



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI/2013-14/211

DBOD. No. Dir. BC. 47/13.03.00/ 2013-14

September 2 , 2013

All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir/ Madam

Base Rate – Revised Guidelines

Please refer to our [circular DBOD. No. Dir. BC. 88/ 13.03.00/ 2009-10 dated April 9, 2010](#) whereby banks were advised to switch over to the Base Rate system for calculation of their lending rates with effect from July 1, 2010. In terms of paragraph 2(iii) thereof, in order to give banks some time to stabilize the system of Base Rate calculations, banks were permitted to change the benchmark and methodology any time during the initial six month period i.e. end-December 2010 which was subsequently extended upto June 30, 2011 vide our [circular DBOD. No. Dir. BC. 73/ 13.03.00/ 2010-11 dated January 6, 2011](#).

2. In this connection, we have been receiving references from certain banks requesting to allow them to change the Base Rate methodology on various grounds. It has been, therefore, decided to allow banks flexibility in computation / revision of Base Rate methodology in order to enable them to overcome the difficulties faced in this regard. Accordingly, we advise as under:

(i) Banks that have commenced their banking operations in India after the coming into effect of the Base Rate regime in July 2010 but have not completed one year of their banking operations as on the date of this circular, will be allowed to revise their Base Rate methodology within a year from the date of commencement of their business operations in India.

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हिंदी आसान है, इसका प्रयोग बढ़ाइए

(ii) Banks that will commence their banking business in India after issue of this circular will be allowed to revise their Base Rate methodology within a year from the date of commencement of their banking business in India.

(iii) In case, a bank, including banks listed at para 2 (i) and (ii) above, desires to review its Base Rate methodology after five years from the date of its finalization, the bank may approach Reserve Bank for permission in this regard.

3. All other instructions issued in this regard will remain unchanged.

Yours faithfully,

(Prakash Chandra Sahoo)
Chief General Manager