

Rupee Export Credit Interest Rates

IECD No.17/04.02.01/2001-02

March 15, 2002

The Chairmen/Chief Executives of
all commercial banks

Dear Sir,

Rupee Export Credit Interest Rates

Please refer to our circular IECD.No.4/04.02.01/2001-02 dated September 24, 2001 advising a reduction in the ceiling interest rates on rupee export credit by 1 percentage point across the board effective from September 26,2001 to March 31,2002.

2. Considering subsequent developments, it has been decided that the validity of the above reduction in the interest rates on rupee export credit would remain in force for a further period of six months i.e. upto September 30,2002. In this connection, you may please refer to circular No.MPD.212/07.01.279/2001-02 dated 11th March 2002. The rates of interest applicable upto September 30, 2002 have been incorporated in the Annexure to the Directive [DBOD.No.BC.75 /13.07.01/2002](#) dated March 15, 2002 enclosed with this letter.

3. Please acknowledge receipt.

Yours faithfully,

(K.Vijayaragavan)
Chief General Manager

Encls : as above

RESERVE BANK OF INDIA
CENTRAL OFFICE
DEPARTMENT OF BANKING OPERATIONS AND DEVELOPMENT
CENTRE 1, WORLD TRADE CENTRE,
CUFFE PARADE, COLABA
MUMBAI-400005

DIRECTIVE DBOD.No.BC.75/13.07.01/2002

March 15,2002

Interest Rates on Advances

In exercise of the powers conferred by Sections 21 and 35A 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 April 1, 2002 the interest rates on rupee export credit would be as indicated in the [Annexure](#) enclosed to this Directive.

(K.L.Khetarpaul)
Executive Director

Encl : as above

ANNEXURE
Interest Rates on Rupee Export Credit of
Scheduled Commercial Banks

(Per cent per annum)

Categories of export credit	Interest Rates @	
	Existing upto March 31,2002)	Effective from April 1,2002 to Sept.30, 2002
1. <u>Pre-Shipment Credit</u>		
a) i) Upto 180 days	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
ii) Beyond 180 days and upto 270 days	Not exceeding PLR <u>plus</u> 0.5 percentage points	Not exceeding PLR <u>plus</u> 0.5 percentage points
b) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
2. <u>Post-Shipment Credit</u>		
a) On demand bills for transit period (as specified by FEDAI)	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
b) Usance Bills (for total period comprising usance period of export bills, transit period as specified by FEDAI and grace period wherever applicable)		
i) Upto 90 days	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
ii) Beyond 90 days and upto 6 months from the date of shipment	Not exceeding PLR <u>plus</u> 0.5 percentage points	Not exceeding PLR <u>plus</u> 0.5 percentage points
c) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
d) Against undrawn balances (upto 90 days)	Not exceeding PLR <u>minus</u> 2.5	Not exceeding PLR <u>minus</u> 2.5

	percentage points	percentage points
e) Against retention money (for supplies portion only) payable within one year from the date of shipment (upto 90 days)	Not exceeding PLR <u>minus</u> 2.5 percentage points	Not exceeding PLR <u>minus</u> 2.5 percentage points
3. <u>Deferred Credit</u>		
Deferred credit for the period beyond 180 days	Free*	Free*
4. <u>Export Credit Not Otherwise specified(ECNOS)</u>		
a) Pre-shipment credit	Free*	Free*
b) Post-shipment credit	Free*	Free*

@ **Note** : Since these are ceiling rates, banks would be free to charge any rate below the ceiling rates.

*Free : The banks are free to decide the rate of interest to be charged, keeping in view the PLR and spread guidelines.