

Rupee Export Credit Interest Rates

IECD No. 18 /04.02.01/2002-03

April 30, 2003

The Chairmen/Chief Executives of
all commercial banks

Dear Sir,

Rupee Export Credit Interest Rates

Please refer to our circular IECD.No.7/04.02.01/2002-03 dated September 23, 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 April 30, 2003.

2. The validity of the interest rates on rupee export credit effective from September 26, 2001 would now remain in force upto October 31,2003. In this connection, you may please refer to circular No.MPD.BC.236/07.01.279/2003-04 dated April 30, 2003. The rates of interest applicable have been incorporated in the Annexure to the Directive DBOD No.BC.103/13.07.01/2003 dated April 30, 2003 enclosed to this circular.

3. Please acknowledge receipt.

Yours faithfully,
(Smt.R.K.Makhija)
Chief General Manager

Encls : as above

Interest Rates on Advances

DIRECTIVE DBOD.No.BC.103 /13.07.01/2003

April 30, 2003

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 May 1,2003 the interest rates on rupee export credit would be as indicated in the Annexure enclosed to this Directive.

(Y.S.P.Thorat)
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 April 30, 2003)	Effective from May 1, 2003 to October 31, 2003
1. Pre-Shipment Credit		
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	Free*
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. Post-Shipment Credit		
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	Free*
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. Deferred Credit		
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.