

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4859
ANSWERED ON:07.08.2009
URBAN CO OPERATIVE BANKS
Kalmadi Shri Suresh;Rao Shri Sambasiva Rayapati

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has directed the Urban Co-operative Banks to charge two percentage points less interest rate from exporters; and

(b) if so, the details thereof alongwith the name of sectors which are eligible for said interest rate under the scheme?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): In view of the interest subvention facility extended by the Government of India in respect of rupee pre-shipment credit upto 270 days and Post shipment credit upto 180 days to certain specified export sectors, Scheduled Urban Cooperative Banks (UCBs) holding Authorised Dealer Category-I licences, which are extending such rupee export credit, have been advised to charge interest at 2% point below the interest rates charged from exporters in other categories of export sectors for the same period. The subvention is available on the outstanding amount of credit for the period from June 1, 2009 to September 30, 2009. Banks have been advised to ensure that the benefit of 2% interest subvention is passed on completely to the eligible exporters.

The eligible sectors are:

Textiles (including Handloom), Handicrafts, Carpets, Leather, Gems and Jewellery, Marine Products, and Small & Medium Enterprises.