

RBI/2007-2008/ 298
DBOD.Dir.(Exp).BC.No.73/04.02.01/2007- 08

April 25, 2008

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir,

Rupee Export Credit Interest Rates

Please refer to our circulars DBOD. Dir.(Exp.)No.22, 34B and 54/04.02.01/ 2007-08 dated July 13, October 6 and November 30, 2007 respectively on the captioned subject regarding provision of interest subvention to all scheduled commercial banks in respect of rupee export credit to the specified categories of exporters, with effect from April 01, 2007 up to March 31, 2008.

2. It has been decided that the interest subvention on export credit may be continued for one more year from April 1, 2008 till March 31, 2009 on the terms and conditions as they existed on March 31, 2008. However, while allowing this benefit it may be ensured that the interest rate after subvention does not fall below 7 per cent which is the rate applicable to agriculture sector under priority sector lending.

3. A directive No.DBOD.DIR.(Exp.)BC.No.72/04.02.01/2007-08 dated April 25, 2008 issued in this regard is enclosed.

Yours faithfully,

(P.Vijaya Bhaskar)
Chief General Manager

Interest Rates on Advances

In exercise of the powers conferred by Sections 21 and 35 A 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, in continuation of directives DBOD .Dir.(Exp).BC.No.21, 34A and 53/04.02.01/2007-08 dated July 13, October 6 and November 30, 2007, respectively hereby directs that interest subvention on export credit may be continued for one more year from April 1, 2008 till March 31, 2009 on the terms and conditions as they existed on March 31, 2008. However, while allowing this benefit it may be ensured that the interest rate after subvention does not fall below 7 per cent which is the rate applicable to agriculture sector under priority sector lending.

(Anand Sinha)
Executive Director