

## **Rupee Export Credit Interest Rates**

IECD No.4/04.02.01/2001-02

September 24, 2001

The Chairmen/Chief Executives of  
all commercial banks

Dear Sir,

### Rupee Export Credit Interest Rates

Please refer to circular MPD/BC.209/07.01.279/2001-02 dated September 24, 2001.

2. On consideration of special circumstances, arising out of the recent global developments and its consequent implications for Indian trade it has been decided to effect a reduction in the ceiling interest rates on rupee export credit by 1 percentage point across the board effective from September 26, 2001 to March 31,2002. Thereafter, status quo ante will be restored automatically. The revised rates of interest alongwith the existing rates applicable upto September 25,2001 have been incorporated in the Annexure to the Directive DBOD.NO.BC/28/13.07.01/2001 dated September 24,2001 enclosed with this circular.

3. The revision in the interest rates would be applicable not only to fresh advances but also to the existing advances for the remaining period.

4. Please acknowledge receipt.

Yours faithfully,

(S.S.Gangopadhyay)  
Chief General Manager

**RESERVE BANK OF INDIA  
CENTRAL OFFICE  
DEPARTMENT OF BANKING OPERATIONS AND DEVELOPMENT  
CENTRE 1, WORLD TRADE CENTRE,  
CUFFE PARADE, COLABA  
MUMBAI-400005**

DIRECTIVE DBOD.No.BC. 28/13.07.01/2001

September 24, 2001

**Interest Rates on Advances**

In exercise of the powers conferred by Sections 21 and 35A of the Banking Regulation Act 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that with effect from September 26, 2001 the interest rates on rupee export credit be changed as indicated in the Annexure enclosed to this Directive.

(Vepa Kamesam)  
Deputy Governor

**ANNEXURE**  
**Interest Rates on Rupee Export Credit of**  
**Scheduled Commercial Banks**

(Per cent per annum)

Categories of export credit	Interest Rates @	
	Existing upto September 25,2001)	Revised (with effect from Sept. 26,2001 to March 31,2002
<b>1. <u>Pre-Shipment Credit</u></b>		
a) i) Upto 180 days	Not exceeding PLR <u>minus</u> 1.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
ii) Beyond 180 days and 270 days	Not exceeding PLR <u>plus</u> 1.5 percentage points	Not exceeding PLR <u>plus</u> 0.5 percentage points
b) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	Not exceeding PLR <u>minus</u> 1.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
<b>2. <u>Post-Shipment Credit</u></b>		
a) On demand bills for transit period (as specified by FEDAI)	Not exceeding PLR <u>minus</u> 1.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
b) Usance Bills (for total period comprising usance period of export bills, transit period as specified by FEDAI and grace period wherever applicable)		
i) Upto 90 days	Not exceeding PLR <u>minus</u> 1.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
ii) Beyond 90 days and upto 6 months from the date of shipment	Not exceeding PLR <u>plus</u> 1.5 percentage points	Not exceeding PLR <u>plus</u> 0.5 percentage points
c) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	Not exceeding PLR <u>minus</u> 1.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
d) Against undrawn balances (upto 90 days)	Not exceeding PLR <u>minus</u> 1.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
e) Against retention money (for supplies portion only) payable within one year from the date of shipment (upto 90 days)	Not exceeding PLR <u>minus</u> 1.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
<b>3. <u>Deferred Credit</u></b>		
Deferred credit for the period beyond 180 days	Free*	Free*

<b>4. <u>Export Credit Not Otherwise specified(ECNOS)</u></b>		
a) Pre-shipment credit	Free*	Free*
b) Post-shipment credit	Free*	Free*

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

\*Free : The banks are free to decide the rate of interest to be charged, in view the PLR and spread guidelines.