



THE PLASTICS EXPORT
PROMOTION COUNCIL

दि प्लास्टिक एक्स्पॉर्ट प्रमोशन कौन्सिल
(भारत सरकार, वणिज्य एवं उद्योग मंत्रालय, वणिज्य विभाग द्वारा प्रायोजित)

THE PLASTICS EXPORT PROMOTION COUNCIL

(Sponsored By The Ministry Of Commerce & Industry, Deptt. Of Commerce, Government Of India)

Ref. No. : Plexh/letter/1252

18.03.2020

To,
Shri Rajnish Kumar
Chairman
State Bank of India
Mumbai -400051

Respected Sir,

Greetings from Plexconcil!

I wish to bring to your kind attention, a matter of serious concern being faced by several members of THE PLASTICS EXPORT PROMOTION COUNCIL (Plexconcil), due to prevailing Coronavirus pandemic and request for your kind urgent intervention and support.

Sr, Plastic trade which is deeply integrated with the global value chain has been impacted by the disrupt in both Imports and Exports. It is also expected and evident that the prevailing uncertainties will impact the order position as also the response time to meet the orders. Further, this is going to impact the working capital condition of the plastic exporters.

Hence, anticipating the adverse impact on export realisations and working capital for the industry and more specifically the vast majority of the MSME sector, we request for your kind consideration the following immediate relief to the industry: -

1. Facilitate faster clearance of Banking and Packing credit to the industry.
2. Further, given the postponement of order by 3 to 6 months, the Packing credit period for existing loan, may be extended accordingly.
3. RBI may be requested to extend the remittance period from 9 months to 15 months in view of the liquidity challenges.
4. Banks may be asked to delay declaring Companies accounts as NPA for minimum of 1 year as the lack of business coupled with fixed cost will make accounts as NPAs.
5. Exemption from caution listing of exporters by RBI may be extended from 31.03.2020 to 31.03.2021.
6. The existing limits for Advances of exporters may be automatically enhanced by 25%.
7. Collateral free lending upto Rs. 2 crore may be implemented in the MSME sector collateral requirement may be capped at 35-40% for lending beyond Rs.2Cr.
8. Interest Equalization Scheme has been enhanced by Government from 3% to 5% for MSMEs. To support these non MSME units which contribute to 70% of exports, the enhanced 5% interest equalization schemes may also be extended to all the Plastic exporters (and not just MSMEs).
9. The Interest Equalization Scheme may be extended for a period of 2 years upto 31st March 2022.

Recognizing the volatilities in the global Plastic industries markets and order postponements/cancellation, our Plastic sector needs full support of the financial institutions in managing financial viability of the organizations.

We look forward to your support in this endeavour.

Warm regards,

Chairman
(Ravish Kamath)

The Plastics Export Promotion Council

Sponsored by the Ministry of Commerce & Industry, Govt. of India)

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