

**RBI/2004-05/442**  
**Ref No. MPD.BC.264 /07.01.279/2004-05**

**April 29, 2005**  
**Vaishakha 9, 1927(Saka)**

To,

All Scheduled Commercial Banks

Dear Sir,

**Interest Rate Ceiling 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 with effect from September 26, 2001. This dispensation was earlier extended up to April 30, 2005.

2. The validity of the reduction in the interest rates on pre-shipment rupee export credit up to 180 days and post-shipment rupee export credit up to 90 days announced on September 24, 2001 would now remain in force up to October 31, 2005 (Annex).

3. Kindly acknowledge receipt of this letter.

Yours faithfully,

(Deepak Mohanty)  
Adviser-in-Charge

Encl: As above.

**Annex**

<b>Category</b>	<b>With effect from May 01, 2005 (up to October 31, 2005)</b>
<b><u>Pre-shipment Rupee Export Credit</u></b>	
(i) Up to 180 days	Not exceeding BPLR minus 2.5 percentage points.
(ii) Beyond 180 days and up to 270 days	Free
<b><u>Post-shipment Rupee Export Credit</u></b>	
(a) On demand bills for transit period (as specified by FEDAI)	Not exceeding BPLR minus 2.5 percentage points.
(b) Usance bills	
(i) Up to 90 days	Not exceeding BPLR minus 2.5 percentage points.
(ii) Beyond 90 days and up to 6 months from the date of shipment	Free.

BPLR : Benchmark Prime Lending Rate

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