

Rupee Export Credit Interest Rates

Reserve Bank of India
Industrial & Export Credit Department
Central Office
Central Office Building
Post Bag - 10030
Mumbai - 400 001.

IECD No.7/04.02.01/2002-03

September 23, 2002

The Chairmen/Chief Executives of all commercial banks

Dear Sir,

Rupee Export Credit Interest Rates

Please refer to our circulars IECD.No.4/04.02.01/2001-02 dated September 24, 2001 and IECD No.17/04.02.01/2001-02 dated March 15, 2002 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 September 30, 2002.

2. The validity of the reduction in the interest rates on rupee export credit effective from September 26, 2001 would now remain in force upto April 30, 2003. In this connection, you may please refer to circular No.MPD.221/07.01.279/2002-03 dated September 21, 2002. The rates of interest applicable upto April 30, 2003 have been incorporated in the Annexure to the Directive DBOD.No.BC.26/13.07.01/2002 dated September 23, 2002 enclosed with this letter.

3 Please acknowledge receipt.

Yours faithfully,

(Smt.R.K. Makhija)
General Manager

Encls : as above

Telegrams : 'BANKCHALAN'
Post Box No.6089
Mumbai

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.26/13.07.01/2002

September 23, 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 October 1, 2002 the interest rates on rupee export credit would be as indicated in the Annexure enclosed to this Directive.

(S.L. Parmar)
Executive Director

Encl : as above

ANNEXURE

Interest Rates on Rupee Export Credit of Scheduled Commercial Banks

| Categories of export credit | (Per cent per annum) | |
|---|---|--|
| | Interest Rates @ | |
| | Existing upto September 30, 2002 | Effective from October 1, 2002 to April 30, 2003 |
| 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 | Not exceeding | Not exceeding |

| | | |
|--|---|--|
| FEDAI) | PLR <u>minus</u> 2.5 percentage points | 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 percentage points | Not exceeding PLR <u>minus</u> 2.5 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.