RBI Updates
• Interest Rates on Export Credit in Foreign Currency

MoC Updates
• Amendment of Para 2.63 (iii) of HBP Vol.I regarding RCMC
• Amendment/modification in SION S. No. C-1808

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

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
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

Annex

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

<table>
<thead>
<tr>
<th>Interest rates (per annum)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pre-shipment Credit</td>
<td></td>
</tr>
<tr>
<td>(a) Upto 180 days</td>
<td>Not exceeding 200 basis points over LIBOR/EURO LIBOR/EURIBOR</td>
</tr>
<tr>
<td>(b) Beyond 180 days and upto 360 days</td>
<td>Rate for initial period of 180 days prevailing at the time of extension plus 200 basis points</td>
</tr>
<tr>
<td>2 Post-shipment Credit</td>
<td></td>
</tr>
<tr>
<td>(a) On demand bills for transit period (as specified by FEDAI)</td>
<td>Not exceeding 200 basis points over LIBOR/EURO LIBOR/EURIBOR</td>
</tr>
<tr>
<td>(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</td>
<td>Not exceeding 200 basis points over LIBOR/EURO LIBOR/EURIBOR</td>
</tr>
<tr>
<td>(c) Export bills (demand or usance) realised after due date but upto date of crystallisation</td>
<td>Rate for 2(b) above plus 200 basis points</td>
</tr>
<tr>
<td>3 Export Credit Not Otherwise Specified (ECNOS)</td>
<td></td>
</tr>
<tr>
<td>(a) Pre-shipment credit</td>
<td>Free @</td>
</tr>
<tr>
<td>(b) Post-shipment credit</td>
<td>Free @</td>
</tr>
</tbody>
</table>

@ Banks are free to decide the rate of interest being rupee credit rate keeping in view the BPLR and spread guidelines.
Amendment of Para 2.63 (iii) of HBP Vol.I regarding RCMC
Amendment/modification in SION S. No. C-1808
Amendment of Para 2.63 (iii) of HBP Vol.I regarding RCMC

TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY 
(PART-I SECTION-I)

GOVERNMENT OF INDIA 
MINISTRY OF COMMERCE AND INDUSTRY 
DEPARTMENT OF COMMERCE

PUBLIC NOTICE NO. 44 /2009-2014 
NEW DELHI THE 22 FEBRUARY,2010

Subject: Amendment of Para 2.63 (iii) of HBP Vol.I regarding RCMC

In exercise of power conferred under Paragraph 2.4 of the Foreign Trade Policy 2009-2014, the Director General of Foreign Trade hereby makes the following amendment in 2.63 (iii) of the Handbook of Procedure (Vol .1 ) relating to Registering Authorities issuing RCMC.

Para 2.63 (iii) In case an export product is not covered by any Export Promotion Council/Commodity Board, etc. RCMC in respect thereof is to be obtained from FIEO. Further, in case of multi product exporters, not registered with any EPC, where main line of business is not discernible, the exporter has an option to obtain RCMC from Federation of Indian Exporters Organization (FIEO).

This issues in public interest.

Sd/-
(R.S.Gujral)

Director General of Foreign Trade and
Ex Officio Special Secretary to the Govt. of India

(F.No. 01/94/180/77/AM08/PC2(B)
Amendment/modification in SION S. No. C-1808.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
UDYOG BHAVAN, NEW DELHI - 110011

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PUBLIC NOTICE NO: 43 (RE: 2010)/2009-2014
NEW DELHI: DATED: 22.02.2010

Subject:- Amendment/modification in SION S. No. C-1808.

In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2004-09 and Paragraph 1.1 of the Handbook of Procedures (Vol.1), the Director General of Foreign Trade hereby makes the following amendments/corrections in the Handbook of Procedures, (Vol.2), 2009-2014, as amended from time to time.

2. In the statement of Standard Input Output Norms (SION) as contained in the Handbook of Procedures (Vol.2), 2009-2014, as amended from time to time, amendments/corrections/modification at appropriate places as mentioned in ANNEXURE "A" to this Public Notice are made.

This issues in the public interest.

( R. S. Gujral )
DIRECTOR GENERAL OF FOREIGN TRADE

(Issued from F.No.01/81/162/348/AM’10/DES-II)

ANNEXURE “A” TO THE PUBLIC NOTICE NO. 43 (RE-2010)/2009-2014 DATED : 22.2.2010

ENGINEERING PRODUCTS
AMENDMENTS/CORRECTIONS/MODIFICATION

SION at Sl. No. C-1808

<table>
<thead>
<tr>
<th>SION</th>
<th>Export item</th>
<th>Quantity</th>
<th>Import item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-1808</td>
<td>Dish Ends (Ellipsoidal or Circular Shape) made of Non-Alloy/Alloy/ Stainless Steel</td>
<td>1 Kg.</td>
<td>1. Non-Alloy/Alloy/ Stainless Steel Plates/Coils of relevant grade</td>
<td>1.1 Kg./kg. content of the Steel in the export product</td>
</tr>
</tbody>
</table>

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