



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2009-10/ 321

DBOD.DIR.(Exp).No. 76/04.02.001/2009-10

February 19, 2010

All Scheduled Commercial Banks

Dear Sir/Madam,

Interest Rates on Export Credit in Foreign Currency

Please refer to our circular [DBOD.DIR.\(Exp\).No.107/04.02.001/2008-09](#) dated February 5, 2009 as also paragraph 7 of Master Circular on Rupee / Foreign Currency Export Credit dated July 1, 2009 relating to export credit in foreign currency.

2. It has been decided, in consultation with the Government of India, to reduce the ceiling rate on export credit in foreign currency by banks to **LIBOR plus 200 basis points** from the present ceiling rate of LIBOR plus 350 basis points with **immediate effect**, subject to the express condition that the banks will not levy any other charges viz. service charge, management charge etc except for recovery towards out of pocket expenses incurred. Similar changes may be effected in interest rates in cases where EURO LIBOR/EURIBOR has been used as the benchmark. The rates of interest applicable have been incorporated in the Annex to the DBOD.DIR.(Exp).No.75/04.02.001/2009-10 dated February 19, 2010 enclosed to this circular.

3. The revision in the rates of interest would be applicable only to fresh advances.

4. Further, in modification of the instructions contained at para 5.1.3(iii)a of the above mentioned Master Circular dated July 1, 2009, the ceiling interest rate on the lines of credit with overseas banks has also been reduced from six months LIBOR/EURO LIBOR/EURIBOR plus 150 basis points to **six months LIBOR/ EURO LIBOR/EURIBOR plus 100 basis points with immediate effect**.

Yours faithfully,

(P.Vijaya Bhaskar)

Chief General Manager-in-Charge

बैंकिंग परिचालन और विकास विभाग, केन्द्रीय कार्यालय, सेन्टर 1, कफ परेड, कोला, मुंबई - 400005



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

DBOD.DIR.(Exp).BC.No.75/04.02.001/2009-10

February 19, 2010

Interest Rates on Export Credit in Foreign Currency

In exercise of the powers conferred by Sections 21 and 35A of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that, with effect from February 19, 2010, the interest rates on export credit in foreign currency would be as indicated in the Annex enclosed to this Directive.

(C.Krishnan)

Executive Director

बैंकिंग परिचालन और विकास विभाग, केन्द्रीय कार्यालय, सेन्टर 1, कफ परेड, कोला, मुंबई - 400005

Department of Banking Operations and Development, Central Office, Centre 1, Cuffe Parade, Colaba, Mumbai - 400005
टेलिफोन /Tel No: 91-22-22189131 फैक्स/Fax No: 91-22-22150663 Email ID:cgmicdbodco@rbi.org.in

Annex

Schedule of Interest Rates on Export Credit in Foreign Currency of Scheduled Commercial Banks effective from February 19, 2010

		Interest rates (per annum)
1.	Pre-shipment Credit	
	(a) Upto 180 days	Not exceeding 200 basis points over LIBOR/ EURO LIBOR/ EURIBOR
	(b) Beyond 180 days and upto 360 days	Rate for initial period of 180 days prevailing at the time of extension plus 200 basis points
2	Post-shipment Credit	
	(a) On demand bills for transit period (as specified by FEDAI)	Not exceeding 200 basis points over LIBOR/ EURO LIBOR/ EURIBOR
	(b) Usance bills (credit for total period comprising usance period of export bills, transit period as specified by FEDAI and grace period wherever applicable) Upto 6 months from the date of shipment	Not exceeding 200 basis points over LIBOR/ EURO LIBOR/ EURIBOR
	(c) Export bills (demand or usance) realised after due date but upto date of crystallisation	Rate for 2(b) above plus 200 basis points
3	Export Credit Not Otherwise Specified (ECNOS)	
	(a) Pre-shipment credit	Free @
	(b) Post-shipment credit	Free @
<p>@ Banks are free to decide the rate of interest being rupee credit rate keeping in view the BPLR and spread guidelines.</p>		