

RBI/2007-2008/297
Ref.No.MPD.BC.298/07.01.279/2007-08

April 25, 2008
Vaishakha 5, 1930(S)

To,
All Scheduled Commercial Banks

Dear Sir/Madam,

Interest Rate Ceiling on Rupee Export Credit

Please refer to our circular No.MPD.BC.295/07.01.279/2007-08 dated October 25, 2007 in terms of which 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 has been stipulated at BPLR minus 2.5 per cent, valid up to April 30, 2008.

2. It has been decided to extend the validity of the above dispensation up to October 31, 2008 (Annex).

3. Kindly acknowledge receipt.

Yours faithfully,

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

Annex

Category	With effect from May 1, 2008 (up to October 31, 2008)
Pre-shipment Rupee Export Credit 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.