



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2009-10/121

DBS.CO.IPC.BC.3/12.01.001/2009-10

August 14, 2009

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir / Madam,

Rupee Export Credit - Interest Rate Subvention

As you are aware, the scheme of providing interest rate subvention to all scheduled commercial banks in respect of rupee export credit to specified categories of exports was formulated by Government of India and the operative instructions in this regard have been issued by Reserve Bank of India. In this connection, we invite your attention to para 4.3 of the [Master Circular DBOD.No.DIR.\(Exp\).BC.07/04.02.02/2009-10 dated July 1, 2009](#), which requires banks to pass on the benefit of 2 percent / 4 percent interest subvention completely to the eligible exporters upfront and submit the claims to RBI for reimbursement duly certified by the independent auditor. However, it has come to our notice that the benefit of subvention by reducing the interest rates upfront as envisaged under the scheme has not been passed on to the exporters by some banks or there has been delay, even though the banks have furnished certificates, while claiming subvention that they have disbursed the loans at the reduced rates to the eligible exporters.

2. In view of the above, banks are advised to ensure strict adherence to the extant instructions and initiate corrective measures to ensure strict compliance to the guidelines. Further, the banks may examine the wrong certification, if any, by the auditors and take appropriate action under advice to us.

Yours faithfully,

(S.Karuppasamy)
Chief General Manager-in-Charge

बैंकिंग पर्यवेक्षण विभाग, केन्द्रीय कार्यालय, वर्ल्ड ट्रेड सेंटर, सेंटर 1, कफ परेड, कोलाबा, मुंबई - 400005,
टेलिफोन : (9122) 22189131-39 फैक्स : 022 22180157

Department of Banking Supervision, Central Office, World Trade Centre, Centre I, Cuffe Parade, Colaba, Mumbai - 400 005, INDIA
Tele: (9122) 22189131-39 Fax: 022 22180157 , e-mail: cgmicdbSCO@rbi.org.in