

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2339  
ANSWERED ON:07.12.2012  
RELIEF TO EXPORTERS  
Pradhan Shri Nityananda

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government has any proposal to provide relief to exporters by way of charging a lower rate of interest on loans to be granted to them by the banks; and

(b) if so, the details thereof including additional financial and other incentives and facilities that are proposed to be granted to them to boost exports?

**Answer**

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

(a) & (b) Following the deregulation of interest rates on export credit the rate of interest to be charged to exporters is now left to the commercial judgment of the banks. Guidelines on grant of timely, adequate and hassle free flow of export credit have been issued to all Scheduled Commercial Banks vide Reserve Bank of India Master circular on Rupee/Foreign Currency Export Credit and Customer Service to Exporters dated 02.07.2012.

However, to provide relief to labour intensive sectors the Government of India has extended interest subvention of 2% on pre and post shipment rupee export credit in the following sectors w.e.f. April 1, 2012 to March 31, 2013 on the same terms and conditions.

1. Handicraft
2. Carpets
3. Handlooms
4. Small and Medium Enterprises (SMES)
5. Readymade Garments
6. Processed Agriculture Products
7. Sport Goods
8. Toys.

Further, in view of the difficulties faced by exporters on account of the weakening of external demand, RBI has taken following measure;

(i) period of realization and repatriation to India of the amount representing the full export value of goods or software was enhanced from 6 months to 12 months;

(ii) AD Category-I banks have been permitted to allow exporters to receive advance payment for export of goods which would take more than one year for manufacture shipping;

(iii) powers have been delegated to A.D. category-I banks to open and maintain Diamond Dollar Accounts by Diamond exporters with them with relaxed norms and so on.