

RBI/2005-06/374
Ref. No. MPD.BC.280/07.01.279/2005-06

April 24, 2006
Vaishakha 4, 1928 (Saka)

To

All Scheduled Commercial Banks

Dear Sir/ Madam,

Interest Rate Ceiling on Rupee Export Credit

At present, the ceiling on interest rates on pre-shipment rupee export credit up to 180 days and post-shipment rupee export credit up to 90 days is stipulated at BPLR minus 2.5 per cent. This dispensation is valid up to April 30, 2006.

2. It has been decided to extend the validity of the above dispensation up to October 31, 2006 (Annex).
3. Kindly acknowledge receipt.

Yours faithfully,

(M.D. Patra)
Adviser-in-Charge

Annex

Category	With effect from May 1, 2006 (up to October 31, 2006)
Pre-shipment Rupee Export Credit (i) Up to 180 days	 Not exceeding BPLR minus 2.5 percentage points.
Post-shipment Rupee Export Credit (a) On demand bills for transit period (as specified by FEDAI) (b) Usance bills up to 90 days	 Not exceeding BPLR minus 2.5 percentage points Not exceeding BPLR minus 2.5 percentage points

BPLR: Benchmark Prime Lending Rate

Note: 1. Since these are ceiling rates, banks would be free to charge any rate below the ceiling rates.

2. Interest rates for the above-mentioned categories beyond the tenors as prescribed above are free.