

Comm min to soon notify modified interest subsidy scheme: Secretary

PRESS TRUST OF INDIA
New Delhi, February 2

THE INTEREST SUBSIDY or equalisation scheme has been approved by the Cabinet and the commerce ministry will "very" soon notify the "improved and modified" scheme for the exporters' community, a top government official said on Wednesday.

Exporters have demanded the extension of the scheme. They get a subsidy under this scheme for pre- and post-shipment rupee export credit.

"The interest equalisation scheme has been approved by the cabinet. It is there, it is on. We will be notifying it very soon. It has been improved and modified. It exists and it has not been discontinued," Commerce Secretary B V R Subrahmanyam told reporters.

According to the Budget documents, ₹2,621.5 crore has been allocated for 2022-23 for the scheme. It was ₹3151.15 crore under the revised Budget for 2021-22.

The secretary said the

scheme will be another shot in the arm for the exporters' community in addition to the huge arrears that the ministry released last year under different export promotion schemes.

In July 2021, the Reserve Bank of India (RBI) had extended the scheme providing interest subsidies for post- and pre-shipment export credit till September 2021.

In November 2018, the interest subsidy was increased to five per cent from three per cent to boost MSME sector exports.

Later, the government also included other merchant exporters under the scheme and allowed them interest equalisation at the rate of three per cent on credit for the export of certain products.

He said that overall, the Budget is for "most" exporter friendly.

Sectors that have benefited hugely from it include gems and jewellery, leather, handicrafts, textiles, engineering, and aquaculture.