



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

RBI/2011-12/258

DBOD.DIR.No. 52 /04.02.001/2011-12

November 15, 2011

All Scheduled Commercial Banks

Dear Sir/Madam,

**Interest Rates on Export Credit in Foreign Currency**

Please refer to our [circular DBOD.DIR.\(Exp\).No.76/04.02.001/2009-10 dated February 19, 2010](#) as also paragraph 7 of Master Circular on Rupee/Foreign Currency Export Credit and Customer Service to Exporters dated July 01, 2011 relating to export credit in foreign currency. .

2. Keeping in view the tight liquidity conditions and widening of credit spreads due to recent developments in international financial markets, it has been decided to increase 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 200 basis points with **immediate effect, till March 31, 2012**, 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 directive DBOD.DIR.No.51/04.02.001/2011-12 dated November 15, 2011 enclosed to this circular.

3. The revision in the rates of interest would be applicable only to fresh advances and **are subject to review after March 31, 2012**

4. Further, in modification of the instructions contained at para 5.1.3(iii) a of the above mentioned Master Circular dated July 1, 2011, the ceiling interest rate on the lines of credit with overseas banks has also been increased from six months LIBOR / EURO LIBOR / EURIBOR plus 100 basis points to **six months LIBOR / EURO LIBOR / EURIBOR plus 250 basis points with immediate effect, till March 31, 2012 and is subject to review thereafter.**

Yours faithfully,

(P.R.Ravi Mohan)  
Chief General Manager

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

Department of Banking Operations and Development, Central Office, 13<sup>th</sup> floor, NCOB, Shahid Bhagat Singh Marg, Mumbai - 400001  
टेलिफोन /Tel No: 91-22-22601000 फैक्स/Fax No: 91-22-22701241 Email ID:cgmicdbodco@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए



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

DBOD.DIR.BC.No.51 /04.02.001/2011-12

November 15, 2011

**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 November 15, 2011, the interest rates on export credit in foreign currency would be as indicated in the Annex enclosed to this Directive.

(G. Padmanabhan)  
Executive Director

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

Department of Banking Operations and Development, Central Office, 13<sup>th</sup> floor, NCOB, Shahid Bhagat Singh Marg, Mumbai - 400001  
टेलिफोन /Tel No: 91-22-22601000 फैक्स/Fax No: 91-22-22701241 Email ID:cgmicdbodco@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए

## Annex

### Schedule of Interest Rates on Export Credit in Foreign Currency of Scheduled Commercial Banks effective from November 15, 2011

Type of Credit		Interest Rate (Percent Per annum)
(i)	<b>Pre-shipment Credit</b>	
	(a) Up to 180 days	Not exceeding 350 basis points over LIBOR/EURO LIBOR/EURIBOR
	(b) Beyond 180 days and up to 360 days	Rate for initial period of 180 days prevailing at the time of extension plus 200 basis points i.e. (i)(a) above plus 200 basis points
(ii)	<b>Post-shipment Credit</b>	
	(a) On demand bills for transit period (as specified by FEDAI)	Not exceeding 350 basis points over LIBOR/EURO LIBOR/EURIBOR
	(b) Against usance bills (credit for total period comprising usance period of export bills, transit period as specified by FEDAI and grace period wherever applicable) Up to 6 months from the date of shipment	Not exceeding 350 basis points over LIBOR/EURO LIBOR/EURIBOR
	(c) Export Bills (Demand or Usance) realized after due date but up to date of crystallization	Rate for (ii) (b) above plus 200 basis points
<p>Note: i) Bank should not levy any other charges over and above the interest rate under any name viz. service charge; Management charge etc. except recovery towards out of pocket expenses incurred by banks as per IBA guidelines.</p> <p>ii) Banks are free to decide the rate of interest, being the rupee credit rate, for pre-shipment and post-shipment credit beyond the tenors prescribed above, keeping in view the guidelines on Base Rate.</p>		