Interest Rate Surcharge on Import Finance

IECD.No. 8 / 08.14.01/2000-01

January 5, 2001

The Chairmen/ Chief Executives
of commercial banks

Dear Sirs,

Interest Rate Surcharge on Import Finance

Please refer to our circular IECD. No.16/08.14.01/99-2000 dated May 25, 2000 regarding introduction of the levy of the interest rate surcharge on import finance. On a review of the current situation, it has been decided to withdraw the interest rate surcharge on import finance effective January 6, 2001. Accordingly, fresh drawals as well as outstanding bank credit towards import finance will not be subject to the interest rate surcharge as from the said date.

2. In view of the above, paragraph 13 B.I.7 contained in the Manual of Instructions issued by RBI (DBOD, DBS and IECD) may please be treated as cancelled.

3. Please acknowledge receipt.

Yours faithfully,

(S.S.Gangopadhyay)
Chief General Manager