

F.No. 1/94/180/330/AM19/PC-4  
GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DIRECTORATE GENERAL OF FOREIGN TRADE  
UDYOG BHAVAN, NEW DELHI-110011

Dated 1<sup>st</sup> February, 2019

Trade Notice No.45/2018-19

To,  
Members of Trade & Industry  
EPCs/FIEO  
Reserve Bank of India

**Subject: Interest Equalisation Scheme (IES) for pre and post Shipment Rupee Export Credit and its expansion**

Trade and industry is already aware that the Interest Equalisation Scheme (IES) for pre and post Shipment Rupee Export Credit is being implemented by this Directorate through the RBI and its network of banks. **The scheme came into effect from 1.4.2015 and is for a period of 5 years.** Under the scheme, interest equalisation @ 3% per annum was made available to eligible exporters which included manufacturer exporters for exports in the identified 416 four digit tariff lines and all MSME exporters across all their merchandise exports.

2. Subsequently w.e.f. November 02, 2018, **Interest Equalisation rate has been increased from 3% to 5% in respect of exports by the Micro, Small & Medium Enterprises (MSME) sector manufacturers** under the Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit.

3. **W.E.F. January 2, 2019, merchant exporters have also been included** under the ongoing Interest Equalisation Scheme allowing the equalization rate of 3% per annum for export of products covered under 416 tariff lines identified under the Scheme.

4. Eligible category and equalisation rate, presently, is as follows:

Export items	Eligible category	Rate of equalisation
416 four digit tariff lines listed in the scheme	Large sector manufacturers from 1.4.2015 and Merchant exporters from 2.1.2019 onwards	3% per annum
All tariff lines	MSME sector manufacturers	3% per annum from 1.4.2015 and 5% per annum w.e.f. 2.11.2018

5. Operative guidelines have been issued by RBI from time to time. Relevant RBI notifications are as follows:

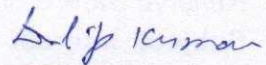
DBR.Dir.BC.No.62/04.02.001/2015-16 dated December 4, 2015;

DCBR.CO.SCB.Cir.No.1/13.05.000/2015-16 dated February 11, 2016

DBR.Dir.BC.No.09/04.02.001/2018-19 dated November 29, 2018 and

DBR.Dir.BC.No.22/04.02.001/2018-19 dated January 11, 2019

6. Trade is requested to make maximum use of this scheme and any difficulties faced in this regard may be brought into notice of this Directorate.



(Dilip Kumar)

Dy. Director General of Foreign Trade