

October 6, 2007

To
All Scheduled Commercial Banks
(excluding RRBs)

Dear Sirs,

Rupee Export Credit Interest Rates – Extension of period & widening of coverage of sectors

Please refer to our circular DBOD.Dir.(Exp.)No.22/04.02.01/2007-08 dated July 13, 2007 on the captioned subject regarding provision of interest subvention of 2 percentage points p.a. to all scheduled commercial banks in respect of rupee export credit to the specified categories of exporters, with effect from April 01, 2007 up to December 31, 2007. In partial modification thereof it has been decided by the Government as under:

1. To extend the scheme by three months upto March 31, 2008.
2. To extend the coverage of the interest subvention scheme. The new list would be as follows:

Sector

- I.
 - (i) Textiles (including Handlooms, **jute and carpets**)
 - (ii) Readymade Garments
 - (iii) Leather Products
 - (iv) Handicrafts
 - (v) Engineering Products
 - (vi) Processed Agricultural Products (**including processed cashew, coffee and tea**)
 - (vii) Marine Products
 - (viii) Sports Goods
 - (ix) Toys
 - (x) Solvent Extracted De-oiled cake**
 - (xi) Plastics & Linoleum**
- II. All exporters from the SME Sector as defined in the above mentioned circular dated July 13, 2007.

(The additions have been indicated above in bold letters)

A directive No. DBOD.Dir.(Exp).BC.No. 34A /04.02.01/2007-08 dated October 6, 2007 issued in this regard is enclosed.

Other instructions contained in our circular dated July 13, 2007 remain unchanged.

Yours faithfully,

(P.Vijaya Bhaskar)
Chief General Manager

Interest Rates on Rupee Export Credit

In exercise of the powers conferred by Sections 21 and 35 A of the Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, in partial modification of directive DBOD. Dir. (Exp).BC. No. 21/04.02.01/2007-08 dated July 13, 2007. hereby notifies as under.

1. The directions contained therein, would continue to be in effect up to March 31, 2008.
2. It has been decided to extend the coverage of the interest subvention scheme . The new list would be as follows.

Sector

- I.
 - (i) Textiles (including Handlooms, **jute and carpets**)
 - (ii) Readymade Garments
 - (iii) Leather Products
 - (iv) Handicrafts
 - (v) Engineering Products
 - (vi) Processed Agricultural Products (**including processed cashew, coffee and tea**)
 - (vii) Marine Products
 - (viii) Sports Goods
 - (ix) Toys
 - (x) Solvent Extracted De-oiled Cake**
 - (xi) Plastics & Linoleum**

- II. All exporters from the SME Sector.

(The additions have been indicated above in bold letters)

(Anand Sinha)
Executive Director