements entered into in connection herewith are commercial rather than public or governmental acts. The Borrower hereby consents to waive any claim it may have or may acquire to immunity on the grounds of sovereignty or otherwise for itself and or any of its Permitted Property, (present or subsequently acquired), in relation to any disputes arising out of or in connection with this Credit Agreement under any law or in any jurisdiction, notwithstanding the dispute(s) relate(s) to acts of a sovereign or governmental character, from:

- (a) the service and pursuit of any proceedings arising out of or in connection with this Credit Agreement;
- (b) procedural privileges relating to the obligation to disclose documents or information;



- (c) any action, before or after proceedings have been commenced, including but not limited to proceedings for injunction, specific performance, or recovery of any Permitted Property, any set off, attachment or execution or enforcement of a judgement or arbitral award against its Permitted Property, or in an action *in rem* for such Permitted Property's arrest, detention or sale, provided that this clause and all other provisions of this Credit Agreement shall only be construed as a consent to the granting of relief or enforcement with respect to property described in section 13(4) of the State Immunity Act of 1978.

For the purposes herein, Permitted Property means any property owned by the Borrower from time to time wherever situated in respect of which enforcement is permitted under the State Immunity Act of 1978.

W. Notices:

Any notice given and any request or demand made in relation to the Credit Agreement shall be sufficiently given or made if sent by registered air letter, cable, authenticated SWIFT or fax. Such notice, request or demand shall be deemed to have been duly given or made when it is duly dispatched / transmitted to the party to which it is required to be given or made at such party's address specified below or at such other place as such party may designate in writing. When any notice, request or demand is given or made by telex or fax, the party concerned shall also send within a reasonable time a confirmatory copy of such telex or fax by airmail post.

BORROWER: Government of the Democratic Socialist Republic of Sri Lanka,
Ministry of Finance and Planning,
Colombo,
Sri Lanka

Attention :
Telephone No:
Fax No.
SWIFT :

} **Secretary to the Treasury**
0094112484805
0094112433349

EXIM BANK:

Export-Import Bank of India
Centre One Building, Floor 21
World Trade Centre Complex
Cuffe Parade
Mumbai-400 005

Attention: LOC Group
Telephone No: (91-22) 22162073 / 22172310
Fax No: (91-22) 22182460
SWIFT : EIBIINBB

IN WITNESS WHEREOF this Agreement has been signed in duplicate on behalf of the parties



hereto by persons duly authorised in this behalf respectively on the date and place mentioned hereinbelow.

SIGNED AND DELIVERED on behalf
of the Democratic Socialist Republic of Sri Lanka,
Ministry of Finance and Planning, Government of the
Democratic Socialist Republic of Sri Lanka, by the hand
of its duly authorized official Dr. P.B. Jayasundera,
Secretary to the Treasury at Colombo on this 23rd
day of July 2008

P B JAYASUNDERA
Secretary
Ministry of Finance and Planning
Colombo 1
Sri Lanka

Witnesses;

1. J. H. J. Jayamaha
Additional Director General, Department of External Resources.
2. A. Kumarasiri
Director, Department of External Resources.

SIGNED AND DELIVERED by Export-
Import Bank Of India at Colombo
by the hand of Mr. T. C. Venkat Subramanian,
its Chairman and Managing Director on the 23rd
day of July, 2008.

J.C. Venkatarthanan



Witnesses;

1. Prabhakar R. Dalal
Chief General Manager - Export-Import Bank of India
2. Ravi Goel
Attaché (Eco. & Com.)

FORMAT OF PAYMENT AUTHORISATION

(On the letterhead of the Borrower)

Export-Import Bank of India
Address

Dear Sirs,

Re: Dollar Credit Line of US\$ 100 mn.
Under the Dollar Credit Line Agreement dated
Contract for Services valued at US\$ _____ between
_____, (Seller) and
_____ Sri Lanka (Buyer)

We wish to inform you that the Seller has presented to us its invoice duly certified by the Buyer for an amount of US\$ _____ in respect of *advance payment under the above contract / *services rendered by the Seller to the Buyer under the above contract.

We hereby irrevocably authorize Exim Bank to make payment of the said amount of US\$ _____ to the Seller in accordance with the payment instructions that may have been given by it to Exim Bank. We agree that the amount so paid by Exim Bank to the Seller shall be deemed to be an Advance made by Exim Bank to us out of the Credit Line and the date on which Exim Bank shall pay / remit the amount from Mumbai to the designated account of the Negotiating Bank for account of the Seller shall be deemed to be the date of such Advance.

We request Exim Bank to advise us the date and the amount of the Advance by authenticated SWIFT message soon after payment is made by Exim Bank as aforesaid.

Yours faithfully,

(Authorised Signatory of the Borrower)

*Please delete whichever is not applicable



CONTRACT APPROVAL

DETAILS OF THE EXPORT CONTRACT TO BE FINANCED UNDER
CREDIT AGREEMENT DATED _____ BETWEEN

(NAME OF BORROWER) _____ AND EXIM BANK

- 1. No. and Date of Contract :
- 2. Name & Address of Importer :
- 3. Name and Address of Exporter :
- 4. Currency of Contract : US \$
- 5. Value of Contract : FOB/CFR/CIF
- 6. Advance Payment (___%) :
- 7. Down Payment (___%) :
- 8. (a) Deferred Credit (___%) :
(b) Period of Deferred Credit :
- 9. Description of Goods :
- 10. Delivery Period :
- 11. Pre-shipment inspection agency. :
- 12. Credit Period Required :

.....
(Authorized Signatory of the Borrower)



Format of Opinion of Legal Counsel of the Borrower

Ref.No.

Date:

Export-Import Bank of India
Centre One Building, Floor 21
World Trade Centre Complex
Cuffe Parade
Mumbai - 400 005

Re: Credit Line of _____
to _____.

I, _____ (NAME), a Counsel and Legal Adviser to the Government of _____ ("the Government") have examined a copy of the Credit Agreement ("the Agreement") dated _____ between Export-Import Bank of India (Exim Bank) and the Government for a Credit Line of _____ ("the Credit") agreed to be made available by Exim Bank to the Government.

In connection with this opinion I have examined the constitution, laws, decrees, judicial decisions, rules and regulations of _____ ("the Republic") and such agreements, instruments, documents and other matters as I have considered necessary or desirable for the opinions hereinafter expressed.

Based on the foregoing, I am of the opinion that :

- (a) the Government has full power and authority to execute and deliver the Agreement and to perform its obligations thereunder;
- (b) Mr. _____ and / Mr. _____ representing the Ministry of _____, Government of the Republic who has/have signed the Agreement on behalf of the Government has/have full power and authority to execute and deliver the Agreement and all documents pursuant thereto in the name and on behalf of the Government;
- (c) all legislative, administrative and other governmental actions and statutory and other approvals and permissions required in the Republic for (i) the execution and delivery by the Government of the Agreement and all documents in pursuance thereof, (ii) the borrowings by the Government under the Agreement and (iii) all payments to be made by the Government in accordance with the provisions of the Agreement, have been obtained and are in full force and effect without any restriction, and the Agreement as executed and delivered constitutes a valid and legally binding obligation of the Government enforceable in law and in accordance with its terms;



- (d) the Government is subject to civil and commercial law and to legal/arbitration proceedings with respect to its obligations under the Agreement and all documents executed pursuant thereto, and the borrowing of the Credit, execution and delivery of the Agreement and the performance by the Government of its obligations thereunder constitute/will constitute private and commercial acts and not governmental or public acts;
- (e) neither the execution and delivery of the Agreement nor the performance of its obligations under the Agreement nor compliance with the terms and conditions thereof will (i) conflict with any present law, regulation, treaty or rule of the Republic or any order of any judicial or other authority, (ii) result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which the Government is a party or is subject or by which it or any of its property is bound, (iii) result in the creation or imposition of any encumbrance on any of the Government's property assets or revenues or (iv) require approval of any other lenders to the Government;
- (f) the Government is not in default under any agreement to which it is a party or by which it may be bound;
- (g) the obligations of the Government under the Agreement and all documents executed in pursuance thereof, constitute the direct, general and unconditional obligations of the Government and, with the exception of priority enjoyed by obligations which are mandatorily preferred by law, rank and will rank at least pari passu with all present and future unsecured indebtedness of the Government;
- (h) it is not necessary in order to ensure the legality, validity, enforceability or admissibility in evidence of the Agreement in the Republic that it or any other document be filed, notarised, registered, recorded or enrolled with any court or authority there or that any stamp, registration or similar tax be paid on or in relation to the Agreement;
- * (i) there is no restriction imposed in the Borrower's Country which limits or prevents the transfer of foreign exchange by the Borrower for the purpose of performing any of its payment obligations under the Credit Agreement;
- (i) although there are foreign exchange restrictions under the laws of the Republic on the transactions contemplated by the Agreement, the Government has made satisfactory arrangements to ensure that requisite amount of foreign exchange will be available to enable the Government to meet its liability for making payments when due under the Agreement;
- * (j) under the existing applicable law, there is no income-tax or other tax in the Republic imposed by withholding, which the Government would be otherwise required to deduct from or pay on any amount of payment to be made by the Government under the Agreement;



- * (j) under the existing applicable law, there is income-tax in or of the Republic imposed by withholding or otherwise, which the Government would be required to pay in respect of any payment when made by the Government under the Agreement or is imposed on or by virtue of execution, delivery or performance of the Agreement; it is however permissible under the laws of the Republic to gross up such payments so that Exim Bank can receive such payment from the Government which it would otherwise receive had there been no withholding of tax to be made by the Government;
- (k) it is not necessary under any law, rule or regulation of the Republic
- (a) in order to enable Exim Bank to enforce its rights under the Agreement or
- (b) by reason of Exim Bank entering into the Agreement or exercising its rights or performing its obligations thereunder
- that Exim Bank is required to be licenced, qualified or otherwise needs to carry on business in the Republic;
- (l) Exim Bank shall not be deemed to be resident, domiciled or carrying on business in the Republic by reason only of the entering into of the Agreement or the exercise of its rights or the performance of its obligations thereunder;
- (m) neither the Government nor any of its properties, assets or revenues is entitled to any right of immunity or privilege from service of process, attachment (whether prior to the entry of or in aid of execution upon a judgement) or set-off, arbitration proceedings, judgement, execution, or from any other legal process in the Republic on the grounds of sovereignty or otherwise, and the waiver contained in the Agreement of any right of such immunity and privilege by the Government is irrevocably binding on the Government;
- (n) the choice of English law to govern the Agreement and all documents executed in pursuance thereof is a valid choice of law and the agreement by the Government to submission of any dispute to arbitration is valid under the laws of the Republic;
- (o) any arbitral award obtained by Exim Bank in respect of any dispute arising under the Agreement shall be conclusive evidence of the amount of its indebtedness under the Agreement and will be recognised and enforced in the Republic on the strength of a duly certified true copy of the award in accordance with the ordinary procedure applicable under the laws of the Republic for enforcement of foreign arbitral award, without any requirement of filing a suit on such award in the courts of the Republic.

The opinions herein expressed are limited to the matters governed by the laws of the Republic as applicable to the Government and I express no opinion as to the laws of any other jurisdiction.

Yours faithfully,



Format of Opinion of Legal Counsel of the Borrower

Date:

Ref.No.

Export-Import Bank of India
Centre One Building, Floor 21
World Trade Centre Complex
Cuffe Parade
Mumbai - 400 005

Re: Credit Line of _____
to _____.

I, _____ (NAME), a Counsel and Legal Adviser to the Government of _____ ("the Government") have examined a copy of the Credit Agreement ("the Agreement") dated _____ between Export-Import Bank of India (Exim Bank) and the Government for a Credit Line of _____ ("the Credit") agreed to be made available by Exim Bank to the Government.

In connection with this opinion I have examined the constitution, laws, decrees, judicial decisions, rules and regulations of _____ ("the Republic") and such agreements, instruments, documents and other matters as I have considered necessary or desirable for the opinions hereinafter expressed.

Based on the foregoing, I am of the opinion that :

- (a) the Government has full power and authority to execute and deliver the Agreement and to perform its obligations thereunder;
- (b) Mr. _____ and / Mr. _____ representing the Ministry of _____, Government of the Republic who has/have signed the Agreement on behalf of the Government has/have full power and authority to execute and deliver the Agreement and all documents pursuant thereto in the name and on behalf of the Government;
- (c) all legislative, administrative and other governmental actions and statutory and other approvals and permissions required in the Republic for (i) the execution and delivery by the Government of the Agreement and all documents in pursuance thereof, (ii) the borrowings by the Government under the Agreement and (iii) all payments to be made by the Government in accordance with the provisions of the Agreement, have been obtained and are in full force and effect without any restriction, and the Agreement as executed and delivered constitutes a valid and legally binding obligation of the Government enforceable in law and in accordance with its terms;
- (d) the Government is subject to civil and commercial law and to legal/arbitration proceedings with respect to its obligations under the Agreement and all documents

executed pursuant thereto, and the borrowing of the Credit, execution and delivery of the Agreement and the performance by the Government of its obligations thereunder constitute/will constitute private and commercial acts and not governmental or public acts;

- (e) neither the execution and delivery of the Agreement nor the performance of its obligations under the Agreement nor compliance with the terms and conditions thereof will (i) conflict with any present law, regulation, treaty or rule of the Republic or any order of any judicial or other authority, (ii) result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which the Government is a party or is subject or by which it or any of its property is bound, (iii) result in the creation or imposition of any encumbrance on any of the Government's property assets or revenues or (iv) require approval of any other lenders to the Government;
- (f) the Government is not in default under any agreement to which it is a party or by which it may be bound;
- (g) the obligations of the Government under the Agreement and all documents executed in pursuance thereof, constitute the direct, general and unconditional obligations of the Government and, with the exception of priority enjoyed by obligations which are mandatorily preferred by law, rank and will rank at least pari passu with all present and future unsecured indebtedness of the Government;
- (h) it is not necessary in order to ensure the legality, validity, enforceability or admissibility in evidence of the Agreement in the Republic that it or any other document be filed, notarised, registered, recorded or enrolled with any court or authority there or that any stamp, registration or similar tax be paid on or in relation to the Agreement;
- * (i) there is no restriction imposed in the Borrower's Country which limits or prevents the transfer of foreign exchange by the Borrower for the purpose of performing any of its payment obligations under the Credit Agreement;
- * (i) although there are foreign exchange restrictions under the laws of the Republic on the transactions contemplated by the Agreement, the Government has made satisfactory arrangements to ensure that requisite amount of foreign exchange will be available to enable the Government to meet its liability for making payments when due under the Agreement;
- * (j) under the existing applicable law, there is no income-tax or other tax in the Republic imposed by withholding, which the Government would be otherwise required to deduct from or pay on any amount of payment to be made by the Government under the Agreement;
- * (j) under the existing applicable law, there is income-tax in or of the Republic imposed by withholding or otherwise, which the Government would be required to pay in respect of any payment when made by the Government under the Agreement or is imposed on or by

virtue of execution, delivery or performance of the Agreement; it is however permissible under the laws of the Republic to gross up such payments so that Exim Bank can receive such payment from the Government which it would otherwise receive had there been no withholding of tax to be made by the Government;

- (k) it is not necessary under any law, rule or regulation of the Republic
- (a) in order to enable Exim Bank to enforce its rights under the Agreement or
 - (b) by reason of Exim Bank entering into the Agreement or exercising its rights or performing its obligations thereunder

that Exim Bank is required to be licenced, qualified or otherwise needs to carry on business in the Republic;

- (l) Exim Bank shall not be deemed to be resident, domiciled or carrying on business in the Republic by reason only of the entering into of the Agreement or the exercise of its rights or the performance of its obligations thereunder;
- (m) neither the Government nor any of its properties, assets or revenues is entitled to any right of immunity or privilege from service of process, attachment (whether prior to the entry of or in aid of execution upon a judgement) or set-off, arbitration proceedings, judgement, execution, or from any other legal process in the Republic on the grounds of sovereignty or otherwise, and the waiver contained in the Agreement of any right of such immunity and privilege by the Government is irrevocably binding on the Government;
- (n) the choice of English law to govern the Agreement and all documents executed in pursuance thereof is a valid choice of law and the agreement by the Government to submission of any dispute to arbitration is valid under the laws of the Republic;
- (o) any arbitral award obtained by Exim Bank in respect of any dispute arising under the Agreement shall be conclusive evidence of the amount of its indebtedness under the Agreement and will be recognised and enforced in the Republic on the strength of a duly certified true copy of the award in accordance with the ordinary procedure applicable under the laws of the Republic for enforcement of foreign arbitral award, without any requirement of filing a suit on such award in the courts of the Republic.

The opinions herein expressed are limited to the matters governed by the laws of the Republic as applicable to the Government and I express no opinion as to the laws of any other jurisdiction.

Yours faithfully,