CORPORATE FINANCE
NEW DELHI

From: Lokesh Aggarwal AGM (Finance) Corporate Finance	To: Heads of Finance

Ref. No.: AA/FSD/Bangladesh
Date: 11th Dec 2017

Subject: RBI's approval in respect of 2x660 MW Maitree Super TPP, Bangladesh

This is with respect to 2x660 MW Maitree Super TPP, Bangladesh. Based on the request received, Corporate Finance has taken up the matter with Reserve Bank of India (RBI) for according its approval for payment in Foreign Currencies to BHEL's sub-contractors from India in respect of 2x660 MW Maitree Super TPP, Bangladesh.

"No Objection" of Reserve Bank of India for payment in Foreign Currencies to BHEL's sub-contractors from India has now been received by BHEL. The copy of RBI's approval is enclosed herewith.

It is requested that the strict compliance of all the conditions specified by RBI including FEMA/ FTP Guidelines specifically w.r.t. Claims towards Export Incentive/ Export fulfilment etc may be ensured while entering into agreements with Indian sub-contractors in respect of this project. Further, the information in respect of change in expected FOREX Outflows due to payment to sub-contractors in Foreign Currencies may be suitably informed to Corporate Finance.

In this regard, it is requested that the contents of the RBI's approval may be brought to the notice of the concerned groups including Sub-Contracting Group.

(Lokesh Aggarwal)

Cc: GM (MEPG): For kind information

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

FED.CO.Trade(EXD)/3543/05.11.001/2017-18

October 18, 2017

The General Manager
State Bank of India
Corporate Account Group Branch
11th & 12th Floor, Jawahar Vyapar Bhawan
1, Tolstoy Marg
New Delhi-110001

Dear Sir

Maitree Super Thermal Power Project in Bangladesh-M/s Bharat Heavy Electricals Ltd (BHEL)

Please refer to your letter No. CAGND/IB/2017-18/139 dated August 11, 2017.

2. We advise that, as a special case, the captioned company has 'no objection' of RBI from FEMA angle for the proposed payment in foreign currencies to its sub-contractors from India in respect of the Maitree Super Thermal Power Project in Bangladesh only to the extent of the work handled by these sub-contractors on behalf of BHEL. This no objection is, however, subject to the following conditions:

i. BHEL uses forex inflows (payment from overseas party for the said export) to pay to the domestic sub-contractors.
ii. Only one of the party (i.e. either BHEL or domestic sub-contractor) claims export incentives, if any.
iii. Only one of the parties (i.e. BHEL or domestic sub-contractor) claim the transactions towards export fulfillment, if any.
iv. The transactions will not be treated as 'deemed export'.
v. Payment of domestic taxes, etc by the BHEL/sub-contractors on such payments are ensured.

3. This communication is issued from the foreign exchange angle under the provisions of FEMA and should not be construed to convey the approval by tax authorities or any other statutory authority or Government under any other laws / regulations. Nothing in the approval should be construed as approval from the credit angle and of the financials or any other aspect of the company. If further approval or permission is required from any other regulatory authority or Government under the relevant laws/ regulations, the applicant should take the approval of the concerned agency before effecting the concerned transaction. Further, it should not be construed as regularizing or validating any irregularities, contravention or other lapses, if any, under the provisions of any other laws / regulations.

Yours faithfully

Satish Joshi
Manager

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