

RBI/2007-08/168
DBOD.Dir.(Exp).BC.No. 41 /04.02.01/2007- 08

October 29, 2007

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir,

Rupee Export Credit Interest Rates

Please refer to our circular DBOD.Dir.(Exp.)No.80/04.02.01/2007-08 dated April 17, 2007 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, 2008. In this connection, you may please refer to RBI circular No.MPD.BC.295/07.01.279/2007-08 dated October 25, 2007. The rates of interest applicable have been incorporated in the Annexure to the Directive DBOD.No.BC.40 /04.02.01/2007-08 dated October 29, 2007 enclosed to this circular.

3. Moreover, banks would continue to charge interest rates not exceeding BPLR minus 4.5 percentage points on pre-shipment credit up to 180 days and post-shipment credit up to 90 days on the outstanding amount for the period April 1, 2007 to March 31, 2008 to the categories of exporters as mentioned in circulars DBOD.Dir.(Exp.)BC.No.22/04.02.01/2007-08 and DBOD.Dir.(Exp.)BC.No.34B/04.02.01/2007-08 issued by the Reserve Bank on July 13, 2007 and October 6, 2007 respectively.

Yours faithfully,

(P.Vijaya Bhaskar)
Chief General Manager

October 29, 2007

Interest Rates on Advances

In exercise of the powers conferred by Sections 21 and 35 A 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 01, 2007 the interest rates on rupee export credit would be as indicated in the Annex enclosed to this Directive.

(Anand Sinha)
Executive Director

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

Interest Rates effective from November 1, 2007 to April 30, 2008 will be not exceeding BPLR minus 2.5 percentage points per annum for the following categories of Export Credit.

	Categories of Export Credit
1.	<i>Pre-shipment Credit</i>
	(a) Up to 180 days
	(b) Against incentives receivable from Government covered by ECGC Guarantee up to 90 days
2.	<i>Post-shipment Credit</i>
	(a) On demand bills for transit period (as specified by FEDAI)
	(b) Usance bills (for total period comprising usance period of export bills, transit period as specified by FEDAI, and grace period, wherever applicable)
	i) Up to 90 days
	ii) Up to 365 days for exporters under the Gold Card Scheme.
	(c) Against incentives receivable from Govt. (covered by ECGC Guarantee) up to 90 days
	(d) Against undrawn balances (up to 90 days)
	(e) Against retention money (for supplies portion only) payable within one year from the date of shipment (up to 90 days)
BPLR Benchmark Prime Lending Rate	
<p>Note: 1. Since these are ceiling rates, banks would be free to charge any rate below the ceiling rates.</p> <p>2. Interest rates for the above-mentioned categories of export credit beyond the tenors as prescribed above are deregulated and banks are free to decide the rate of interest, keeping in view the BPLR and spread guidelines.</p>	