

RBI/2008-09/250
DBOD.Dir.(Exp).BC.No. 68 /04.02.01/2008- 09

October 24 , 2008

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir,

Rupee Export Credit Interest Rates

Please refer to our circular DBOD.Dir.(Exp.)No.77/04.02.01/2007-08 dated April 28, 2008 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 up to April 30, 2009. In this connection, you may please refer to RBI circular No.MPD.BC. 307 /07.01.279/2008-09 dated October 24, 2008. The rates of interest applicable have been incorporated in the Annexure to the Directive DBOD.Dir.(Exp).BC.No. 67 /04.02.01/2008-09 dated October 24, 2008 enclosed to this circular.

Yours faithfully,

(P.Vijaya Bhaskar)
Chief General Manager

October 24 , 2008

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, 2008 the interest rates on rupee export credit would be as indicated in the Annex enclosed to this Directive.

(Anand Sinha)
Executive Director

ANNEX

Interest Rates on Rupee Export Credit of Scheduled Commercial Banks

Interest Rates effective from November 1, 2008 to April 30, 2009 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>	