



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
[www.rbi.org.in](http://www.rbi.org.in)

RBI/2011-12/246

UBD.BPD (AD) Cir.No.3/13.05.000/2011-12

November 3, 2011

The Chief Executive Officer  
Scheduled Primary (Urban) Co-operative Banks  
(holding AD Category I licence)

Madam / Dear Sir

**Interest Rates on Rupee Export Credit -UCBs**

Please refer to [circular UBD.BPD.\(PCB\) Cir. No. 5/13.05.000/2010-11 dated January 11, 2011](#) extending the interest subvention on rupee export credit on specified export sectors till March 31, 2011.

2. Government of India has decided to extend interest subvention of 2% on rupee export credit on specified export sectors from April 1, 2011 to March 31, 2012. Accordingly, the interest subvention on pre-shipment and post-shipment rupee export credit is extended from April 1, 2011 to March 31, 2012 on the same terms and conditions as mentioned in our circular dated January 11, 2011 for the following sectors.

- (i) Handicrafts
- (ii) Handlooms
- (iii) Carpet
- (iv) Small and Medium Enterprises (SMEs) (as defined in Annex I)

3. A Directive UBD.BPD.Dir. (Exp). No.1/13.05.000/2011-12 dated November 3, 2011, issued in this regard, is enclosed.

4. Claims for re-imburement of subvention amount may be submitted to the Chief General Manager-in-Charge, Urban Banks Department, Reserve Bank of India, Central

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंज़िल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत  
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Urban Banks Department, Central Office, Garment House, 1 Floor, Dr.A.B.Road, Worli, Mumbai - 400018, India  
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Office, Garment House, Worli, Mumbai 400 018 on a quarterly basis starting from quarter ended June 30, 2011 in the format as per Annex II. The amount of subvention will be calculated on the outstanding amount of rupee export credit from the date of disbursement up to the date of repayment or up to the date on which the outstanding export credit becomes overdue, whichever is earlier. The claims should be accompanied by an External Auditor's Certificate certifying that the claim for subvention of Rs. .... for the period ..... (specify the quarter) is true and correct. Settlement of the claim will be done only on receipt of this certificate.

Yours faithfully

(A. Udgata)  
Chief General Manager- in- Charge

Encl: as above



## **Annex -I**

### **Definition of SME**

Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:

**(i)** A micro enterprise is an enterprise where investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O.1722 (E) dated October 5, 2006) does not exceed Rs. 25 lakh;

**(ii)** A small enterprise is an enterprise where the investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O.1722 (E) dated October 5, 2006) is more than Rs. 25 lakh but does not exceed Rs. 5 crore; and

**(iii)** A medium enterprise is an enterprise where the investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O.1722 (E) dated October 5, 2006) is more than Rs. 5 crore but does not exceed Rs. 10 crore.



## Annex II

**Rupee Export Credit for the period from \_\_\_\_\_ to \_\_\_\_\_**

(to be submitted quarterly starting from quarter ended June 30, 2011)

(Pre-shipment Rupee Export Credit and  
Post –shipment Rupee Export Credit)

(Amount in Rs.)

Category of Exporters	Total Rupee Export Credit granted at 2% less than the rates charged for other categories of Exporters	Amount of Subvention Claimed
(1)	(2)	(3)
(i) Handicrafts		
(ii) Handlooms		
(iii) Carpet		
(iv) Small & Medium Enterprises (SME) (as defined in Annex I)		
<b>Total</b>		

NB: Amount of subvention should be rounded off to the nearest rupee.

We certify having charged interest on the above loans at interest rates that are 2% below those charged for other categories of exporters by way of export credit to the eligible exporters as stated in the RBI Circular No. UBD.BPD (AD) Cir. No.3 /13.05.000/2011-12 dated November 3, 2011 during the period \_\_\_\_\_to \_\_\_\_\_.

Dated : \_\_\_\_\_

Sd/-

Name and Designation of Authorised Signatory



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RESERVE BANK OF INDIA

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UBD.BPD.Dir. (Exp). No. 1 /13.05.000/2011-12

November 3, 2011

**Interest Rates on Rupee Export Credit**

In exercise of the powers conferred by Section 21 and 35A of the Banking Regulation Act,1949 read with Section 56 and in partial modification of its Directive UBD.BPD.Dir.(Exp).No.2/13.05.000/2010-11 dated December 28, 2010, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that, with effect from April 01, 2011 up to March 31, 2012 scheduled primary (urban) co-operative banks holding AD category I licence will charge, for specified export sectors, interest at 2 percentage point below the interest rates charged from exporters in other categories of export sector, on the outstanding amount of rupee export credit from the date of disbursement up to the date of repayment or up to the date on which the outstanding rupee export credit becomes overdue, whichever is earlier.

**Specified Sectors**

- (i) Handicrafts
- (ii) Handlooms
- (iii) Carpet
- (iv) Small and Medium Enterprises (SME) (as defined in Annex I)

(S Karuppasamy)  
Executive Director

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेंट हाऊस, पहली मंज़िल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत  
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## **Annex - I**

### **Definition of SME**

Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:

**(i)** A micro enterprise is an enterprise where investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O.1722 (E) dated October 5, 2006) does not exceed Rs. 25 lakh;

**(ii)** A small enterprise is an enterprise where the investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O.1722 (E) dated October 5, 2006) is more than Rs. 25 lakh but does not exceed Rs. 5 crore; and

**(iii)** A medium enterprise is an enterprise where the investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O.1722 (E) dated October 5, 2006) is more than Rs. 5 crore but does not exceed Rs. 10 crore.