

TO: ALL MEMBERS OF THE COUNCIL

Sub: Interest Rate Subvention Scheme on Pre & Post-Shipment for SME.

Dear All,

We would like to inform you that RBI has issued Circular No RBI/2015-16/259 DBR.Dir.BC.No.62/04.02.001/2015-16 dated December 4, 2015 for Interest subvention scheme stating that Cabinet Committee on Economic Affairs has given its approval for 3% Interest Equalisation Scheme (earlier called Interest Subvention Scheme) for SME exporters on Pre & Post Shipment Rupee Export Credit with effect from 1st April, 2015 for five years. The scheme will be evaluated after three years.

The features are:

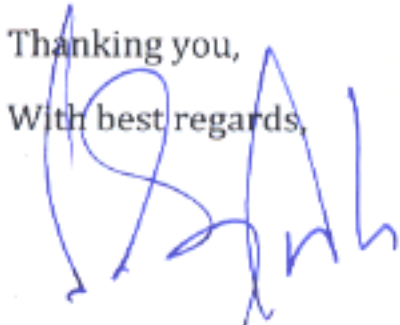
1. The rate of interest equalisation is 3%. (The scheme would be available to all exports of MSME and 416 specified tariff lines). The scheme would not be available to merchant exporters. The duration of the scheme is for five years with effect from 1.4.2015.

- On completion of three years of operation of the scheme, Department of Commerce may initiate a study on impact of the scheme on export promotion and its further continuation (study may be done through one of the IIMs.)
- Ministry of Commerce & Industry may place funds in advance with RBI for requirement of one month and reimbursement can be made on a monthly basis through a revolving fund system.
- The operational instructions of the scheme would be issued by RBI shortly.
- The scheme covers mostly labour intensive and employment generating sectors.

SME of Gems & jewellery sector are requested to avail the facility to compete in international market. Circular is also available on our website www.gjepc.org

Thanking you,

With best regards,



SABYASACHI RAY
EXECUTIVE DIRECTOR

The Gem & Jewellery Export Promotion Council

रत्न तथा आभूषण निर्यात संवर्धन परिषद

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