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September 1 , 2004

The Chairmen/Chief executives of all Commercial Banks

Dear Sir,

Master Circular on EXPORT CREDIT IN FOREIGN CURRENCY

As you are aware, in order to have all current instructions on a subject at one place, the Reserve Bank of India had issued a Master Circular IECD No.7/04.02.02/2002-03 dated July 1, 2003 on the captioned subject, which is now updated as on 1st July 2004. A copy of the revised Master Circular is enclosed. It may be noted that the Master Circular consolidates and updates all the instructions contained in the circulars listed in the Appendix, in so far they relate to providing export credit in foreign currency by banks to the borrowers.

Yours faithfully,

(A. Sreekumaran)
General Manager

Encls: As above

Master Circular
EXPORT CREDIT IN FOREIGN CURRENCY
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1. PRE-SHIPMENT EXPORT CREDIT

1.1 Pre-shipment Credit in Foreign Currency (PCFC)

1.1.1 *Definition*

'Pre-shipment credit' means any loan or advance granted or any other credit provided by a bank to an exporter for financing the **purchase, processing, manufacturing or packing of goods** prior to shipment, on the basis of letter of credit opened in his favour or in favour of some other person, by an overseas buyer or a confirmed and irrevocable order for the export of goods from India or any other evidence of an order for export from India having been placed on the exporter or some other person, **unless lodgement** of export orders or letter of credit with the bank **has been waived**.

1.1.2 *General*

With a view to making credit available to exporters at internationally competitive rates, authorised dealers have been permitted to extend Pre-shipment Credit in Foreign Currency (PCFC) to exporters for domestic and imported inputs of exported goods at LIBOR/EURO LIBOR/EURIBOR related rates of interest as detailed below.

1.1.3 *Scheme*

(i) The scheme is an additional window for providing pre-shipment credit to Indian exporters at internationally competitive rates of interest. It will be applicable to only cash exports.

(ii) The exporter will have the following options to avail of export finance:

(a) to avail of pre-shipment credit in rupees and then the post-shipment credit either in rupees or discounting/ rediscounting of export bills under EBR Scheme mentioned in paragraph 2.2.

(b) to avail of pre-shipment credit in foreign currency and discount/rediscounting of the export bills in foreign currency under EBR Scheme.

(c) to avail of pre-shipment credit in rupees and then convert drawals into PCFC at the discretion of the bank.

(iii) Choice of currency

(a) The facility may be extended in one of the convertible currencies viz. US Dollars, Pound Sterling, Japanese Yen, Euro, etc.

(b) To enable the exporters to have operational flexibility, it will be in order for banks to extend PCFC in one convertible currency in respect of an export order invoiced in another convertible currency. *For example*, an exporter can avail of PCFC in US Dollar against an export order invoiced in Euro. The risk and cost of cross currency transaction will be that of the exporter.

(iv) Banks are permitted to extend PCFC for exports to ACU countries.

(v) The applicable benefit to the exporters will accrue only after the realisation of the export bills or when the resultant export bills are rediscounted on 'without recourse' basis.

1.1.4 *Source of Funds for Banks*

(i) The foreign currency balances available with the bank in Exchange Earners Foreign Currency (EEFC) Accounts, Resident Foreign Currency Accounts RFC(D) and Foreign Currency (Non-Resident) Accounts (Banks) Scheme could be utilised for financing the pre-shipment credit in foreign currency.

(ii) Banks are also permitted to utilise the foreign currency balances available under Escrow Accounts and Exporters Foreign Currency Accounts for the purpose, subject to ensuring that the requirements of funds by the account holders for permissible transactions are met and the limit prescribed for maintaining maximum balance in the account under broad based facility is not exceeded.

(iii) Foreign currency borrowings

(a) In addition, banks may arrange for **borrowings** from abroad. Banks may negotiate terms of credit with overseas banks for the purpose of grant of PCFC to exporters without the prior approval of the RBI, provided the rate of interest on the **borrowing** does not exceed 0.75 percent over six months LIBOR/EURO LIBOR/EURIBOR.

(b) Banks may utilise the borrowing only for grant of loans to the exporters under the PCFC. However, where the overseas bank making available the credit stipulates a minimum amount for drawals which should not be very large, the small unutilised portion may be managed by the bank within its foreign exchange position and Aggregate Gap Limit (AGL) limit. Similarly, any pre-payment by the exporter may also be taken within the foreign exchange position and AGL limits.

(c) Banks may borrow from **other banks in India** if they are not in a position to raise loans from abroad on their own, subject to the condition that ultimate cost to the exporter should not exceed 0.75 percent above LIBOR/EURO LIBOR/EURIBOR. The spread between the borrowing and lending bank is left to the discretion of the banks concerned.

(iv) In case the exporters have arranged for the suppliers' credit for procuring imported inputs, the PCFC facility may be extended by the banks only for the purpose of financing domestic inputs for exports.

(v) Banks are also permitted to use foreign currency funds borrowed in terms of para 4.2(i) of Notification No. FEMA.3/2000 RB dated May 3, 2000 as also foreign currency funds generated through buy-sell swaps in the domestic forex market for granting Pre-shipment Credit in Foreign Currency (PCFC) subject to adherence to Aggregate Gap Limit (AGL) approved by RBI (FED).

1.1.5 Spread

(i) The spread for pre-shipment credit in foreign currency will be related to the international reference rate such as LIBOR/EURO LIBOR/EURIBOR (6 months).

(ii) The lending rate to the exporter should not exceed 0.75 percent over LIBOR/EURO LIBOR/EURIBOR, excluding withholding tax.

(iii) LIBOR/EURO LIBOR/EURIBOR rates are normally available for standard period of 1, 2, 3, 6 and 12 months. Banks may quote rates on

the basis of standard period if PCFC is required for periods less than 6 months. However, while quoting rates for non-standard period, banks should ensure that the rate quoted is below the next upper standard period rate.

(iv) Banks may collect interest on PCFC at monthly intervals against sale of foreign currency or out of balances in EEFC accounts or out of discounted value of the export bills if PCFC is liquidated within the monthly rest for collection of interest.

1.1.6 *Period of Credit*

(i) The PCFC will be available as in the case of rupee credit initially for a maximum period of 180 days; any extension of the credit will be subject to the same terms and conditions as applicable for extension of rupee packing credit and it will also have additional interest cost of 2 percent above the rate for the initial period of 180 days prevailing at the time of extension.

(ii) Further extension will be subject to the terms and conditions fixed by the bank concerned and if no export takes place within 360 days, the PCFC will be adjusted at T.T. selling rate for the currency concerned. In such cases, banks can arrange to remit foreign exchange to repay the loan or line of credit raised abroad and interest without prior permission of RBI.

(iii) For extension of PCFC within 180 days, banks are permitted to extend on a fixed roll over basis of the principal amount at the applicable LIBOR/EURO LIBOR/EURIBOR rate for extended period plus permitted margin (0.75 percent over LIBOR/EURO LIBOR/EURIBOR).

1.1.7 *Disbursement of PCFC*

(i) In case, full amount of PCFC or part thereof is utilised to finance domestic input, banks may apply appropriate spot rate for the transaction.

(ii) As regards the minimum lots of transactions, it is left to the operational convenience of banks to stipulate the minimum lots taking into account the availability of their own resources. However, while fixing the minimum lot, banks may take into account the needs of their small customers also.

(iii) Banks should take steps to streamline their procedures so that no separate sanction is needed for PCFC once the packing credit limit has been authorised and the disbursement is not delayed at the branches.

1.1.8 *Liquidation of PCFC Account*

(i) General

PCFC can be liquidated out of proceeds of export documents on their submission for discounting/rediscounting under the EBR Scheme detailed in para 2.2 or by grant of foreign currency loans (DP Bills). Subject to mutual agreement between the exporter and the banker it can also be repaid / prepaid out of balances in EEFC A/c as also from

rupee resources of the exporter to the extent exports have actually taken place.

(ii) Packing credit in excess of F.O.B. value

In certain cases, (viz. agro based products like HPS Groundnut, defatted & deoiled cakes, tobacco, pepper, cardamom, cashew nuts, etc.) where packing credit required is in excess of FOB value, PCFC would be available only for exportable portion of the produce.

(iii) Substitution of order/commodity

Repayment/liquidation of PCFC **could be with export documents relating to any other order covering the same or any other commodity exported by the exporter.** While allowing substitution of contract in this way, banks should ensure that it is commercially necessary and unavoidable. Banks should also satisfy about the valid reasons as to why PCFC extended for shipment of a particular commodity cannot be liquidated in the normal method. As far as possible, the substitution of contract should be allowed if the exporter maintains account with the same bank or it has the approval of the members of the consortium, if any.

1.1.9 Cancellation/Non-execution of Export Order

(i) In case of cancellation of the export order for which the PCFC was availed of by the exporter from the bank, or if the exporter is unable to execute the export order for any reason, it will be in order for the exporter to repay the loan together with accrued interest thereon, by purchasing foreign exchange (principal + interest) from domestic market through the bank. In such cases, interest will be payable on the rupee equivalent of principal amount at the rate applicable to **'Export Credit Not Otherwise Specified' (ECNOS)** at pre-shipment stage plus a penal rate of interest to be decided by the bank from the date of advance after adjustment of interest of PCFC already recovered. Banks are free to decide the rate of interest for ECNOS at pre-shipment stage, subject to PLR and spread guidelines.

(ii) It will also be in order for the banks to remit the amount to the overseas bank, provided the PCFC was made available to exporter from the line of credit obtained from that bank.

(iii) Banks may extend PCFC to such exporters subsequently, after ensuring that the earlier cancellation of PCFC was due to genuine reasons.

1.1.10 Running Account Facility for All Commodities

(i) Banks are permitted to extend the 'Running Account' facility under the PCFC Scheme to exporters for all commodities, on the lines of the facility available under rupee credit, subject to the following conditions:

(a) The facility may be extended provided the need for 'Running Account' facility has been established by the exporters to the satisfaction of the bank.

(b) Banks may extend the facility only to those exporters whose track record has been good.

(c) In all cases, where Pre-shipment Credit 'Running Account' facility has been extended, the L/Cs or firm orders should be produced within a reasonable period of time.

(d) The PCFC will be marked-off on the 'First-in-First-out' basis.

(e) PCFC can also be marked-off with proceeds of export documents against which no PCFC has been drawn by the exporter.

(ii) Banks should closely monitor the production of firm order or L/C subsequently by exporters and also the end-use of funds. It has to be ensured that no diversion of funds is made for domestic use. In case of non-utilisation of PCFC drawals for export purposes, the penal provisions stated above should be made applicable and the 'Running Account' facility should be withdrawn for the concerned exporter.

(iii) Banks are required to take any prepayment by the exporter under PCFC scheme within their foreign exchange position and Aggregate Gap Limit (AGL) as indicated in paragraph 1.1.4 (iii) (b) above. With the extension of 'Running Account' facility, mismatches are likely to occur for a longer period involving cost to the banks. Banks may charge the exporters the funding cost, if any, involved in absorbing mismatches in respect of the prepayment beyond one month period.

1.1.11 **Forward Contracts**

(i) In terms of paragraph 1.1.3 (iii) above, PCFC can be extended in any of the convertible currencies in respect of an export order invoiced in another convertible currency. Banks are also permitted to allow an exporter to book forward contract on the basis of confirmed export order prior to availing of PCFC and cancel the contract at prevailing market rates on availing of PCFC.

(ii) Banks are permitted to allow customers to seek cover in any permitted currency of their choice which is actively traded in the market, subject to ensuring that the customer is exposed to exchange risk in a permitted currency in the underlying transaction.

(iii) While allowing forward contracts under the scheme, banks may ensure compliance of the basic requirement are that the customer is exposed to an exchange risk in the underlying transaction at different stages of the export finance.

1.1.12 **Sharing of EPC under PCFC**

(i) The rupee export packing credit is allowed to be shared between an export order holder and the manufacturer of the goods to be exported.

(ii) Similarly, banks may extend PCFC also to the manufacturer on the basis of the disclaimer from the export order holder through his bank. PCFC granted to the manufacturer can be repaid by transfer of foreign currency from the export order holder by availing of PCFC or by discounting of bills. Banks should ensure that no double financing is

involved in the transaction and the total period of packing credit is limited to the actual cycle of production of the exported goods.

(iii) The facility may be extended where the banker or the leader of consortium of banks is the same for both the export order holder and the manufacturer or, the banks concerned agree to such an arrangement where the bankers are different for export order holder and manufacturer. The sharing of export benefits will be left to the mutual agreement between the export order holder and the manufacturer.

1.1.13 *Supplies from One EOU/EPZ/SEZ Unit to Another EOU/EPZ/SEZ Unit*

(i) PCFC may be made available to both the supplier EOU/EPZ/ SEZ unit and the receiver EOU/EPZ/ SEZ unit.

(ii) The PCFC for supplier EOU/EPZ/ SEZ unit will be for supply of raw materials/components of goods which will be further processed and finally exported by receiver EOU/EPZ/ SEZ unit. The PCFC extended to the supplier EOU/EPZ/ SEZ unit will have to be liquidated by receipt of foreign exchange from the receiver EOU/EPZ/ SEZ unit, for which purpose, the receiver EOU/EPZ/ SEZ unit may avail of PCFC. The stipulation regarding liquidation of PCFC by payment in foreign exchange will be met in such cases not by negotiation of export documents but by transfer of foreign exchange from the banker of the receiver EOU/EPZ/ SEZ unit to the banker of supplier EOU/EPZ/ SEZ unit. Thus, there will not normally be any post-shipment credit in the transaction from the supplier EOU/EPZ/ SEZ unit's point of view.

(iii) In all such cases, it has to be ensured by banks that there is no double financing for the same transaction. Needless to add, the PCFC to receiver EOU/EPZ/ SEZ unit will be liquidated by discounting of export bills.

1.1.14 *Deemed Exports*

PCFC may be allowed only for 'deemed exports' for supplies to projects financed by multilateral/bilateral agencies/funds. PCFC released for 'deemed exports' should be liquidated by grant of foreign currency loan at post-supply stage, for a maximum period of 30 days or up to the date of payment by the project authorities, whichever is earlier. PCFC may also be repaid/ prepaid out of balances in EEFC A/c as also from rupee resources of the exporter to the extent supplies have actually been made.

1.1.15 *Refinance*

Banks will not be eligible for any refinance from RBI against export credit under the PCFC scheme and, as such, the quantum of PCFC should be shown separately from the export credit figures reported for the purpose of drawing export credit refinance.

1.1.16 *Other Aspects*

(i) The applicable benefits such as credit of eligible percent of export proceeds to EEFC Account etc. to the exporters will accrue only after realisation of the export bills and not at the stage of conversion of pre-shipment credit to post-shipment credit (except when bills are discounted/ rediscounted 'without recourse'). Surplus of export proceeds available after adjusting relative export finance and credit to EEFC account should not be allowed for setting-off of import bills.

(ii) ECGC cover will be available in rupees only, whereas, PCFC is in foreign currency.

(iii) For the purpose of reckoning banks' performance in extending export credit, the rupee equivalent of the PCFC may be taken into account.

1.2 Diamond Dollar Account (DDA) Scheme

Under the Exim Policy 2002-2007, firms/companies dealing in purchase/sale of rough or cut and polished diamonds, diamond studded jewellery, with good track record of at least three years in import or export of diamonds with an annual average turnover of Rs. 5 crore or above during the preceding three licensing years (from April to March) are permitted to carry out their business through designated Diamond Dollar Accounts (DDAs). Under the DDA Scheme, it would be in order for banks to liquidate PCFC granted to a DDA holder by dollar proceeds from sale of rough, cut and polished diamonds by him to another DDA holder.

2. POST-SHIPMENT EXPORT CREDIT

2.1 Definition

'Post-shipment Credit' means any loan or advance granted or any other credit provided by an institution to an exporter of goods from India from the date of extending credit after shipment of goods to the date of realisation of export proceeds.

2.2. Rediscounting of Export Bills Abroad Scheme (EBR)

2.2.1 *General*

Apart from rediscounting export bills in the domestic market, banks are also allowed to rediscount export bills abroad at rates linked to international interest rates at post-shipment stage.

2.2.2 *Scheme*

(i) It will be comparatively easier to have a facility against bills portfolio (covering all eligible bills) than to have rediscounting facility abroad on bill by bill basis. There will, however, be no bar if rediscounting facility on bill to bill basis is arranged by a bank in case of any particular exporter, especially for large value transactions.

(ii) Banks may arrange a "**Bankers Acceptance Facility**" (BAF) for rediscounting the export bills without any margin and duly covered by collateralised documents.

(iii) Each bank can have its own BAF limit(s) fixed with an overseas bank or a rediscounting agency or an arrangement with any other agency such as factoring agency (in case of factoring arrangement, it should be on 'without recourse' basis only).

(iv) The exporters, on their own, can arrange for themselves a line of credit with an overseas bank or any other agency (including a factoring agency) for discounting their export bills direct subject to the following conditions:

(a) Direct discounting of export bills by exporters with overseas bank and/or any other agency will be done only through the branch of a bank designated by him for this purpose.

(b) Discounting of export bills will be routed through designated bank from whom the packing credit facility has been availed of. In case, these are routed through any other bank, the latter will first arrange to adjust the amount outstanding under packing credit with the concerned bank out of the proceeds of the rediscounted bills.

(v) The limits granted to banks by overseas banks/discounting agencies under BAF will not be reckoned for the purpose of borrowing limits fixed by RBI (FED) for them.

2.2.3 **Eligibility Criteria**

(i) The Scheme will cover mainly export bills with usance period upto 180 days from the date of shipment (inclusive of normal transit period and grace period, if any). There is, however, no bar to include demand bills if overseas institution has no objection to it.

(ii) The facility under the Scheme of Rediscounting may be offered in any convertible currency.

(iii) Banks are permitted to extend the EBR facility for exports to ACU countries.

(iv) For operational convenience, the BAF Scheme may be centralised at a branch designated by the bank. There will, however, be no bar for other branches of the bank to operate the scheme as per their internal guidelines/instructions.

2.2.4 **Source of On-shore Funds**

(i) There will be no bar on banks to utilise the foreign exchange resources available with them in Exchange Earners Foreign Currency Accounts (EEFC), Resident Foreign Currency Accounts (RFC), Foreign Currency (Non-Resident) Accounts (Banks) Scheme, to discount usance bills and retain them in their portfolio without resorting to rediscounting. In the case of demand bills [subject to what has been stated in paragraph 2.2.3 (i) above], these may have to be routed through the existing post-shipment credit facility or by way

of foreign exchange loans to the exporters out of the foreign currency balances available with banks in the Schemes *ibid*.

(ii) To facilitate the growth of local market for rediscounting export bills, establishment and development of an active inter-bank market is desirable. It is possible that banks hold bills in their own portfolio without rediscounting. However, in case of need, the banks should also have access to the local market, which will enable the country to save foreign exchange to the extent of the cost of rediscounting. Further, as different banks may be having BAF for varying amounts, it will be possible for a bank which has balance available in its limit to offer rediscounting facility to another bank which may have exhausted its limit or could not arrange for such a facility.

(iii) Banks may borrow from other banks in India if they are not in a position to raise loans from abroad on their own or they do not have branches abroad, subject to the condition that ultimate cost to the exporter should not exceed 0.75 percent above LIBOR/EURO LIBOR/EURIBOR excluding withholding tax. The spread between the borrowing and lending bank is left to the discretion of the banks concerned.

(iv) Banks are also permitted to use foreign currency funds borrowed in terms of para 4.2.(i) of notification No. FEMA 3/2000 RB dated May 3, 2000 as also foreign currency funds generated through buy - sell swaps in the domestic forex market for discounting / rediscounting Export Bills subject to adherence to Aggregate Gap Limit (AGL) approved by RBI (FED).

2.2.5 Facility of Rediscounting 'with recourse' and 'without recourse'

It is recognised that it will be difficult to get 'without recourse' facility from abroad under BAF or any other facility. Therefore, the bills may be rediscounted 'with recourse'. However, if an AD is in a position to arrange 'without recourse' facility on competitive terms, it is permitted to avail itself of such a facility.

2.2.6 Accounting Aspects

(i) The Rupee equivalent of the discounted value of the export bills will be payable to the exporter and the same should be utilised to liquidate the outstanding export packing credit.

(ii) As the discounting of bills/extension of foreign exchange loans (DP bills) will be in actual foreign exchange, banks may apply appropriate spot rate for the transactions.

(iii) The Rupee equivalents of discounted amounts/foreign exchange loan may be held in the bank's books distinct from the existing post-shipment credit accounts.

(iv) There will be no change in the method of crystallization of overdue bills. In case of overdue bills banks may charge 2 percent above the rate of rediscounting of foreign exchange loan from the due date to the date of crystallization.

(v) Interest rate as per RBI interest rate directive for post-shipment credit in Rupees will be applicable from the date of crystallisation.

(vi) In the event of export bill not being paid, it will be in order for the bank to remit the amount equivalent to the value of the bill earlier discounted, to the overseas bank/agency which had discounted the bill, without the prior approval of the RBI.

2.2.7 Restoration of Limits and Availability of Export Benefits such as EEFC Account

As stated in paragraph 2.2.5 above, "Without Recourse" facility may not generally be available. Thus, the restoration of exporter's limits and the availability of export benefits, such as credit to EEFC accounts, in case of "with recourse" facility, will be effected only on realisation of export proceeds and not on the date of discounting/ rediscounting of the bills, However, if the bills are rediscounted "without recourse", the restoration of exporter's limits and availability of export benefits may be given effect immediately on rediscounting.

2.2.8 ECGC Cover

In the case of export bills rediscounted 'with recourse', there will not be any change in the existing system of coverage provided by Export Credit Guarantee Corporation (ECGC) as the liability of the exporter continues till the relative bill is retired/paid. In other cases, where the bills are rediscounted 'without recourse', the liability of ECGC ceases as soon as the relative bills are rediscounted.

2.2.9 Refinance

Banks **will not be eligible** for refinance from the RBI against export bills discounted/rediscounted under the Scheme and as such, the bills discounted/rediscounted in foreign currency should be shown separately from the export credit figures reported for purposes of drawing export credit refinance.

2.2.10 Export Credit Performance

- (i) Only the bills rediscounted abroad 'with recourse' basis and outstanding will be taken into account for the purpose of export credit performance. The bills rediscounted abroad 'without recourse' will not count for the export credit performance.
- (ii) Bills rediscounted 'with recourse' in the domestic market could get reflected only in the case of the first bank discounting the bills as that bank alone will have recourse to the exporter and the bank rediscounting will not reckon the amount as export credit.

3. GOLD CARD SCHEME FOR EXPORTERS

(See Master Circular on "Customer Service, Simplification of Procedures for Delivery of Export Credit and Reporting Requirements")

- 3.1 Gold Card holders will be given preference for grant of packing credit in foreign currency (PCFC).
- 3.2 Gold card holders, on the basis of their track record of timely realisation of export bills, will be considered for issuance of foreign currency credit cards for meeting urgent payment obligations, etc.
- 3.3 Banks may ensure that the PCFC requirements of the Gold Card holders are met by giving them priority over non-export borrowers with regard to granting loans against FCNR(B) funds etc.
- 3.4 Banks will consider granting term loans in foreign currency in deserving cases out of their FCNR(B), RFC, etc. funds. (Banks may not grant such loans from their overseas borrowings under the 25 per cent window or overseas borrow.)
- 3.5 The credit to Indian exporters should be at rates of interest not exceeding LIBOR + 0.75 per cent. In case sufficient dollars are not available with the bank to lend to the exporters at a particular time, service charge at flat rate of 0.1 per cent may be charged by the bank on the inter-bank foreign currency borrowings for the purpose .

4 INTEREST ON EXPORT CREDIT

4.1 Interest Rate Structure on Export Credit in Foreign Currency

In respect of export credit to exporters at internationally competitive rates under the schemes of 'Pre-shipment Credit in Foreign Currency' (PCFC) and 'Rediscounting of Export Bills Abroad' (EBR), banks are permitted to fix the rates of interest with reference to ruling LIBOR, EURO LIBOR or EURIBOR, wherever applicable, as under:

Type of Credit	Interest Rate (percent p.a.)
(i) Pre-shipment Credit	
(a) Upto 180 days	Not exceeding 0.75% over LIBOR/EURO LIBOR/ EURIBOR
(b) Beyond 180 days and upto 360 days	Rate for initial period of 180 days prevailing at the time of extension plus 2.0 per centage points i.e. (i) (a) above + 2.0 %
(ii) Post-shipment Credit	
(a) On demand bills for transit period (as specified by FEDAI)	Not exceeding 0.75% over LIBOR/EURO LIBOR/ EURIBOR
(b) Against usance bills(credit for total period comprising usance period of export bills, transit period as specified by FEDAI and grace period wherever applicable)	
Upto 6 months from the date of shipment	Not exceeding 0.75% over LIBOR/EURO LIBOR/ EURIBOR
(c) Export bills (demand or usance) realised after due date but upto date of crystallisation	Rate for (ii) (b) above plus 2.0 percentage points
(iii) Export Credit Not Otherwise Specified (ECNOS)	
(a) Pre-shipment credit	Free [@]
(b) Post-shipment credit	Free [@]

[@] Banks are free to decide the rate of interest being rupee credit rate keeping in view the PLR and spread guidelines.

**Master Circular
EXPORT CREDIT IN FOREIGN CURRENCY**

List of Circulars consolidated by the Master Circular

No.	Circular No.	Date	Subject
1.	IECD No.12/ 04.02.02/ 2003-04	18.5.2004	Gold Card Scheme for Exporters
2.	IECD No. 12/04.02.02/2002-03	31.1.2003	Export Credit in Foreign Currency-Sources of funds
3.	IECD No. 9/04.02.02/2002-03	31.10.2002	Export Credit – Liquidation of Packing Credit and conversion of drawals under rupee packing credit into PCFC.
4.	IECD.No.21/04.02.01/2001-02	29.04.2002	Interest Rates on Export Credit in Foreign Currency
5.	IECD.No.14/04.02.01/2000-01	19.04.2001	Interest Rates on Export Credit in Foreign Currency
6.	IECD.No.13/04.02.02/1999-2000	17.05.2000	Pre-shipment Credit in Foreign Currency(PCFC) to Exporters Operating under Diamond Dollar Account Scheme
7.	IECD.No.47/3840/04.02.01/97-98	11.06.98	Export Credit in Foreign Currency
8.	IECD.No.28/04.02.01/96-97	17.04.97	Extension of Facility of Pre-shipment Credit in Foreign Currency (PCFC)
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10.	IECD.No.15/04.02.15/95-96	22.12.95	Exports to Asian Clearing Union Countries - Granting of Export Credit in Foreign Currency under Pre-shipment Credit in Foreign Currency (PCFC), and Export Bills Rediscounting Scheme (EBR)
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