

RBI/2008-09/248  
Ref.No.MPD.BC.307/07.01.279/2008-09

October 24, 2008  
Kartika 2, 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.298/07.01.279/2007-08 dated April 25, 2008 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 October 31, 2008.

2. It has been decided to extend the validity of the above dispensation up to April 30, 2009 (Annex).

3. Kindly acknowledge receipt.

Yours faithfully,

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

## Annex

Category	With effect from November 1, 2008 (up to April 30, 2009)
<b>Pre-shipment Rupee Export Credit</b>  Up to 180 days.	Not exceeding BPLR minus 2.5 percentage points.
<b>Post-shipment Rupee Export Credit</b>  (a) On demand bills for transit period (as specified by (FEDA)).  (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.