

**Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit**

The Government has approved the Interest Equalisation Scheme for Pre and Post Shipment Rupee Export Credit with effect from 1<sup>st</sup> April, 2015 for 5 years.

2. The details of the Scheme are as follows:

- (a) The rate of interest equalisation @ 3% per annum will be available on Pre Shipment Rupee Export Credit and Post Shipment Rupee Export Credit.
- (b) The scheme would be applicable w.e.f 01.04.2015 for 5 years. Government, however, reserves the right to modify/amend the Scheme at any time.
- (c) The scheme will be available to all exports under 416 tariff lines [at ITC (HS) code of 4 digit] as per **Annexure A** and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC(HS) codes.
- (d) Scheme would not be available to merchant exporters.
- (e) Banks are required to completely pass on the benefit of interest equalisation, as applicable, to the eligible exporters upfront and submit the claims to RBI for reimbursement, duly certified by the external auditor.
- (f) Ministry of Commerce and Industry will place funds in advance with RBI for a requirement of one month and reimbursement would be made on a monthly basis through a revolving fund system.
- (g) All eligible exports under the scheme would have to meet the criteria of minimum processing for the goods to be called as Originating from India and would be governed by provision of Paragraph 2.108 (a) (Rules of Origin [Non preferential]) of Handbook of Procedures of Foreign Trade Policy 2015-2020, which reads as follows:

**2.108 Rules of Origin (Non-Preferential)**

- (a) Rules of Origin (Non-Preferential) criteria are as under:
  - (I) Goods are to be manufactured by the exporting entity as per the definition of "Manufacture" in Paragraph 9.31 of FTP; and
  - (II) If imported inputs (Duty Paid or Duty Free) have been used for the production of export product, the export product can be considered to be originating in India (Non Preferential) only if the imported inputs undergo the processing/ operations that exceed the following:

- (i) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting;*
- (ii) changes of packing and breaking up and assembly of consignments;*
- (iii) simple cutting, slicing and repacking or placing in bottles, flasks, bags, boxes, fixing on cards or boards, and all other simple packing operations;*
- (iv) operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine, ventilation, spreading out, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);*
- (v) affixing of marks, labels or other like distinguishing signs on products or their packaging;*
- (vi) simple mixing of products ;*
- (vii) simple assembly of parts of products to constitute a complete product;*
- (viii) disassembly;*
- (ix) slaughter which means the mere killing of animals; and*
- (x) mere dilution with water or another substance that does not materially alter the characteristics of the products.*

- (h) Telecom product exports would, after notification of the guidelines by the Department of Telecommunications, however, be subject to minimum value addition as notified by Department of Telecommunications, to be eligible under the scheme.
  - (i) A study may be initiated on the impact of the scheme on export promotion on completion of 3 years of the operation of the scheme. The study may be done through one of the IIMs.
  - (j) RBI shall send a monthly report to Deptt of Commerce/DGFT indicating reimbursement made commodity wise/bank wise, as per the prescribed format.
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| S.No | ITC(HS) Code of 4 digit | Product Category                           | ITC (HS) Product Description  |
|------|-------------------------|--|---|
| 92   | 5908                    | Fabric of all types                        | Textile Wicks, Woven, Plaited Or Knitted, For Lamps, Stoves, Lighters, Candles Or The Like; Incandescent Gas Mantles And Tubular Knitted Gas Mantle Fabric Therefor, Whether Or Not Impregnated |
| 93   | 5911                    | Fabric of all types                        | Textile Products And Articles, For Technical Uses, Specified In Note 7 To This Chapter  |
| 94   | 6001                    | Fabric of all types                        | Pile Fabrics, Including Long Pile Fabrics And Terry Fabrics, Knitted Or Crocheted   |
| 95   | 6002                    | Fabric of all types                        | Knitted Or Crocheted Fabrics Of A Width Not Exceeding 30 Cm, Containing By Weight 5% Or More Of Elastomeric Yarn Or Rubber Thread, Other Than Those Of Heading 6001                             |
| 96   | 6003                    | Fabric of all types                        | Knitted Or Crocheted Fabrics Of A Width Not Exceeding 30 Cm, Other Than Those Of Heading 6001 Or 6002   |
| 97   | 6004                    | Fabric of all types                        | Knitted Or Crocheted Fabrics Of A Width Exceeding 30 Cm, Containing By Weight 5% Or More Of Elastomeric Yarn Or Rubber Thread, Other Than Those Of Heading 6001                                 |
| 98   | 6005                    | Fabric of all types                        | Warp Knit Fabrics (Including Those Made On Galloon Knitting Machines), Other Than Those Of Headings 6001 To 6004  |
| 99   | 6006                    | Fabric of all types                        | Other Knitted Or Crocheted Fabrics  |
| 100  | 6101                    | Readymade Garments and Made ups (Ch 61-63) | Men's Or Boys' Overcoats, Carcoats, Capes, Cloaks, Anoraks (Including Ski-jackets), Wind-Cheaters, Wind-jackets And Similar Articles, Knitted Or Crocheted, Other Than Those Of Heading 6103    |
| 101  | 6102                    | Readymade Garments and Made ups (Ch 61-63) | Women's Or Girls' Overcoats, Carcoats, Capes, Cloaks, Anoraks (Including Ski-jackets), Wind-Cheaters, Wind-jackets And Similar Articles, Knitted Or Crocheted, Other Than Those Of Heading 6104 |
| 102  | 6103                    | Readymade Garments and Made ups (Ch 61-63) | Men's Or Boys' Suits, Ensembles, Jackets, Blazers, Trousers, Bib And Brace Overalls, Breeches And Shorts (Other Than Swim Wear), Knitted Or Crocheted   |
| 103  | 6104                    | Readymade Garments and Made ups (Ch 61-63) | Women's Or Girls' Suits, Ensembles, Jackets, Blazers, Dresses, Skirts, Divided Skirts, Trousers, Bib And Brace Overalls, Breeches And Shorts (Other Than Swim Wear), Knitted Or Crocheted       |
| 104  | 6105                    | Readymade Garments and Made ups (Ch 61-63) | Men's Or Boys' Shirts, Knitted Or Crocheted   |
| 105  | 6106                    | Readymade Garments and Made ups (Ch 61-63) | Women's Or Girls' Blouses, Shirts And Shirt-Blouses, Knitted Or Crocheted   |
| 106  | 6107                    | Readymade Garments and Made ups (Ch 61-63) | Men's Or Boys' Underpants, Briefs, Nightshirts, Pyjamas, Bathrobes, Dressing Gowns And Similar Articles, Knitted Or Crocheted   |
| 107  | 6108                    | Readymade Garments and Made ups (Ch 61-63) | Women's Or Girls' Slips, Petticoats, Briefs, Panties, Night Dresses, Pyjamas, Negligees, Bathrobes, Dressing Gowns And Similar Articles,  |



| S.No | ITC(HS)<br>Code of 4<br>digit | Product Category                            | ITC (HS) Product Description  |
|------|-------------------------------|---|---|
|      |                               |   | Knitted Or Crocheted  |
| 108  | 6109                          | Readymade Garments and Made ups (Ch 61-63)  | T-Shirts, Singlets And Other Vests, Knitted Or Crocheted  |
| 109  | 6110                          | Readymade Garments and Made ups (Ch 61-63)  | Jerseys, Pullovers, Cardigans, Waistcoats And Similar Articles, Knitted Or Crocheted  |
| 110  | 6111                          | Readymade Garments and Made ups (Ch 61-63)  | Babies' Garments And Clothing Accessories, Knitted Or Crocheted   |
| 111  | 6112                          | Readymade Garments and Made ups (Ch 61-63)  | Track Suits, Ski Suits And Swimwear, Knitted Or Crocheted   |
| 112  | 6113                          | Readymade Garments and Made ups (Ch 61-63)  | Garments, made up of knitted or crocheted fabrics of heading 5903, 5906 or 5907   |
| 113  | 6114                          | Readymade Garments and Made ups (Ch 61-63)  | Other Garments, Knitted Or Crocheted  |
| 114  | 6115                          | Readymade Garments and Made ups (Ch 61-63)  | Pantyhose, Tights, Stockings, Socks And Other Hosiery, Including Graduated Compression Hosiery (For Example, Stockings For Varicose Veins) And Footwear Without Applied Soles, Knitted Or Crocheted |
| 115  | 6116                          | Readymade Garments and Made ups (Ch 61-63)  | Gloves, Mittens And Mitts, Knitted Or Crocheted   |
| 116  | 6117                          | Readymade Garments and Made ups (Ch 61-63)  | Other Made Up Clothing Accessories, Knitted Or Crocheted; Knitted Or Crocheted Parts Of Garments Or Of Clothing Accessories   |
| 117  | 6201                          | Readymade Garments and Made ups (Ch 61-63)  | Men's Or Boys' Overcoats, Car-Coats, Cloaks, Anoraks (Including Ski-Jackets), Wind-Cheaters, Wind Jackets And Similar Articles Other Than Those Of Heading 6203                                     |
| 118  | 6202                          | Readymade Garments and Made ups ( Ch 61-63) | Women's Or Girls' Overcoats, Car-Coats, Capes, Cloaks, Anoraks (Including Ski-Jackets), Wind-Cheaters, Wind-Jackets And Similar Articles, Other Than Those Of Heading 6204                          |
| 119  | 6203                          | Readymade Garments and Made ups ( Ch 61-63) | Men's Or Boys' Suits, Ensembles, Jackets, Blazers, Trousers Bib And Brace Overalls, Breeches And Shorts (Other Than Swimwear)   |
| 120  | 6204                          | Readymade Garments and Made ups ( Ch 61-63) | Women's Or Girls' Suits, Ensembles, Jackets, Blazers, Dresses, Skirts, Divided Skirts, Trousers, Bib And Brace Overalls, Breeches And Shorts (Other Than Swimwear)                                  |
| 121  | 6205                          | Readymade Garments and Made ups ( Ch 61-63) | Men's Or Boys' Shirts   |
| 122  | 6206                          | Readymade Garments and Made ups ( Ch 61-63) | Women's Or Girls' Blouses, Shirts And Shirt-Blouses   |
| 123  | 6207                          | Readymade Garments and Made ups ( Ch 61-63) | Men's Or Boys' Singlets And Other Vests, Underpants, Briefs, Nightshirts, Pyjamas, Bathrobes, Dressing Gowns And Similar Articles   |
| 124  | 6208                          | Readymade Garments and Made ups ( Ch 61-63) | Women's Or Girls' Singlets And Other Vests, Slips, Petticoats, Briefs, Panties, Nightdresses, Pyjamas, Negliges, Bathrobes, Dressing Gowns And Similar Articles                                     |
| 125  | 6209                          | Readymade Garments and Made ups ( Ch 61-63) | Babies' Garments And Clothing Accessories   |



| S.No | ITC(HS) Code of 4 digit | Product Category                            | ITC (HS) Product Description  |
|------|-------------------------|---|---|
| 126  | 6210                    | Readymade Garments and Made ups ( Ch 61-63) | Garments, Made Up Of Fabrics Of Heading 5602, 5603, 5903, 5906 Or 5907  |
| 127  | 6211                    | Readymade Garments and Made ups ( Ch 61-63) | Track Suits, Ski Suits And Swimwear; Other Garments   |
| 128  | 6212                    | Readymade Garments and Made ups ( Ch 61-63) | Brassieres, Girdles, Corsets, Braces, Suspenders, Garters And Similar Articles And Parts Thereof, Whether Or Not Knitted Or Crocheted   |
| 129  | 6213                    | Readymade Garments and Made ups ( Ch 61-63) | Handkerchiefs   |
| 130  | 6214                    | Readymade Garments and Made ups ( Ch 61-63) | Shawls, Scarves, Mufflers, Mantillas, Veils And The Like  |
| 131  | 6215                    | Readymade Garments and Made ups ( Ch 61-63) | Ties, Bow Ties And Cravats  |
| 132  | 6216                    | Readymade Garments and Made ups ( Ch 61-63) | Gloves, Mittens And Mitts   |
| 133  | 6217                    | Readymade Garments and Made ups ( Ch 61-63) | Other Made Up Clothing Accessories; Parts Of Garments Or Of Clothing Accessories, Other Than Those Of Heading 6212  |
| 134  | 6301                    | Readymade Garments and Made ups ( Ch 61-63) | Blankets And Travelling Rugs  |
| 135  | 6302                    | Readymade Garments and Made ups ( Ch 61-63) | Bed Linen, Table Linen, Toilet Linen And Kitchen Linen  |
| 136  | 6303                    | Readymade Garments and Made ups ( Ch 61-63) | Curtains (Including Drapes) And Interior Blinds: Curtain Or Bed Valances  |
| 137  | 6304                    | Readymade Garments and Made ups ( Ch 61-63) | Other Furnishing Articles, Excluding Those Of Heading 9404  |
| 138  | 6305                    | Readymade Garments and Made ups ( Ch 61-63) | Sacks And Bags, Of A Kind Used For The Packing Of Goods   |
| 139  | 6306                    | Readymade Garments and Made ups ( Ch 61-63) | Tarpaulins, Awnings And Sunblinds; Tents; Sails For Boats, Sailboards Or Landcraft; Camping Goods   |
| 140  | 6307                    | Readymade Garments and Made ups ( Ch 61-63) | Other Made Up Articles, Including Dress Patterns  |
| 141  | 6308                    | Readymade Garments and Made ups ( Ch 61-63) | Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale |
| 142  | 6401                    | Leather Goods and footwear                  | Waterproof Footwear With Outer Soles And Uppers Of Rubber Or Of Plastics, The Uppers Of Which Are Neither Fixed To The Sole Nor Assembled By Stitching, Riveting, Nailing, Screwing, Plugging Or Similar Processes      |
| 143  | 6402                    | Leather Goods and footwear                  | Other Footwear With Outer Soles And Uppers Of Rubber Or Plastics  |
| 144  | 6403                    | Leather Goods and footwear                  | Footwear With Outer Soles Of Rubber, Plastics, Leather Or Composition Leather And Uppers Of Leather   |
| 145  | 6404                    | Leather Goods and footwear                  | Footwear With Outer Soles Of Rubber, Plastics, Leather Or Composition Leather And Uppers Of Textile Materials   |
| 146  | 6405                    | Leather Goods and footwear                  | Other Footwear  |