

RBI/2008-09/459  
MPD.BC.323 /07.01.279/2008-09 April 28, 2009

Vaishakha 7, 1931(S)

All Scheduled Commercial Banks

Dear Sir/Madam,

***Interest Rate Ceiling on Rupee Export Credit***

1. Please refer to our circulars No.MPD.BC.307/07.01.279/2008-09 dated October 24, 2008, DBOD.Dir.(Exp).BC.No.80/04.02.01/2008-09 dated November 15, 2008 and DBOD.Dir.(Exp).BC.No.88/04.02.01/2008-09 dated November 28, 2008 in terms of which the ceiling on interest rates on pre-shipment rupee export credit up to 270 days and post-shipment rupee export credit up to 180 days has been stipulated at BPLR minus 2.5 per cent, valid up to April 30, 2009.
2. It has been decided to extend the validity of the above dispensation up to October 31, 2009 (Annex).
3. Kindly acknowledge receipt.

Yours faithfully,  
(Janak Raj)  
Adviser-in-Charge

Encl: as above.

**Annex**

<b>Category</b>	<b>With effect from May 1, 2009 (up to October 31, 2009)</b>
<b>Pre-shipment Rupee Export Credit</b> Up to 270 days.	Not exceeding BPLR minus 2.5 percentage points.
<b>Post-shipment Rupee Export Credit</b> (a) On demand bills for transit period (as specified by (FEDAI). (b) Usance bills up to 180 days.	Not exceeding BPLR minus 2.5 percentage points. Not exceeding BPLR minus 2.5 percentage points.

**BPLR:** Benchmark Prime Lending Rate.

**Note:**

1. Since these are ceiling rates, banks would be free to charge any rate below the ceiling rates.
2. Interest rates for the above-mentioned categories beyond the tenors as prescribed above are free.