



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

**RBI/2013-14/132**

**July 11, 2013**

**A.P. (DIR Series) Circular No.9**

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Trade Credits for Imports into India – Review of all-in-cost ceiling**

Attention of Category-I Authorized Dealer banks is invited to the [A.P. \(DIR Series\) Circular No. 98 dated April 09, 2013](#) relating to all-in-cost ceiling of Trade Credits for imports into India.

2. On a review it has been decided that the all-in-cost ceiling as specified under paragraph 4 of [A.P. \(DIR Series\) Circular No.28 dated September 11, 2012](#) will continue to be applicable till September 30, 2013 and is subject to review thereafter.

**3. It has also been decided that for availment of trade credit, the period of trade credit should be linked to the operating cycle and trade transaction. AD banks may ensure that these instructions are strictly complied with.**

4. All other aspects of Trade Credit policy remain unchanged. Category-I AD banks may bring the contents of this circular to the notice of their constituents and customers.

5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully

**(Rudra Narayan Kar)**  
**Chief General Manager-in-Charge**