

RBI / 2004-05/ 324

DBOD. IECS. No. 66 / 04.02.02/ 2004-05

December 31, 2004

The Chairman / Chief Executives of all
Commercial Banks

Dear Sir

Foreign Currency loans to Exporters-Periodicity of charging interest

Please refer to paragraph (b) of our circular IECD. No. EFD.30/ 04.02.15/ 93-94 dated February 28, 1994 and also paragraph 1.1.5 (iv) of our Master Circular dated September 1, 2004 on Export Credit in Foreign Currency.

We advise that the paragraphs may be amended to read as follows:

"Banks may collect interest on PCFC at **monthly** intervals against sale of foreign currency or out of balances in EEFC accounts or out of discounted value of the export bills if PCFC is liquidated within the **monthly** rest for collection of interest."

Yours faithfully

(A. Sreekumaran)
General Manager