



INDIAN INDUSTRIES ASSOCIATION

AN APEX BODY OF MICRO, SMALL & MEDIUM ENTERPRISES
(IN THE SERVICE OF MSME SINCE 1985)

IIA Members,

Dear All,

Further Reserve Bank of India has issued a circular to all scheduled banks in this connection the government of India has decided to extend interest rate subvention of 2% on rupee export credit with effect from 1st April 2012 to 31st March 2013 on the same terms and conditions and Readymade garments has been included.

Accordingly, banks may reduce the interest rate chargeable to the exporters as per base rate system in the above mentioned sector eligible for export credit subvention by the amount of subvention available subject to a floor rate of 7%.

Attached is the circular to this effect and also procedure for claiming Interest rate subvention of 2 %.

Thanks & Best Regards

RAJEEV BANSAL

Chairman International Business Promotion

Indian Industries Association

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भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2011-12/608

DBOD.Dir.(Exp).BC.No. 112 /04.02.001/2011-12

June 19, 2012

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir / Madam,

Rupee Export Credit Interest Rates

Please refer to our [circular DBOD.Dir.\(Exp\).BC.No.38/04.02.001/2011-12 dated October 11, 2011](#) extending the scheme of interest subvention of 2% from April 1, 2011 to March 31, 2012 on pre and post shipment rupee export credit for certain employment oriented export sectors.

2. In this connection, the Government of India has decided to extend interest subvention of 2% on rupee export credit with effect from April 1, 2012 to March 31, 2013 on the same terms and conditions to the following sectors :

- i. Handicrafts
- ii. Carpet
- iii. Handlooms
- iv. Small and Medium Enterprises (SMEs) (as defined in Annex)
- v. Readymade Garments
- vi. Processed Agriculture Products
- vii. Sport Goods
- viii. Toys

3. Accordingly, banks may reduce the interest rate chargeable to the exporters as per Base Rate system in the above mentioned sectors eligible for export credit subvention by the amount of subvention available subject to a floor rate of 7%. Banks may ensure to pass on the benefit of 2% interest subvention completely to the eligible exporters.

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

Department of Banking Operations and Development, Central Office, 13th floor, NCOB, Shahid Bhagat Singh Marg, Mumbai - 400001

/Tel No: 91-22-22601000 / Fax No: 91-22-22701241 Email ID:cgmicdbodco@rbi.org.in

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4. A directive No. DBOD.Dir.(Exp).BC.No.111 /04.02.001/2011-12 dated June 19, 2012 issued in this regard is enclosed.

5. The procedure for claiming subvention is as follows :

i) The amount of subvention would be reimbursed on the basis of claim submitted as at the end of respective quarters in the format enclosed.

ii) The amount of subvention will be calculated on the amount of export credit from the date of disbursement

a. up to the date of repayment; or

b. up to the date beyond which the outstanding export credit becomes overdue.

iii) The claims should be accompanied by an External Auditor's Certificate certifying that the claims for subvention of Rs.....for the respective quarter is true and correct. Settlement of the claim will be done only on receipt of this certificate.

iv) Claims may be submitted in the enclosed format to the Chief General Manager-in-Charge, Department of Banking Operations and Development, Reserve Bank of India, Central Office, 13th floor, Shahid Bhagat Singh Marg, Fort, Mumbai – 400001, **within one month from the end of the respective quarters.**

v) In case no interest subvention is paid for any quarter/s, a NIL statement may be submitted.

Yours faithfully,

(Deepak Singhal)

Chief General Manager-in-Charge

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

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Format

Rupee Export Credit for the period from April 1, 2012 to March 31, 2013

Claim for the quarter ended.....

Category of Exporters		Total Rupee export credit granted at or above Base Rate	Amount of subvention claimed (rounded off to the nearest rupee)
(1)		(2)	(3)
(i)	Handicrafts		
(ii)	Carpets		
(iii)	Handlooms		
(iv)	Readymade Garments		
(v)	Processed Agriculture Products		
(vi)	Sport Goods		
(vii)	Toys		
(viii)	Small & Medium Enterprises (SME)*		
Total			
* As defined in the Annex.			

We certify having charged interest rates on the above loans at or above Base Rate by way of Rupee export credit to the eligible exporters as stated in the [RBI circular No. DBOD.Dir.\(Exp\).BC.No.115/04.02.001/2009-10 dated June 29, 2010](#) and DBOD.Dir.(Exp).BC.No.112 /04.02.001/2011-12 dated June 19, 2012 during the period to

(Name and stamp of Authorised Signatory)

Dated :

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

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DBOD.Dir.(Exp).BC.No.111 /04.02.001/2011-12

June 19, 2012

Interest Rates on Rupee Export Credit

In exercise of the powers conferred by Sections 21 and 35 A of the Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, in partial modification of directive [DBOD. Dir.\(Exp\).BC. No .37/04.02.001/2011-12 dated October 11, 2011](#), hereby notifies as under :

It has been decided to extend the coverage of the interest subvention scheme for the period April 1, 2012 to March 31, 2013 to the following sectors on the same terms and conditions.

- i. Handicrafts
- ii. Carpet
- iii. Handlooms
- iv. Small and Medium Enterprises (SMEs) (as defined in Annex)
- v. Readymade Garments
- vi. Processed Agriculture Products
- vii. Sport Goods
- viii. Toys

(B. Mahapatra)
Executive Director

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

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