Interest Rate on Export Credit

DBS. FID. No. C 17/ 01.02.00 /2000-01

February 10 , 2001

The Chairmen / Chief Executives of
All India Term Lending and Refinance Institutions

Dear Sir,

<u>Interest Rate on Export Credit</u>

Please refer to our circular DBS.FID. No. 19 / 02.01.00 /1999-2000 dated 26 May 2000 on the captioned subject. On a review of the current situation, the banks have been advised that the prescription of interest at 25 per cent per annum (minimum) in respect of overdue export bills would stand withdrawn effective from January 6 , 2001 and banks would be free to decide the rate to be charged keeping in view their PLR and spread guidelines. The revision in the rate of interest as above with effect from January 6, 2001 would be applicable not only to fresh advances but also to the existing advances for the remaining period. However, the present instructions for ensuring that there is no deliberate attempt to delay repatriation of export receipts will remain in force. You are also advised to follow the instructions wherever applicable.

2. Please acknowledge receipt.

Yours faithfully,
(K.C.Bandyopadhyay)
Chief General Manager