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Title : Alleged discrimination meted out to Urban Cooperative Banks in providing benefits of interest under the Subvention Scheme.

SHRI ADHALRAO PATIL SHIVAJI (SHIRUR): Mr. Chairman, Sir, I wish to draw the attention of this House towards an important issue pertaining to the discriminatory treatment with Urban Cooperative Banks for giving the benefit of interest under the Subvention Scheme.

As per the guidelines of the Reserve Bank of India, all Commercial Banks and Urban Cooperative Banks having A.D. Cat. 1 license are eligible to extend export finance to the exporters at a concessional rate. The Ministry of Finance, Government of India, through Reserve Bank of India, also provides subsidy in the form of interest subvention of 2 per cent over and above the concessional rate for exporters and specified sectors and hence, export finance is thereby made available at a cheaper rate of 7 per cent. Accordingly, since June, 2009, all Urban Cooperative Banks, who are dealing in foreign exchange work, were made eligible for getting the benefit of interest under the Subvention Scheme.

All these banks have submitted their quarterly claims with the Reserve Bank of India for the last three quarters, after giving concession to the exporters. The total amount of claim of all Urban Cooperative Banks together is Rs. 4.81 crore approximately is yet to be settled by the Reserve Bank. Reserve Bank of India is yet to receive this subsidy amount from the Ministry of Finance and Ministry of Commerce. Similarly, the scheme has already been extended to Commercial Banks from April, 2010 onwards up to March, 2011. However, discriminatory treatment is being meted out to the Urban Cooperative Banks and the scheme is yet to be extended to Urban Cooperative Banks from April, 2010 onwards.

I urge upon the Government to remove these discrimination and extend the scheme to Urban Cooperative Banks also upto March, 2011 as is done in the case of Commercial Banks so that the exporter clients of these banks will be benefited.

I also urge upon the Government to arrange to release the subsidy amount of all the Urban Cooperative Banks immediately.