

SPEECH OF THE COMMERCE & INDUSTRY MINISTER
ON THE ANNOUNCEMENT OF TRADE FACILITATION
MEASURES ON
26TH FEBRUARY 2009

I am happy to be present with you today for certain announcements of trade facilitation measures. Unlike the last four years, when the global economic mood was upbeat, today we meet against the backdrop of a global financial crisis. For the first time in more than a generation, two of the engines of global integration—trade and capital flows—are simultaneously expected to shift into reverse. In an interconnected globalized world, when all nations are being impacted, India too cannot escape unscathed. However, I believe that India will suffer less and recover faster due to the nature of our trade, the diversification of our trade basket, our trade facilitation measures and the proactive steps taken by our Government. Backed by strong economic fundamentals, the stimulus packages announced by the Government will stimulate demand, increase confidence, uplift business sentiment and give a fresh impetus to India's trade and growth story.

You may recall my first announcement in August 2004 of an integrated Foreign Trade Policy for a 5 year period 2004-2009. Even today our policy continues to be scripted around that singular refrain of 2004 - **“Trade is not an end**

in itself, but a means to economic growth and national development. The primary purpose is not the mere earning of foreign exchange but the stimulation of greater economic activity”.Over the last five years our initiatives have remained focused on our twin objectives to double our percentage share of global merchandise trade within the next five years; and to act as an effective instrument of economic growth by giving a thrust to employment generation.

Over the last five years, a number of initiatives were taken to meet the above objectives as well as the strategies that had been announced in the 5 year Foreign Trade Policy. Sectors with significant export prospects coupled with potential for employment generation in semi-urban and rural areas have been identified as thrust sectors and specific sectoral strategies have been prepared. Special Focus initiatives have been prepared for Agriculture, Handicrafts, Handloom, Gems and Jewellery and Leather and Footwear sectors. The major initiatives announced are in the folder before you. Some of the major initiatives are highlighted below:

- (a)The introduction of Vishesh Krishi Upaj and Gram Udyog Yojana for boosting exports of fruits, vegetables, flowers, minor forest produce and their value added products, poultry, dairy and gram udyog products.
- (b)Introduction of a scheme for incentivising agro processing units.

- (c) Introduction of Focus Product and Focus Market Schemes with a total incentive package exceeding Rs. 2000 crores.
- (d) Duty free import upto 5% for sectors like gems and jewellery, handloom, handicrafts, leather and footwear, etc
- (e) Giving Export Promotion Council status to Khadi & Village Industries Commission as well as setting up of new Export Promotion Councils namely, Electronics and Computer Software EPC, Indian Oil Seeds and Produce Exporters Association, Services Export Promotion Council and Telecom Equipment Manufacturers Association of India EPC.
- (f) Reduction in customs duty under EPCG scheme from 5% to 3%.
- (g) Extension of Export Obligation period under EPCG scheme for cottage and tiny sector from 8 years to 12 years.
- (h) Extension of DEPB scheme till 31st December 2009.
- (i) Extension of IT exemption for 100% EOUs till 31st March, 2010.
- (j) Introduction of a single set of common forms called 'Aayaat Niryaat' Forms.

(k) Allowing payment of interest on delayed payments of Terminal Excise Duty and Central Sales Tax.

The results are there for us to see.

Indian exports which were US \$ 63 billion during the year 2003-04 have reached US\$ 162 billion by 2007-08 recording an average annual growth rate in excess of 25 per cent. This year, i.e., during 2008-09 we did achieve a growth of 30.9% till September 2008 but there has been a set back recently due to the global recession. We hope to achieve a target of US\$ 175 billion in exports this year. The increased economic activity has resulted in generation of around 140 lakh new jobs in the export sector. Our exports have diversified and grown. To cite a few examples, our exports have increased nine-fold to Brazil, seven-fold to Pakistan, five-fold to Mauritius, four-fold to Egypt & Vietnam and three-fold to Singapore & Turkey. Today, Indian exporters are exporting to almost all the countries in the world including such places like Marshall Islands, Greenland, Barbados, Costa Rica, Nicaragua, Burundi and Somalia.

In the last 5 years, around 900 products relating to ten sectors have been granted benefits under the Vishesh Krishi Upaj and Gram Udyog Yojana scheme and 100 products covering more than 10 sectors were granted benefits under the Focus Product scheme. The Focus Market scheme today covers 83 markets. The net result is that India's agricultural exports have increased from Rs. 38,838 crores in 2003-04 to Rs. 66,360 crores in 2007-08.

We are an open economy and not only our exports are rising but our imports have also risen. The average annual growth rate of imports has been 34.1 per cent and the total value of imports in 2007-08 was \$ 251.56 billion.

In addition, the Government also launched a Duty Free Tariff Preference (DFTP) scheme in 2007-08 for Least Developed Countries giving preferential market access for 50 LDCs, 34 of which are in the African continent. This scheme covers duty free exports from LDCs of 85% of India's total tariff lines and another 9% would obtain preferential access on applied rates.

We concluded a Comprehensive Economic Cooperation Agreement (CECA) with Singapore in 2004. It is India's first CECA with any country covering goods, services, investment and other areas of cooperation. We are in an advanced stage of negotiations with ASEAN, Korea and Japan and are engaging significantly with SAARC, EU, EFTA and Thailand. These efforts have increased our confidence for a deeper engagement with other trading partners and also to understand their markets for promotion of trade in both goods and services.

Plantation crops of tea, coffee, rubber and spices have been the key focus for this Ministry on account of their large employment and export potential.

In order to retain its global competitiveness in Tea in the long term, a Special Purpose Tea Fund was constituted

in January 2007 for funding replantation and rejuvenation activities with an outlay of Rs. 4767 crores. A rehabilitation package for closed tea gardens was also announced in 2007 & out of 33 closed gardens, 16 have already been reopened. An e-auction for sale of tea was launched in six centres.

As far as coffee is concerned, interest relief was provided benefitting 13729 growers. Coffee Development Loans were written off in respect of 14450 loan accounts. Weather insurance cover was introduced for the first time to coffee growers in 2007.

In rubber, we continue to have the highest productivity in the world. During the last 5 years, new planting of rubber was done in 35000 hectares including 25000 hectares in the North East. In addition, replanting of rubber was carried out in 33500 hectares. Two new Rubber Parks, one in Tamil Nadu and one in Tripura, were also founded.

Tobacco farmers had an unprecedented rise in terms of both exports and export realisation. A Life Insurance scheme has been launched for Tobacco sectors and around 65000 farmers were benefitted from this scheme.

The Price Stabilisation Fund was created for the growers of tea, coffee, rubber and tobacco having holdings upto 4 hectares. A Personal Accident Insurance Scheme has also been provided for members of this Fund.

Rejuvenation/replanting of small and large cardamom in Kerala, Karnataka, Sikkim and West Bengal covering 45000 hectares have been launched.

To provide adequate insurance cover for exports, the paid up equity capital of ECGC was increased from Rs. 400 crores to Rs. 900 crores. To underwrite credit risks beyond the capacity of ECGC in large overseas projects undertaken by Indian exporters, National Export Insurance Account (NEIA) scheme has been launched. This has so far covered projects worth US\$ 500 million.

Over the last 5 years, 763 new 100% Export Oriented Units have commenced operations. Exports from EOUs have increased from Rs. 23,590 crores in 2002-03 to Rs. 1,61,281 crores in 2007-08 and provide direct employment to 323,755 persons.

The SEZ Act 2005 and Rules 2006 came into force on 10th February 2006. This is the first time that the SEZs have a stable policy regime. Within three years, there have been a phenomenal success with incremental investment of Rs.97,871 crores and incremental direct employment provided to 231,629 persons with twice that number getting employed outside. We hope to reach exports of Rs.90,000 crores from the SEZs in 2008-09 against Rs.22,840 crores in 2005-06.

PSUs under our control have shown excellent performance in the last five years. MMTC has increased its turnover four-fold with gross profit increasing from Rs.129 crores in 2002-03 to Rs.429 crores in 2007-08. STC has increased its sales six times during the same period with profits increasing from Rs.11 crores to Rs.190 crores.

ITPO has operationalised regional trade centers at Guwahati, Kolkatta and Bangalore. They conceptualized and held a bio-expo in Japan.

Indian Institute of Foreign Trade (IIFT), a premier institution in the country for capacity creation in international trade has been granted deemed university status. IIFT's branch in Kolkata has been commenced and the first batch of students passed out last year.

During the last five years, Anti-Dumping Directorate (ADD) has played an active role in providing relief to Indian industry. They have initiated 137 investigations & final findings have been issued in 111 cases.

Under the ASIDE scheme, Rs.2514.87 crores has been spent since 2004-05 to 2008-09. Since inception, 1368 projects have been sanctioned at a cost of Rs.22540.65 crores, leveraging Rs.17809.45 crores from other sources. Ten percent of the ASIDE funds are allocated for development of North Eastern areas.

Footwear Design and Development Institute (FDDI) provides training infrastructure and technical support to the leather industry. In 2008, a Footwear Design and Development Institute (FDDI) was established in Fursatganj in Raibareli with an outlay of Rs.96 crores. A centre is already functioning in Noida. Three more centers and one sub-centre are proposed in the Eleventh Plan.

I wish to recapitulate some important achievements in the five years of the Department of Industrial Policy and Promotion.

The FDI policy has been consistently rationalized & liberalized to encourage the inflow in the country. A comprehensive review of policy in 2006, liberalization of six sectors in 2008 and revision of norms for calculation of total foreign investment – direct or indirect, as also for transfer of ownership and control from resident Indian citizens to non-resident entities in 2009 are the major steps taken in this regime. The result has been a phenomenal upswing in FDI from \$2.22 billion in 2003-04 to \$24.58 billion in 2007-08, an increase of 11 times. FDI inflows in one month now roughly equal FDI inflows in the entire year of 2003-04. UNCTAD's World Investment Report and A.T Kearney have rated India as the second most favoured investment destination in the world.

The Indian Patents Act was amended in 2005 in order to make it compatible with India's international obligations. The Indian industry is getting conscious of the value of Intellectual Property Rights. This is reflected in six-fold increase in number of patents granted in last four years. In case of registration of Geographical Indication, the number has gone up from zero in 2004 to 104 products till now. Notable are Darjeeling tea, Pochampally ikat, Chanderi saree, Kancheepuram silk, Kollu shawl.

The Industrial Infrastructure Upgradation Scheme provided support in developing quality infrastructure to industrial areas. 29 projects have been sanctioned throughout the country with an investment of Rs. 1770 crore. Now the scheme has been recast to incorporate the experiences of the last five years and its new avatar will further strengthen the achievements of the current scheme.

We conceived the ambitious Delhi Mumbai Industrial Corridor (DMIC) project alongwith the Delhi-Mumbai dedicated freight corridor with an outlay of USD 90 billion. The project is expected to double the employment, triple the industrial output and quadruple the exports from the region in five years. We have already identified early bird projects in four of the six clusters and MoU has been signed with three states for implementation of these projects. Japanese side has also identified five early bird projects & project formulation has been initiated.

In our efforts to stimulate development of backward regions/areas, an extensive package of fiscal incentives and other concessions for industrialization of the North East region has been notified. States of Uttarakhand and Himachal Pradesh witnessed establishment of 4622 industrial units with an investment of over Rs. 16000 crore and employment for 2 lakh persons in last five years.

Recognizing the employment generation potential of the leather sector, the allocation for this sector has been

increased significantly. An amount of Rs. 300 crore was spent on leather sector in last 3 years against Rs. 9 crore in the entire ninth plan. We have approved Rs. 900 crore plan for modernization of Indian leather industry to make it globally competitive.

The global financial crisis seeping into the real economy has affected our exports as well, even though merchandise and services exports constitute only 21% of our GDP. Exports from Tea, Rice, Marine Products, Gems & Jewellery, Cotton yarn, Fabrics, Made-ups, Jute manufacturing, Carpets, Handicrafts, Plastics & linoleum sectors have been affected extensively this year. According to WTO, the growth rate in global trade in goods and services is expected to decline from 7.2% in 2007 to 4.6% in 2008 and further to 2.1% in 2009. A number of measures have been taken to help the exporters during the present economic slowdown in export markets through three stimulus packages on the fiscal side as well as through other measures in the banking sector. Some of the measures include provision of interest subvention of 2% till 31.12.2009 for certain labour intensive sectors, additional funds of Rs.1200 crores for CST/TED/Drawback refunds, extension of DEPB scheme upto 31.12.2009, restoration of DEPB rates for all items at rates prevailing prior to November, 2008, and increase in duty drawback rates on certain items effective 1st September, 2008. Around Rs.2300 crores have been provided through various existing schemes for cushioning the adverse impact of declining exports. In addition, certain measures have been taken by RBI to reduce interest rates and provide liquidity. The details are annexed.

While a full year policy for 2009-10 will be unveiled in due course by the next Government, I announce the following steps the Government has taken to further simplify procedures and make life of our exporters a bit more easy:-

- ▶ Duty credit scrips under Chapter 3 and under DEPB scheme shall now be issued without waiting for realization of export proceeds.
- ▶ Export incentives have been provided for certain items like Technical textiles, Stapling machine, Handmade carpets and Dried vegetables. In addition, incentives of Rs. 325 crores would be provided for leather, textiles, etc for exports w.e.f. 1/4/2009.
- ▶ STCL Limited, Diamond India Limited, MSTC Limited, Gem & Jewellery Export Promotion Council and Star Trading Houses (only for gem and jewellery sector) have been added under the list of nominated agencies notified under Para 4A.4 of Foreign Trade Policy for the purpose of import of precious metals.
- ▶ Import restrictions on worked corals have been removed to address the grievance of gem and jewellery exporters.
- ▶ Bhilwara in Rajasthan and Surat in Gujarat have been recognized as Towns of Export Excellence, for textiles and diamonds respectively.
- ▶ At present, Govt. recognizes Premier Trading Houses based on an export turnover of Rs.10,000 crores in the previous three years and the current year taken together. In view of the prevailing global slowdown, the threshold limit for recognition as Premier Trading

Houses is now been reduced to Rs.7500 crores.

- ▶ Under EPCG scheme, in case of decline in exports of a product(s) by more than 5%, the export obligation for all exporters of that product(s) is to be reduced proportionately. This provision has been extended for the year 2009-10, for exports during 2008-09.
- ▶ At present, DEPB/Duty Credit Scrip can be used for payment of duty only on items which are under free category. The utilization is now extended for payment of duty for import of restricted items also.
- ▶ The procedural formalities for claiming duty drawback refund and for getting refund of Terminal Excise Duty for deemed exports is further simplified.
- ▶ Export of blood samples is now permitted without license after obtaining 'no objection certificate' from Director General of Health Services (DGHS).
- ▶ Supply of an Intermediate product by the domestic supplier directly from their factory to the Port against Advance Intermediate Authorisation, for export by ultimate exporter, has been allowed.
- ▶ Re-credit of 4% SAD, in case of payment of duty by incentive scheme scrips such as VKGUY, FPS and FMS, has now been allowed.
- ▶ I am also announcing opening of an independent office of DGFT at Srinagar.
- ▶ In case of Advance Authorisation for Annual Requirement where Standard Input-Output Norms are not fixed, the provisions in Foreign Trade Policy have been aligned with the relevant Custom Notifications.
- ▶ Value cap applicable under DEPB have been revised for two products.

- ▶ Export through Krishnapatnam seaport has been included for the purpose of Export Promotion Scheme.
- ▶ Electronic Message Transfer facility for Advance Authorisation and EPCG Scheme established for shipments from EDI ports w.e.f. 1.4.2009. Requirement of hard copy of Shipping Bills dispensed with thereafter for Export Obligation discharge.
- ▶ Authorised person of Gem & Jewellery units in EOU shall be allowed personal carriage of gold in primary form upto 10 kgs in a financial year subject to RBI and customs guidelines.
- ▶ For Advance Licenses issued prior to 1.4.2002, the requirement of MODVAT/CENVAT certificate dispensed with in case the Customs Notification itself prescribed for payment of CVD. This will help in closure of a number of pending advance licences.
- ▶ Export obligation period against advance authorizations extended upto 36 months in view of the present global economic slowdown.
- ▶ Re-imbursalment of additional duty of excise levied on fuel would also be admissible for EOUs.
- ▶ Clarification has been issued by CBEC in respect of architectural services, general insurance services, market research services, storage and warehousing services and knowledge & technology based services so that such services used outside India are treated as export of services. This will remove the existing ambiguity and enable refund of service tax paid in this regard. We will continue to press Department of Revenue for early refund of Service Tax claims and further simplification of refund procedures.

I acknowledge the resilience and innovativeness of the exporting community in these difficult economic times. I would like to reassure them that they will receive the full backing of the Government. I thank them for their cooperation and understanding.

I also thank the media for their constructive support.

I am sure that the momentum gained in our export efforts during the last 5 years will further enable us to utilize trade as an effective engine for accelerating the pace of inclusive development in this country.

Thank you.

ANNEXURE

STEPS TAKEN BY GOVERNMENT/RBI TO ADDRESS THE CONCERNS ARISING OUT OF PRESENT GLOBAL SLOW DOWN.

(I) Measures taken by the Government:

- (1) Interest subvention of 2% has been extended till 30.9.2009, to the following labour intensive sectors for exports:-
Textiles (including Handlooms), Handicrafts, Leather, Gems & Jewellery, Marine Products and SMEs;
- (2) Additional funds of Rs 350 crore provided for export incentive Schemes;
- (3) Handicraft items included in Vishesh Krishi and Gram Udyog Yojana (VKGUY);
- (4) Support under VKGUY Scheme announced for some additional commodities.
- (5) Market Linked Focus Product Scheme extended for bicycle parts, Motor Cars and Motor Cycles, Apparels and Clothing accessories, Auto Components etc.
- (6) Rs 1100 crore provided to ensure full refund of claims of CST / Terminal Excise duty /Duty drawback on deemed exports;
- (7) Continuation of Duty Entitlement Passbook (DEPB) Scheme upto 31st December, 2009;
- (8) Restoration of DEPB rates for all items where they were reduced in November, 2008 and increase in Duty

Drawback rates on certain items effective from 1st September, 2008;

- (9) Back-up guarantee made available to ECGC to the extent of Rs 350 crore to enable it to provide guarantees for exports to difficult markets / products;
- (10) Additional funds of Rs 1400 crore provided for textile sector to clear the backlog claims of TUF;
- (11) Export duty on iron ore fines eliminated, and for lumps, reduced to 5%;
- (12) Some pending issues relating to Service Tax refund on exports—resolved;
- (13) For Fast Track Resolution of a number of procedural issues thereby reducing delays for the exporters, a Committee has been constituted under the Chairmanship of Finance Secretary including Secretaries of Department of Revenue and Commerce;
- (14) Additional plan expenditure of up to Rs 20,000 crore in the current year mainly for critical rural, infrastructure and social security schemes;
- (15) Excise duty reduced across the board by 4 per cent for all products except petroleum products and those products where current rate was less than 4%;
- (16) IIFCL authorised to raise Rs 40,000 crore via tax-free bonds for refinancing eligible infrastructure projects;
- (17) Special package for borrowers of home loans by Public Sector Undertaking Banks;
- (18) The guarantee cover under Credit Guarantee Scheme for Micro and Small Enterprises on loans doubled to Rs 1 crore with a guarantee cover of 50%.

The guarantee cover extended by Credit Guarantee Fund Trust increased to 85% for credit facility upto Rs. 5 lakh. The lock-in period for such collateral-free loans reduced.

- (19) Import duty on naphtha for power sector eliminated;
- (20) CVD on TMT bars and structurals and on cement removed;
- (21) Exemption from basic customs duty on Zinc and Ferro Alloys withdrawn;
- (22) Accelerated depreciation of 50% provided for commercial vehicles to be purchased from January to March, '09;
- (23) For financing expenditure by State Governments, States will be allowed to raise in the current financial year additional market borrowings of 0.5% of their gross state domestic product(GSDP) amounting to about Rs. 30,000 crores;
- (24) Regular monitoring mechanism:

(a) The situation is being regularly monitored at the highest level of Government, so that immediate further corrective measures, can be taken as may be required. In this regard, the Government has constituted two High Level Committees:

- (i) An Apex Group chaired by Prime Minister with Finance Minister, Commerce Minister, Deputy Chairman (Planning Commission), RBI Governor;

(ii) Committee of officers chaired by Cabinet Secretary, including Finance Secretary, Commerce Secretary, Secretary(DIPP), Secretary (Planning Commission)- to meet regularly to look into the suggestions made by Trade and Industry and the respective Administrative Ministries in respect of the current global economic and financial crisis and to recommend action to the Apex Group.

(b) Department of MSME and Department of Financial Services to jointly monitor on the progress of the meetings of Monthly meeting of State level Bankers' Committee for resolution of credit issues of MSME.

(c) Fast Track Monitoring Committee to ensure expeditious approval and implementation of Central Projects.

(II) Measures taken by RBI:

(1) Increase in Liquidity to the banks for improving credit flow, by :

(i) Reducing CRR, SLR, Repo rate and Reverse Repo rate (from Oct '08, CRR reduced from 9% to 5%, SLR reduced from 25% to 24%, Repo Rate reduced from 7.5 % to 5.5%, and Reverse Repo Rate reduced from 6% to 4%).

(ii) A special re-finance facility has been put in place for banks for the purpose of extending finance to exports, micro and small enterprises, mutual funds and NBFCs. Provisioning requirements

have been lowered. Export Credit Refinance facility for commercial banks increased to 50% of the outstanding Rupee Export Credit.

- (iii) Allocation of funds to the SIDBI and the NHB as priority sector lending to employment intensive sectors of micro and small enterprises and Housing; Refinance facility to SIDBI and NHB to the tune of Rs. 7000 crores and Rs.4000 crores respectively;
 - (iv) Refinance facility to the EXIM Bank for an amount of Rs. 5000 crores for providing pre-shipment and post-shipment credit in Rs. or dollars;
 - (v) RBI provided an advance of Rs. 25,000 crores to financial institutions under the Agricultural Debt Waiver and Debt Relief Scheme, pending release of money by the Government;
 - (vi) RBI has put in place a mechanism to buy-back dated securities issued under the Market Stabilisation Scheme.
 - (vii) SPV to be designated to provide liquidity support against investment grade paper to NBFCs – Scale of liquidity through this window is Rs 25000 crores.
 - (viii) Leading Public Sector banks to provide line of credit to NBFCs specially for purchase of commercial vehicles.
 - (ix) Sectoral Credit targets of public sector banks being revised upward.
- (2) Increase in FOREX Liquidity:
- (i) RBIs assurance for continued selling of foreign exchange (US \$) through banks, to augment supply in the domestic foreign exchange market;

- (ii) The ceiling on interest rates for non-resident deposits raised;
- (iii) Banks' overseas borrowing limits increased and ECB borrowing norms eased; "all in cost" ceiling of such borrowings would be removed under the approval route of RBI;
- (iv) For access to funds for the housing sector, "development of integrated townships" would be permitted as an eligible enduse of the ECB;
- (v) Systemically important Non-Deposit taking NBFCs and Housing Finance Companies temporarily permitted to raise Short Term Foreign Currency borrowings under the approval route. NBFCs to access ECB from multilateral or bilateral institutions;
- (vi) RBI decided to provide FOREX liquidity to Indian Public and Private Sector Banks upto June 30, 2009, through forex swaps of tenure upto 3 months.
- (vii) Corporate bond market-FII investment limit in Rupee denominated bonds increased from US\$ 6 bn to US\$ 15 bn.
- (viii) Ceiling rates on export credit in foreign currency has been raised to LIBOR + 350 basis points subject to the condition that the banks will not levy any other charges, i.e., service charge, management charge, etc. except for recovery towards out of pocket expenses incurred.

(3) Easing of Credit Terms:

- (i) Enhancing the period of pre-shipment and post-shipment Rupee Export Credit by 90 days each;
- (ii) Increasing the time period of export realization for non-status holder exporters to 12 months;
- (iii) Authorised Dealers Category - I Banks permitted to consider applications for pre-mature buy-back of FCCBs from their customers.
- (iv) Reduced Interest Rate for Home Loans:
 - a. For Home Loan upto Rs 5 Lakhs: Interest Rate capped @ 8.5%;
 - b. For Home Loan from Rs 5 Lakhs to Rs 20 Lakhs: Interest Rate capped @ 9.25% for first 5 years.
- (v) Free insurance cover for Home Loans upto Rs 20 Lakhs – for outstanding amount of the Loan till it is paid.
- (vi) No processing fee (against 1.5% charged at present) or prepayment charges for Home Loans under these categories
- (vii) No prepayment penalty will be imposed if a borrower want to repay the amount ahead of the repayment period (current penalty is of around 2% of the outstanding loan amount).

The above scheme at (iv) to (vii) above, will remain effective till 30.6.2009.

- (viii) Other announcements made by the PSU Banks consequent to measures announced by RBI:
- a. Reduced Interest Rate for Micro Enterprises & SMEs:
 - Interest rate on Loans to Micro Enterprises reduced by 100 basis points;
 - Interest rate on Loans to SME reduced by 50 basis points;
 - b. PSU Banks will grant need based ad hoc working capital loan of upto 20% of their overall credit facility if it is less than Rs 10 Crore.
 - c. For export units, Margin Money on Guarantees will be reduced.
