



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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RBI/2010-11/367

UBD.BPD.(PCB) Cir. No 5/13.05.000/2010-11

January 11, 2011

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

Dear Sir / Madam,

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

Please refer to circular [UBD.CO.BPD.Cir.No.1/13.05.000/2009-10 dated September 16, 2009](#) extending the interest subvention on rupee export credit to specified export sectors till March 31, 2010.

2. It has been decided to extend interest subvention of 2% on pre-shipment rupee export credit upto 270 days and post shipment rupee export credit upto 180 days on the specified export sectors / sub-sectors with effect from April 1, 2010 to March 31, 2011.

**Specified Sectors / Sub-sectors:**

- (i) Handicrafts
- (ii) Carpets
- (iii) Handlooms
- (iv) Small and Medium Enterprises (SME) (as defined in Annex I)
- (v) Leather and Leather Manufactures (specified sub-sectors only)
- (vi) Jute Manufacturing including Floor Covering (specified sub-sectors only)
- (vii) Engineering Goods (specified sub-sectors only)
- (viii) Textiles (specified sub-sectors only)

Details of specified sub-sectors are furnished in Annex II.

3. A Directive No.UBD.BPD.Dir.(Exp).No.2/13.05.000/2010-11 dated December 28, 2010, issued in this regard, is enclosed.

शहरी बैंक विभाग, केन्द्रीय कार्यालय, गारमेंट हाउस, पहली मंजिल, वरली, मुंबई - 400 018  
फोन: 022 - 2493 9930 - 49, फैक्स: 022 - 2497 4030 / 2492 0231, ई मेल: rbiubdco@rbi.org.in

Urban Banks Department, Central Office, 1 Floor, Garment House, Worli, Mumbai - 400 018  
Phone: 022 - 2493 9930 - 49, Fax: 022 - 2497 4030 / 2492 0231, Email: rbiubdco@rbi.org.in

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4. Claims for re-imbusement of subvention amount may be submitted to the Chief General Manager-in-Charge, Urban Banks Department, Reserve Bank of India, Central Office, Garment House, Worli, Mumbai - 400 018 on a quarterly basis starting from quarter ended June 30, 2010 in the format as per Annex III. The amount of subvention will be calculated on the amount of export credit from the date of disbursement up to the date of repayment or up to the date beyond which the outstanding export credit becomes overdue i.e. for pre-shipment credit up to 270 days and post-shipment credit up to 180 days, whichever is earlier. The claims should be accompanied by an 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

(Uma Shankar)  
Chief General Manager



## 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.

**LIST OF SECTORS/SUB-SECTORS ON WHICH INTEREST SUBVENTION IS TO BE EXTENDED**

Sl. No.	Major Item Group	Principal Commodity		Commodity	
		Code	Description	HS code	Description
1	Leather & Leather manufactures	42	LEATHER GOODS	42032910	GLOVES FOR USE IN INDUSTRY
2	Jute Mfg. including Floor Covering	51	JUTE YARN	53072000	MULTIPLE FOLDED OR CABLED YARN OF JUTE
3	Engineering Goods	63	FERRO ALLOYS	72021100	FERO-MANGANESE, CARBON CONTNG>2% BY WEIGHT
4	Engineering Goods	65	NON-FERROUS METALS	74081190	OTHER COPPR WIRE WTH MAX CRS-SEC DIAMTR>6MM
5	Engineering Goods	66	MANUFACTURES OF METALS	73042990	OTHER
6	Engineering Goods	66	MANUFACTURES OF METALS	73049000	OTHER SEALMESS TUBES/PIPES AND HOLOW PROFILES
7	Engineering Goods	66	MANUFACTURES OF METALS	73051129	NON-GALVAN PIPE OF OTHER FOR OIL OR GAS LONGITUDINALLY SUBMERGED ARC WELDED
8	Engineering Goods	66	MANUFACTURES OF METALS	73069019	ERW PRECISION OTHER TUBES MADE UP OF OTHER
9	Engineering Goods	66	MANUFACTURES OF METALS	73072100	FLANGES OF STAINLESS STEEL
10	Engineering Goods	66	MANUFACTURES OF METALS	73079190	NON-GALVANISED
11	Engineering Goods	66	MANUFACTURES OF METALS	73084000	PROPS & SMLR EQUIPMENT FOR SCAFFOLDING, SHUTTERING OR PIT-PROPPING
12	Engineering Goods	66	MANUFACTURES OF METALS	73121020	WIRE ROPES,GALVANISED
13	Engineering Goods	66	MANUFACTURES OF METALS	73181500	OTHER SCREWS & BOLTS W/N WITH NUTS OR WASHERS THREADED
14	Engineering Goods	66	MANUFACTURES OF METALS	73251000	OTHER ARTCLES OF NON-MALLEABLE CAST IRON
15	Engineering Goods	66	MANUFACTURES OF METALS	73259910	OTHER CAST ARTCLES OF IRON MALLEABLE
16	Engineering Goods	66	MANUFACTURES OF METALS	73259920	OTHER CAST ARTCLES ALLOY STEEL MALLEABLE
17	Engineering Goods	66	MANUFACTURES OF METALS	73259930	OTHER CAST ARTLS STAINLESS STEEL MALLEABLE
18	Engineering Goods	66	MANUFACTURES OF METALS	73261990	OTHERS OF OTHER ARTICLES OF FORGED OR STAMPED BUT NOT FURTHER WORKED
19	Engineering Goods	66	MANUFACTURES OF METALS	76061200	RECTNGLR (INCL SQR) PLTS ETC. OF ALNM ALLYS
20	Engineering Goods	66	MANUFACTURES OF METALS	76141000	STRANDED WIRE, CBLS ETC WTH STEEL CORE

21	Engineering Goods	66	MANUFACTURES OF METALS	76149000	OTHER STRNDED WIRE, CBLS PLAITD BNDS ETC
22	Engineering Goods	67	MACHINE TOOLS	84669390	OTHER PRTS ACCSSRS, ATTCHMNT FR MACHN-TOOL
23	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84089090	OTHERS
24	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84159000	PARTS OF THE AIR CONDITIONING MACHINES ETC
25	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84198990	OTHERS
26	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84199090	PRTS OF MCHNRY PLNT & SMLR LBRTRY EQPMNT & OF INSTNTNS/STORG WTR HEATRS (EXCL DOMSTC TYPE) FALLING WTHN HDGNO.8419
27	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84818030	INDUSTRIAL VALVES (EXCL PRESSURE-REDUCING VALVES, & THRMSTCLY CONTRLLD VALVES)
28	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84818090	OTHERS
29	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84829900	OTHER BALL/RLR BEARNG PARTS
30	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84879000	OTHR MCANRY PARTS OF THE HEADING 8485
31	Engineering Goods	68	MACHINERY AND INSTRUMENTS	85021100	GERTNG SETS WTH CMPRSSN IGNTN INTRNL CMBSTN PSTN ENGS (DIESEL/SEMI-DIESEL ENGS) OF AN OUTPUT NT EXCDNG 75 KVA
32	Engineering Goods	68	MACHINERY AND INSTRUMENTS	85023100	OTHE GENERATING SETS; WIND POWERED
33	Engineering Goods	68	MACHINERY AND INSTRUMENTS	85030010	PARTS OF GENERATORS (AC/DC)
34	Engineering Goods	68	MACHINERY AND INSTRUMENTS	85030029	PARTS OF ELECTRC MTRS OTHR THN DC
35	Engineering Goods	68	MACHINERY AND INSTRUMENTS	85444999	OTHR ELCTRC CNDCTRS FOR A VOLTAGE <=80V NOT FITTED WITH CONNECTORS
36	Engineering Goods	68	MACHINERY AND INSTRUMENTS	85446090	OTHR ELCTRC CNDCTRS FR A VLTG EXCDG 1000 V
37	Engineering Goods	68	MACHINERY AND INSTRUMENTS	90189099	OTHR SRGCL INSTRMNTS & APPLNCS (INCL VTRNRY)
38	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84219900	OTHR PARTS OF FLTRNG/PURFYNG MCHNRY
39	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84314990	PRTS OF OTHR MACNRY OF HD 8426, 8429, 8430
40	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84831099	OTHER TRNSMSN SHFT (INCL CAM & CRNK SHFT)
41	Engineering Goods	68	MACHINERY AND INSTRUMENTS	84834000	GRARS & GRARNG, EXCL TOOTHD WHEELS, TRNSMSN ELMNTS PRSNTD SEPRTRY; BALL SCRWS; GEAR BOXES & SPEED CHNGRS, INCL TORQUE CNVRTRS
42	Engineering Goods	69	TRANSPORT EQUIPMENTS	87019010	OTHER TRACTORS OF ENGN CAPACITY <=1800 CC
43	Engineering Goods	69	TRANSPORT EQUIPMENTS	87021099	OTHR VHCLS (>13 PERFONS) WTH CMPRSN-IGNTN INTRNL CMBSTN PISTON ENGINE
44	Engineering Goods	69	TRANSPORT EQUIPMENTS	87084000	GEAR BOXES
45	Engineering Goods	69	TRANSPORT EQUIPMENTS	89019000	OTHR VSSLS FOR TRANSPRT OF GOODS & OTHR

					VSSLS FOR TRANSPRT OF PERSONS & GOODS
46	Engineering Goods	69	TRANSPORT EQUIPMENTS	89040000	TUGS AND PUSHER CRAFT
47	Engineering Goods	69	TRANSPORT EQUIPMENTS	89059090	OTHER UNDER HDNG 8905
48	Engineering Goods	71	IRONnSTL BAR/ROD ETCnFRRO ALOY	72222011	BRIGHT BARS- CHROMIUM TYPE
49	Engineering Goods	71	IRONnSTL BAR/ROD ETCnFRRO ALOY	72222012	BRIGHT BARS- NCKL CHROMIUM AUSTENITIC TYPE
50	Engineering Goods	72	PRMRY & SEMI-FNSHD IRON & STL	72082510	PLATES OF FLAT-ROLD PRDCTS IN COILS OF A THCKNS>=4.75MM ONLY HT-ROLD, PICKLD
51	Engineering Goods	72	PRMRY & SEMI-FNSHD IRON & STL	72083990	OTHR FLAT-ROLD PRDCTS IN COILS OF A THCKNS>3MM HOT-ROLD, EXCL.PICKL
52	Engineering Goods	72	PRMRY & SEMI-FNSHD IRON & STL	72091830	STRIPS OF FLT RLD PRDCTS IN COILS NT FRTHRWRKD THN COLD RLD OF THCKNS<0.5 MM
53	Engineering Goods	72	PRMRY & SEMI-FNSHD IRON & STL	72104900	OTHR PRDCTS OF IRON/NON-ALLOY STEEL OTHERWISE PLTD/COTD WTH ZINC
54	Engineering Goods	72	PRMRY & SEMI-FNSHD IRON & STL	72106100	FLT-RLD PRDCTS OF IRON/NON ALOY STL PLTD OR COTD WTH ALUMINIUM ZINC ALLOYS
55	Engineering Goods	72	PRMRY & SEMI-FNSHD IRON & STL	72193490	COLD ROLD PRDCTS OF STAINLESS STEEL OF A THCKNS>=0.5 MM BUT<1MM OF OTHR TYPES
56	Engineering Goods	72	PRMRY & SEMI-FNSHD IRON & STL	72071920	MILD STEEL (M.S.)BILLETS
57	Textiles	76	COTTON YARN, FABRICS, MADEUPSETC	52052290	OTHERS
58	Textiles	76	COTTON YARN, FABRICS, MADEUPSETC	63049250	TERRY TOWEL OF COTN, NTKNTD/CRCHTD
59	Textiles	78	MANMADE YARN, FABRICS, MADEUPS	54071019	UNBLECHD OTHR POLYSTER FABRICS
60	Textiles	80	RMG COTTON INCL ACCESSORIES	61051010	COTTON SHIRTS, HAND CROCHETED
61	Textiles	80	RMG COTTON INCL ACCESSORIES	61082100	BRIEFS AND PANTIES OF COTTON
62	Textiles	80	RMG COTTON INCL ACCESSORIES	62031910	SUITS OF COTTON
63	Textiles	84	RMG OF OTHR TEXTILE MATRL	61041990	SUITS OF WOOL/FINE ANML HAIR
64	Textiles	84	RMG OF OTHR TEXTILE MATRL	61069090	BLOUSES ETC OF OTHER FIBRES



### Annex III

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

(to be submitted quarterly starting from quarter ended June 30, 2010)

(Pre-shipment Export Credit up to 270 days and  
Post-shipment Export Credit up to 180 Days)

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) Carpets		
(iii) Handlooms		
(iv) Small and Medium Enterprises (SME) (as defined in <u>Annex I</u> )		
(v) Leather and Leather Manufactures		
(vi) Jute Manufacturing including Floor covering		
(vii) Engineering Goods		
(viii) Textiles		
Total		

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.PCB.Cir.No.\_\_\_\_/13.05.000/2010-11 dated December \_\_\_\_, 2010 during the period \_\_\_\_\_ to \_\_\_\_\_.

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

Sd/-

Name and Designation of Authorised Signatory



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[www.rbi.org.in](http://www.rbi.org.in)

UBD.BPD.Dir.(Exp).No. 2 /13.05.000/2010-11

December 28, 2010

**Interest Rates on Rupee Export Credit**

In exercise of the powers conferred by Sections 21 and 35A of the Banking Regulation Act, 1949 (AACS), 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, 2010 upto March 31, 2011 scheduled primary (urban) co-operative banks holding AD category I licence will charge, for specified export sectors / sub-sectors, interest at 2 percentage points below the interest rates charged from exporters in other categories of export sector, for the outstanding amount of rupee pre-shipment export credit up to 270 days and post-shipment export credit up to 180 days.

**Specified Sectors / Sub-sectors:**

- (i) Handicrafts
- (ii) Carpets
- (iii) Handlooms
- (iv) Small and Medium Enterprises (SME) (as defined in Annex I)
- (v) Leather and Leather Manufactures (specified sub-sectors only)
- (vi) Jute Manufacturing including Floor covering (specified sub-sectors only)
- (vii) Engineering Goods (specified sub-sectors only)
- (viii) Textiles (specified sub-sectors only)

Details of specified sub-sectors are furnished in Annex II.

**(V. K. Sharma)**  
Executive Director

शहरी बैंक विभाग, केन्द्रीय कार्यालय, गारमेट हाउस, पहली मंजिल, वरली, मुंबई - 400 018  
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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
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