

RBI / 2005-06/195
DBOD Dir (Exp).BC.No.41/04.02.01/2005-06

November 2, 2005

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sirs,

Rupee Export Credit Interest Rates

Please refer to our circular (RBI / 2004-05/ 443) DBOD.Dir (Exp). No.83 / 04.02.01/ 2004-05 dated April 29, 2005 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, 2006. In this connection, you may please refer to RBI circular No.MPD.BC.276/ 07.01.279/2005-06 dated October 28, 2005. The rates of interest applicable have been incorporated in the Annex to the Directive DBOD No.BC.42/13.07.01/2005-06 dated November 2, 2005 enclosed to this circular.

3. Please acknowledge receipt.

Yours faithfully,

(Amarendra Mohan)
Chief General Manager

DIRECTIVE DBOD.BC.No. 42/13.07.01/ 2005-06

November 2, 2005

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 November 1, 2005, the interest rates on rupee export credit would be as indicated in the Annex enclosed to this Directive.

(Usha Thorat)
Executive Director

ANNEX

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

Categories of export credit	Interest Rates@ (Per cent per annum)
	Effective from November 1, 2005 to April 30, 2006
1. Pre-Shipment Credit	
(a) (i) Upto 180 days	Not exceeding BPLR <u>minus</u> 2.5 percentage points
(ii) Beyond 180 days and upto 270 days	Free*
(b) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	Not exceeding BPLR <u>minus</u> 2.5 percentage points
2. Post-Shipment Credit	
(a) On demand bills for transit period (as specified by FEDAI)	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 BPLR <u>minus</u> 2.5 percentage points
(ii) Beyond 90 days and upto 6 months from the date of shipment	Free*
(iii) Upto 365 days for exporters under the Gold Card Scheme	Not exceeding BPLR <u>minus</u> 2.5 percentage points.
(c) Against incentives receivable from Government (covered by ECGC guarantee) upto 90 days	Not exceeding BPLR <u>minus</u> 2.5 percentage points
(d) Against undrawn balances	Not exceeding BPLR <u>minus</u>

(upto 90 days)	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 BPLR <u>minus</u> 2.5 percentage points
3. Deferred Credit	
Deferred credit for the period beyond 180 days	Free*
4. Export Credit Not Otherwise Specified (ECNOS)	
(a) Pre-shipment credit	Free*
(b) Post-shipment credit	Free*

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

BPLR: Benchmark Prime Lending rate

* Banks are free to decide the rate of interest, keeping in view the BPLR and spread guidelines.