

RBI/2008-09/299
DBOD.Dir.(Exp).BC.No. 88/04.02.01/2008- 09

November 28, 2008

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir,

Rupee Export Credit Interest Rates-Extension of period of credit

Please refer to our circular DBOD.Dir.(Exp.)No.80/04.02.01/2008-09 dated November 15, 2008 on the captioned subject.

2. In view of the difficulties faced by exporters on account of the weakening of external demand, it has been decided that the prescribed interest rate of BPLR minus 2.5 percentage points as applicable on Post-shipment Rupee Export Credit may be extended up to 180 days (as against existing up to 90 days) with effect from November 28, 2008.

3. The revised period of credit has been incorporated in the Annexure to the Directive DBOD.Dir.(Exp).BC.No. 87/04.02.01/2008-09 dated November 28, 2008 enclosed to this circular.

(P.Vijaya Bhaskar)
Chief General Manager

DBOD.Dir.(Exp).BC.No. 87/04.02.01/2008-09

November 28, 2008

Rupee Export Credit Interest Rates-Extension of period of credit

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 28, 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 28, 2008 to April 30, 2009 will not be 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 270 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 180 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	
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 deregulated and banks are free to decide the rate of interest, keeping in view the BPLR and spread guidelines.	