

## Credit Control and Other Measures

### FEBRUARY 2002

Selected circular issued by the Reserve Bank of India during February 2002 reproduced below.

Ref.No.MPD.212/07.01.279/2001-02 dated March 11, 2002.

#### All Scheduled Commercial Banks

##### Interest Rate Ceilings on Rupee Export Credit

On September 24, 2001, it was decided to effect reduction in the ceiling of interest rates charged by scheduled commercial banks on pre-shipment and post-shipment rupee export credit by one percentage point across the board with effect from September 26, 2001. It was also mentioned that this dispensation is valid upto March 31, 2002.

2. Considering subsequent developments, this facility is extended for a further period of six months. Thus, the validity of the reduction in the interest rates on export credit announced on September 24, 2001, would remain in force up to September 30, 2002.

A communication to banks will be sent separately.

#### Annexure Interest Rate Ceilings on Export Credit of Scheduled Commercial Banks

Category	With effect from April 1, 2002 (Up to September 30, 2002)
<b>Pre-shipment credit</b>	
(i) Up to 180 days	Not exceeding PLR <b>minus</b> 2.5 percentage points
(ii) Beyond 180 days and up to 270 days	Not exceeding PLR <b>plus</b> 0.5 percentage points
<b>Post-shipment Credit</b>	
a) On demand bills for transit period (as specified by FEDAI)	Not exceeding PLR <b>minus</b> 2.5 percentage points
b) Usance Bills	
(i) Up to 90 days	Not exceeding PLR <b>minus</b> 2.5 percentage points
(ii) Beyond 90 days and up to 6 months from date of shipment	Not exceeding PLR <b>plus</b> 0.5 percentage points

Note: Since these are ceiling rates, banks would be free to charge any rate below the ceiling rates.

Ref.No.MPD.BC.213/02.01.279/2001-02 dated March 18, 2002.

#### All Scheduled Banks

##### Export Credit Refinance Scheme

Please refer to our circular No. MPD. 2992/ 03.02.01/2000-01 dated April 21, 2001. Accordingly, effective April 1, 2002, scheduled banks would be provided export credit refinance to the extent of 15.0 per cent of the outstanding export credit eligible for refinance as at the end of second preceding fortnight.

2. Scheduled banks are, therefore, required to split their entitlements for the period March 23 - April 5, 2002 based on outstanding export credit eligible for refinance for the fortnight ended March 8, 2002 in two parts *viz.*, one based on the present formula available for the period March 23-31, 2002 and the other based on the new formula for the period April 1-5, 2002.

3. All other terms and conditions prescribed in this regard remain unchanged.