

SCHEME RULES FOR PROVIDING PRE-SHIPMENT ADVANCE TO RPS COMPANIES FOR EXPORT OF 'INDIAN NATURAL RUBBER' BRANDED NR DURING 2017-18

Title

These rules shall be known as "The Rubber Board's **Rules for providing pre-shipment advance to RPS companies for export of NR under 'Indian natural rubber' branded during 2017-18 (hereinafter called "Rules")** framed in accordance with the Board's decision to provide loan/advance to RPS companies for procuring rubber for export.

Objective

Objective of extending pre-shipment advance is to facilitate export of natural rubber by RPS companies under the brand Indian Natural Rubber. Branding distinguishes Indian NR in the international market with its discerning quality features. RPS companies ought to improve their export capabilities and must active in export business and capture business opportunities in international market. Shortage of working capital is considered as one among the major deterring factor for RPS companies in exports. In view of this, Board formulated the pre-shipment advance scheme for the financial year 2017-18.

Scheme

The pre-shipment advance scheme will be implemented as an export promotion strategy to boost export of NR during 2017-18.

Definition

In these rules, unless the context otherwise means,

1. 'Board' means 'Rubber Board' constituted under the Rubber Act 1947
2. The 'Executive Director' means the 'Executive Director' of the Rubber Board.
3. RPS companies mean those companies promoted by the Rubber Board and Rubber Producers Societies with equity participations and having a valid RCMC issued by the Board.
4. RCMC means Registration – cum – Membership Certificate issued by Rubber Board.
5. Using 'Indian Natural Rubber Logo' means those exporters/companies having registration with Rubber Board for using Indian Natural Rubber Logo.

Eligible Companies

RPS companies promoted jointly by the Board and Rubber Producers Societies with valid Registration – cum – Membership Certificate (RCMC) intend to export branded rubber is

eligible for availing the scheme during 2017-18. Vide approval dated 28/04/2017 four RPS companies are permitted to avail this scheme viz.

- (i) M/s Thunchathu Ezhuthachan Rubbers (P) Ltd, Nilambur
- (ii) M/s Manimalayar Rubbers (P) Ltd, Kottayam
- (iii) M/s Vembanad Rubbers Pvt. Ltd, Kochi, and
- (iv) M/s Kavanar Latex Ltd, Pala. .

Quantum of advance/loan and repayment

The pre-shipment advance/loan per RPS company would be limited to Rs. 20 lakhs or the assessed value as per purchase order at Board's published rate, whichever is low. Though the RPS companies can avail pre-shipment advance multiple times during 2017-18, the maximum loan amount at each company's credit would be Rs. 20 lakhs. Also the maximum repayment period of the advance/loan would be forty five days from the date of release of the loan, failing which a penal interest of 24 percent per annum will be charged for the entire loan period. However, sanctioning of advance/loan is subject to fund availability of the Board.

Terms and Conditions

1. The RPS company applying pre-shipment advance should possess a valid RCMC and registration for using Indian Natural Rubber Logo
2. A onetime agreement on the terms and conditions of the pre-shipment advance y shall be executed by the Company on a non-judicial stamp paper for Rs. 200/-
3. Minutes of the Director Board meeting permitting the Company to avail pre-shipment advance shall be furnished along with the agreement.
4. The company intend to avail pre-shipment advance should have confirmed export order.
5. RPS company shall pay an interest of 6% per annum to the Board for this pre-shipment advance
6. Maximum permissible repayment period of the advance/loan shall be forty five days from the date of release of the loan.

7. Application for pre-shipment advance under the Scheme must be submitted in the prescribed form along with the following supporting documents.
 - a. Self-attested document to prove the confirmed export order – LC or Purchase order issued by the buyer.
 - b. Application for pre-shipment advance with seal and signature
 - c. Pro-forma invoice
 - d. An advance stamped receipt for the amount received
 8. Prescribed application form for availing pre-shipment advance can be downloaded from the web portal www.indiannaturalrubber.com
 9. The application form dully completed along with the supporting documents shall be furnished to the Dy. Director Marketing, Market Promotion Division, RRII, Rubber Board, Kottayam - 9.
 10. Pre-shipment advance will be released after verification of the application and documents furnished.
 11. The beneficiary RPS companies can avail pre-shipment advance multiple times during 2017-18. Each advance/loan will be sanctioned after clearing the previous/existing advance/loan with applicable interest. However, sanctioning of advance/loan is subject to fund availability of the Board.
 12. If the RPS company fail to settle advance within 45 days, a penal interest @ 24% p.
 - a. will be charged for the entire loan period. Also, if the company fails to export rubber after availing the pre-shipment advance then the Company will be liable to settle the advance amount with an interest @ 24%.
 13. If in any case the pre-shipment advance availed was on production of false documents or the Company has miss-utilized the advance availed, then the Board shall have all the right to recover entire amount with penal interest @ 24% p.a. In addition to this, such RPS companies will be debarred and will not be considered for such advance/loan in the future.
 14. The Executive Director, Rubber Board reserves the power to alter, modify or make any changes in the terms and conditions as detailed above or to grant or refuse any claim submitted by any company.
 15. In case of any dispute, the decision of Executive Director, Rubber Board will be final and binding on the applicants.
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