



Restoration of Interest Equalization Scheme

[Source: TH](#)

The engineering exporters' body **Engineering Export Promotion Council (EEPC India)** has requested to restore the **Interest Equalization Scheme (IES) for all exporters and increase benefits for [Micro, Small and Medium Enterprises \(MSME\)](#).**

- The IES for pre and post shipment rupee credit availed by exporters was started in 2015 and it lapsed in June 2024 for all exporters, except MSMEs.
- IES is a commerce ministry program that helps exporters get bank loans at a subsidised interest rate. EEPC urges to restore interest subvention rate to **3% for 410 tariff lines** and raise the rate to **5% for MSMEs exporting under any tariff line.**
- EEPC India, established in 1955, has played a significant role in the growth of Indian engineering exports, which have increased from USD 10 million in 1955 to USD 109.32 billion in the fiscal year 2023-2024.
 - It is recognised as the model EPC in India by the Union Ministry of Commerce and Industry and is sponsored by the Government of India. It actively contributes to government policies and serves as a bridge between the Indian engineering industry and the government.
- **[Remission of Duties and Taxes on Export Products \(RoDTEP\)](#)** introduced in 2021 replaces the existing MEIS (Merchandise Exports from India Scheme).
 - It also ensures exporters **receive refunds on previously non-recoverable embedded taxes and duties**, while IES aims to provide interest rate equalisation on **pre- and post-shipment export credit to boost exports.**

Read more: [Boosting Exports from MSMEs: NITI Aayog](#)

PDF Reference URL: <https://www.drishtias.com/printpdf/restoration-of-interest-equalization-scheme>