

**Interest Rate Structure for all Rupee Advances
including Term Loans of Commercial Banks sanctioned up to June 30, 2010
[paragraph 2.2.1]**

Rate of Interest (Per cent per annum)

1. (a)	Up to and inclusive of Rs.2 lakh	Not exceeding Benchmark Prime Lending Rate (BPLR)
(b)	Over Rs.2 lakh	Banks are free to determine rates of interest subject to BPLR and spread guidelines. Banks may, however, offer loans at below BPLR to exporters or other creditworthy borrowers including public enterprises based on a transparent and objective policy approved by their Boards.

2. Export Credit up to June 30, 2010

Interest Rates effective from May 1, 2010 to June 30, 2010 will be not exceeding BPLR minus 2.5 percentage points per annum for the following categories of Export Credit.

Categories of Export Credit	
1.	Pre-shipment Credit (from the date of advance)
	(a) Up to 270 days
	(b) Against incentives receivable from Government covered by ECGC Guarantee up to 90 days
2.	Post-shipment Credit (from the date of advance)
	(a) On demand bills for transit period (as specified by FEDAI)
	(b) Usance bills (for total period comprising usance period of export bills, transit period as specified by FEDAI, and grace period, wherever applicable)
	i) Up to 180 days
	ii) Up to 365 days for exporters under the Gold Card Scheme.
	(c) Against incentives receivable from Govt. (covered by ECGC Guarantee) up to 90 days
	(d) Against undrawn balances (up to 90 days)
	(e) Against retention money (for supplies portion only) payable within one year from the date of shipment (up to 90 days)
BPLR: Benchmark Prime Lending Rate	
Note: 1. Since these are ceiling rates, banks would be free to charge any rate below the ceiling rates.	
2. Interest rates for the above-mentioned categories of export credit beyond the tenors as prescribed above are deregulated and banks are free to decide the rate of interest, keeping in view the BPLR and spread guidelines.	

3.	Education Loan Scheme up to June 30, 2010	
	Up to Rs. 4 lakh	Not exceeding BPLR
	Above R. 4 lakh	BPLR + 1%
Note.	1. The interest to be debited quarterly/ half yearly on simple basis during the Repayment holiday/ Moratorium period.	
	2. Penal interest @2% be charged for loans above Rs. 2 lakh for the overdue amount and overdue period.	
4.	DRI Advances	4.0%
5.	Banks are free to determine the rates of interest without reference to BPLR and regardless of the size in respect of the following loans up to June 30, 2010:	
	i) Loans for purchase of consumer durables	
	ii) Loans to individuals against shares and debentures / bonds	
	iii) Other non-priority sector personal loans including credit card dues	
	iv) Advances / overdrafts against domestic / NRE / FCNR (B) deposits with the bank, provided that the deposit/s stands / stand either in the name(s) of the borrower himself / borrowers themselves, or in the names of the borrower jointly with another person	
	v) Finance granted to intermediary agencies (excluding those of housing) for on-lending to ultimate beneficiaries and agencies providing input support.	
	vi) Finance granted to housing finance intermediary agencies for on-lending to ultimate beneficiaries.	
	vii) Discounting of Bills	
	viii) Loans / Advances / Cash Credit / Overdrafts against commodities subject to Selective Credit Control.	
	ix) To a cooperative bank or to any other banking institution	
	x) To its own employees	
6.	Loans covered by participation in refinancing schemes of term lending institutions up to June 30, 2010	
	Free to charge interest rates as per stipulations of the refinancing agencies without reference to BPLR	
Note:	Intermediary agencies are indicated in Annex 3	