CIRCULAR NO.1287/ACCOUNTS

Reference is invited to Headquarters Circular No. 1280/Accounts dated 02.01.2020 communicating revision of rate of interest on Bank borrowings for Food operations @ 8.61% p.a. w.e.f. 01-01.2020 onwards. The State Bank of India, IFB, New Delhi vide letter No. IFB/FCI/2020-21/ dated 02.04.2020 (copy enclosed for ready reference) has advised **downward revision** in the rate of interest on Bank borrowings for Food Operations w.e.f. **02.04.2020**.

Consequent upon above **downward revision**, the revised rate of interest and effective date from which these rates shall be applicable for Food operations are as under:

<table>
<thead>
<tr>
<th>Present Rate of Interest at monthly rest.</th>
<th>Revised Rate of Interest at monthly rest.</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.61% p.a. from 01.01.2020 to 01.04.2020</td>
<td>8.41% p.a. from 02.04.2020 onwards</td>
</tr>
</tbody>
</table>

The above rate of interest may please be got updated in the respective CC A/c of all Unit Offices at local level with SBI.

This is for information and necessary action. Please acknowledge the receipt.

Enclosed: As above.

(O. P. Dani)
Chief General Manager (Funds)

**DISTRIBUTION:**

1. All ED (Zones)/GM (Regions)/DGM (PO)/Director, IFS, FCI, Gurgaon.
2. All Heads of Division, FCI Headquarters, New Delhi.
4. All IA&PV Officers in Regions/Zones.
5. Principal Director Commercial. Audit (Food), 2nd floor, Khadya Sadan, Barakhamba Lane, New Delhi.
6. The Under Secretary (FC.III), Ministry of CA, Food & PD, Krishi Bhawan, New Delhi.
7. Sr. Accounts Officer (Budget), Ministry of CA. Food & PD, Deptt. of Food & PD, Krishi Bhawan, New Delhi.
Dear Sir,

The Chief General Manager (Funds)
Food Corporation of India
Headquarters, 16-20 Barakhamba Lane
New Delhi – 110 001

FOOD CREDIT
FOOD CORPORATION OF INDIA
CHANGE IN RATE OF INTEREST

We advise that as per the decision taken in the FCSC in its meeting dated 07.09.2017 and ratified by the Food Credit Consortium in the Meeting held on 24.11.2017, spread has been reduced from 72 bps to 50 bps. The implementation of the revised spread was done on 01.12.2017. As approved by the FCC the rate of interest is to be reset quarterly from 01.01.2018. The MCLR of top five Standing Committee banks as on 02.04.2020 is - SBI (7.75%), PNB (7.75%), Bank of Baroda (8.15%), Union Bank of India (7.75%) and HDFC Bank (8.15%), and the average MCLR comes to 7.91%. Accordingly, the rate of interest to be charged from FCI and State Govt. / UT Authorities w.e.f. 02.04.2020 shall be revised as under:

<table>
<thead>
<tr>
<th>Name of Unit</th>
<th>Existing rate of interest</th>
<th>Revised rate of interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Corporation of India</td>
<td>50 bps above average MCLR rate of 5 top Standing Committee banks i.e. (8.11%) effective rate 8.61%</td>
<td>50 bps above average MCLR rate of 5 top Standing Committee banks i.e. (7.91%) effective rate 8.41%</td>
</tr>
<tr>
<td>State Govts. &amp; UT Authorities</td>
<td>150 bps above average MCLR rate of 5 top Standing Committee banks i.e. (8.11%) effective rate 9.61%</td>
<td>150 bps above average MCLR rate of 5 top Standing Committee banks i.e. (7.91%) effective rate 9.41%</td>
</tr>
</tbody>
</table>

The interest will be applied at monthly rests and all other provisions applicable in respect of charging of interest will remain unchanged until otherwise advised by us. The next date of reset will be on first working day of third calendar quarter i.e. on 01.07.2020.

Yours faithfully,

Assistant General Manager and COO

Assistant General Manager and COO