

Ref. No. : Plexh/Cir/739

09.03.2022

To,
All members of Plexconcil,

Dear Sir / Madam,

Subject:- REGARDING EXTENSION OF INTEREST EQUALIZATION SCHEME ON PRE AND POST SHIPMENT RUPEE EXPORT CREDIT

We wish to inform you that the Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit ('Scheme') up to March 31, 2024 or till further review, whichever is earlier.

The extension takes effect from October 1, 2021 and ends on March 31, 2024. The modifications made by the Government to the Scheme are detailed below:

- * Telecom Instruments' sector having six HS lines¹ shall be out of the purview of the Scheme, except for MSME manufacturer exporters.
- * **Revised interest equalisation rates under the Scheme will now be 3 per cent for MSME manufacturer exporters** exporting under any HS lines, and **2 per cent for manufacturer exporters and merchant exporters exporting under 410 HS lines (after excluding 6 HS lines pertaining to Telecom Sector as mentioned above).**
- * Banks, while issuing approval to the exporter, will necessarily furnish i) the prevailing interest rate, ii) the interest subvention being provided, and iii) the net rate being charged to each exporter, so as to ensure transparency and greater accountability in the operation of the Scheme.
- * The extended Scheme will not be available to those beneficiaries who are availing the benefit under any Production Linked Incentive (PLI) scheme of the government.

For the period from October 1, 2021 to March 31, 2022, banks shall identify the eligible exporters as per the Scheme, credit their accounts with the eligible amount of interest equalisation and submit sector-wise consolidated reimbursement claim for the said period to the Reserve Bank by April 30, 2022.

Circular available for
download <https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOTI1803990B2AD806A43E2A714ADD49801D639.PDF>

With effect from April 1, 2022, banks shall reduce the interest rate charged to the eligible exporters upfront as per the guidelines and submit the claims in original within 15 days from



THE PLASTICS EXPORT
PROMOTION COUNCIL

दि प्लास्टिक एक्स्पोर्ट प्रमोशन कौन्सिल

(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)

THE PLASTICS EXPORT PROMOTION COUNCIL

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

the end of the respective month, with bank's seal, and signed by authorised person, in the prescribed format, as modified (Annex 1)

This is for your information.

Best regards

Bharti Parave

Asst. Director – Trade & Policy

PLEXCONCIL