



भारतीय रिज़र्व बँक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2008-09/374

DBOD.DIR.(Exp).No.107/04.02.001/2008-09

February 5, 2009

All Commercial Banks

Dear Sir/Madam,

Interest Rates on Export Credit in Foreign Currency

Please refer to our circular DBOD.DIR.(Exp).No.78/04.02.01/2005-06 dated April 18,2006 as also paragraph 7 of master circular on Rupee / Foreign Currency Export Credit dated July 1, 2008 relating to export credit in foreign currency.

2. It has been decided in consultation with Government of India to raise the ceiling rate on export credit in foreign currency by banks to LIBOR plus 350 basis points from the present ceiling rate of LIBOR plus 100 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.106/04.02.001/2008-09 dated February 5, 2009 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, 2008, the ceiling interest rate on the lines of credit with overseas banks has also been increased from six months LIBOR/EURO LIBOR/EURIBOR plus 75 basis points to six months LIBOR /EURO LIBOR/EURIBOR plus 150 basis points with immediate effect.

Yours faithfully,

(P.Vijaya Bhaskar)

Chief General Manager

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