

IECD.No. 19 /04.02.01/98-99

March 3, 1999

The Chairmen /Chief Executives  
of all commercial banks

Dear Sir,

Export Credit - Interest Rates

Please refer to our Circular IECD.No.5/04.02.01/98-99 dated August 6, 1998 and MPD Circular No.BC.184/07.01.279/98-99 dated March 1, 1999.

2. As indicated in para 3 of our MPD Circular referred to above, effective April 1, 1999, interest rates on pre-shipment and post-shipment rupee credit will stand revised. The revised rates are given in the Annexure.
3. The revision in the interest rates as above, with effect from April 1, 1999, will be applicable not only to fresh advances but also to existing advances for the remaining period of credit.
4. A copy of the Directive DBOD.No.BC.19/13.07.01/99 dated March 3, 1999, containing the changes made in the interest rates on rupee export credit as indicated above, is enclosed.

Yours faithfully,

(M.G. Srivastava)  
Chief General Manager

Encls. : As above.

Telegrams :  
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No. 6089

RESERVE BANK OF INDIA  
CENTRAL OFFICE  
DEPARTMENT OF BANKING OPERATIONS AND DEVELOPMENT  
CENTRE 1, WORLD TRADE CENTRE,

CUFFE PARADE, COLABA,  
MUMBAI - 400 005

DIRECTIVE DBOD. No. BC.19/13.07.01/99

March 3, 1999

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 the interest rate on rupee export credit indicated in Annexure to its Directive DBOD. No. Dir. BC. 77/13.07.01/98 dated August 6, 1998 be changed as indicated in the Annexure enclosed to this Directive, from April 1, 1999.

(S. Gurumurthy)  
Executive Director

Encl: As above.

Annexure

Interest Rates on Export Credit of  
Scheduled Commercial Banks

(Per cent per annum)

		<u>Interest Rates</u>		
		<u>(Effective April 1, 1999)</u>		
		Existing	Originally	Now
		Upto	scheduled*	Revised
		March 31,		
		1999		
<b>1. <u>Pre-Shipment Credit</u></b>				
a)	(i) Upto 180 days	9.0	11.0	10.0

(ii) Beyond 180 days and upto 270 days	12.0	14.0	13.0
b) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	9.0	11.0	10.0
<b>2. <u>Post-Shipment Credit</u></b>			
a) On demand bills for transit period (as specified by FEDAI)	9.0	'Not exceeding 11.0'	'Not exceeding 10.0'
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	9.0	'Not exceeding 11.0'	'Not exceeding 10.0'
ii) Beyond 90 days and upto 6 months from the date of shipment	11.0	13.0	12.0
c) Against incentives receivable from Government covered by ECGC guarantee upto 90 days	9.0	'Not exceeding 11.0'	'Not exceeding 10.0'
d) Against undrawn balances(upto 90 days)	9.0	'Not exceeding 11.0'	'Not exceeding 10.0'
e) Against retention money (for supplies portion only) payable within one year from the date of shipment (upto 90 days)	9.0	'Not exceeding 11.0'	'Not exceeding 10.0'
<b>3. <u>DEFERRED CREDIT</u></b>			
Deferred credit for the period beyond 180 days	Free*	Free*	Free*
<b>4. EXPORT CREDIT NOT OTHERWISE SPECIFIED</b>			
(a) Pre-shipment credit	Free*	Free*	Free*
(b) Post-shipment credit	20.00	20.00	20.00
	Minimum)	Minimum)	Minimum)

\*Free = The banks are free to decide the rate of interest to be charged.