

Special Financial Package for large value exports -Rupee credit interest rates

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

IECD.No. 8 /04.02.01/2002-2003

September 28, 2002

The Chairmen/Chief Executives of all commercial banks

Dear Sir,

**Special Financial Package for large value exports -
Rupee credit interest rates**

Please refer to our circular IECD.No.5/04.02.01/2001-02 dated September 24, 2001 on the above subject. A special financial package was drawn in consultation with the Government of India, for large value exports of select products, which are internationally competitive and have high value addition for a period of one year upto September 30, 2002. It has been decided to extend the validity period of the financial package for a further period of one year upto September 30, 2003. Directive [DBOD. No. BC.27/ 13.07.01/2002](#) dated September 28, 2002 in regard to period of credit and rate of interest is enclosed with this circular.

2. Please acknowledge receipt.

Yours faithfully,

(Smt. Usha Thorat)
Chief General Manager

Encl. 1

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Telegrams : 'BANKCHALAN'
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Reserve Bank of India
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DIRECTIVE DBOD.No.BC.27/13.07.01/2002

September 28, 2002

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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 till September 30, 2003 the interest rates on rupee credit as indicated in the Annexure enclosed to Directive DBOD No.BC.26/13.07.01/2002 dated September 23, 2002 will be modified for large exports in respect of products such as pharmaceuticals (including drugs, fine chemicals), agro-chemicals (including inorganic and organic chemicals), transport equipment (including commercial vehicles, two and three wheelers, tractors, railway wagons, locomotives), cement (including glass, glassware, ceramics and refractories), iron and steel (including iron & steel bars/rods and primary and semi-finished iron & steel), electrical machinery (including transmission line towers, switch gear, transformers], Leather and leather products, textiles, products of aluminium, petroleum products, sugar and food grains as under :

Exporters covered under the special financial package will be extended credit for periods upto 365 days at pre-shipment as well as post-shipment stages as against the maximum periods of 270 days and 180 days respectively applicable for normal export credits. Further, the rate of interest of pre-shipment credit for period beyond 270 days and upto 365 days will be the same as for normal pre-shipment credit for period beyond 180 days and upto 270 days. Similarly, the rate of interest for post-shipment credit for periods beyond 180 days and upto 365 days will be the same as for normal post-shipment credit for the period beyond 90 days and upto 180 days.

(S.L. Parmar)
Executive Director