

RBI / 2004/ 180

IECD No.10 /04.02.01/2003-04

April 24, 2004

The Chairmen/Chief Executives of  
all commercial banks

Dear Sir,

Rupee Export Credit Interest Rates

Please refer to our circular IECD.No.5/04.02.01/2002-03 dated October 31, 2003 on the captioned subject.

2. The validity of the interest rates on rupee export credit indicated in the above circular would now remain in force upto April 30, 2005. In this connection, you may please refer to circular No.MPD 248/O7.01.279/2003-04 dated April 23, 2004. The rates of interest applicable have been incorporated in the Annex to the Directive DBOD No.BC.81 /13.07.01/2003-04 dated April 24, 2004 enclosed to this circular.

3. Please acknowledge receipt.

Yours faithfully,

(Smt.R.K.Makhija)  
Chief General Manager

Encls : as above

Telegrams :  
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Post Box  
No.6089

**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.81 /13.07.01/2003-04

April 24, 2004

**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 May 1, 2004 the interest rates on rupee export credit would be as indicated in the Annex enclosed to this Directive.

(P.V.Subba Rao)  
Executive Director

**Encl : as above**

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

(Per cent per annum)

Categories of export credit	Interest Rates @	
	Existing upto April 30, 2004)	Effective from May 1, 2004 to April 30, 2005
<b>1. <u>Pre-Shipment Credit</u></b>		
a) i) Upto 180 days	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding BPLR <u>minus</u> 2.5 percentage points
ii) Beyond 180 days and upto 270 days	Free*	Free*
b) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding BPLR <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> 2.5 percentage points	Not exceeding BPLR <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> 2.5 percentage points	Not exceeding BPLR <u>minus</u> 2.5 percentage points
ii) Beyond 90 days and upto 6 months from the date of shipment	Free*	Free*
c) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding BPLR <u>minus</u> 2.5 percentage points
d) Against undrawn balances (upto 90 days)	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding BPLR <u>minus</u> 2.5 percentage points
e) Against retention money (for supplies portion only) payable within one year from	Not exceeding PLR <u>minus</u> 2.5	Not exceeding BPLR <u>minus</u>

the date of shipment (upto 90 days)	percentage points	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*

BPLR : Benchmark Prime Lending rate

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

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