

RBI / 2005-06/378
DBOD Dir (Exp).BC.No. 83 /04.02.01/2005-06

April 28, 2006

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir,

Rupee Export Credit Interest Rates

Please refer to our circular DBOD.Dir (Exp).No.41/04.02.01/2005-06 dated November 2, 2005 on the captioned subject.

The validity of the interest rates on rupee export credit indicated in the above circular would now remain in force upto October 31, 2006. In this connection, you may please refer to RBI circular No.MPD.BC.280/07.01.279/2005-06 dated April 24, 2006. The rates of interest applicable have been incorporated in the Annex to the Directive DBOD No.BC.82 /04.02.01/2005-06 dated April 28, 2006 enclosed to this circular.

Yours faithfully,

(P.Vijaya Bhaskar)
Chief General Manager

Encl : as above

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, 2006, the interest rates on rupee export credit would be as indicated in the Annex enclosed to this Directive.

(Anand Sinha)
Executive Director

Encl : as above

ANNEX

Interest Rates on Rupee Export Credit of Scheduled Commercial Banks

Categories of export credit	Interest Rates(Per cent per annum)
	Effective from May 1, 2006 to October 31, 2006
1. Pre-Shipment Credit	
(a) Upto 180 days	Not exceeding BPLR <u>minus 2.5</u> percentage points
(b) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	Not exceeding BPLR <u>minus 2.5</u> percentage points
2. Post-Shipment Credit	
(a) On demand bills for transit period (as specified by FEDAI)	Not exceeding BPLR <u>minus 2.5</u> 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 2.5</u> percentage points
(ii) Upto 365 days for exporters under the Gold Card Scheme	Not exceeding BPLR minus 2.5 percentage points.
(c) Against incentives receivable from Government(covered by ECGC guarantee) upto 90 days	Not exceeding BPLR <u>minus 2.5</u> percentage points
(d) Against undrawn balances (upto 90 days)	Not exceeding BPLR <u>minus 2.5</u> 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 2.5</u> 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 of export credit beyond the tenors as prescribed above are free and banks are free to decide the rate of interest, keeping in view the BPLR and spread guidelines.