



# EXPORTS SCHEMES AND BENEFITS

There are various export oriented schemes offered by the Government related to the Foreign Trade Policy 2015-2020 to promote exports from India. Salient features of these Schemes are provided below.

## Merchandise Exports from India Scheme (MEIS)

- The objective of MEIS is to offset infrastructural inefficiencies and associated costs involved in export of goods/products, which are produced/ manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India's export competitiveness.
- The MEIS Entitlement would be 2% / 3% / 5% / 7% of FOB value of notified goods exported to notified markets [based on three distinct categories framed and covered in Appendix 3B] in free foreign exchange or FOB value of exports as given in the Shipping Bills in free foreign exchange, whichever is less.
- As per recent announcement MEIS will now be replaced by Remission of Duties or Taxes on Export Product (RoDTEP). [<https://www.indiafilings.com/learn/rodtep-scheme/>]
- Country Groups - Category A: Traditional Markets (30) - European Union (28), USA, Canada. Category B - Emerging & Focus Markets (139), Africa (55), Latin America and Mexico (45), CIS countries (12), Turkey and West Asian countries (13), ASEAN countries (10), Japan, South Korea, China, Taiwan and Category C: Other Markets (70).
- Units located in SEZs have also been made eligible for MEIS & SEIS benefit.
- Export of goods through Courier or Foreign Post Offices using e-Commerce (as notified in Appendix-3C) of FOB value only upto Rs. 5,00,000/- per consignment are entitled for rewards under MEIS.
- This scheme is as per [FTP 2015-2020](#) and is valid until 31<sup>st</sup> March 2020 unless extended/renewed
- For more information – see link <https://dgft.gov.in/policies/merchandise-exports-india-schememeis>

## Service Exports from India Scheme (SEIS)

- SEIS is the equivalent scheme for services and its objective is to encourage export of notified Services from India.
- Under SEIS, Service providers of notified services (under Appendix 3D) will be eligible for rewards in the form of duty credit scrips @ 5% and 7% on the net foreign exchange earned from notified services (w.e.f. 05.12.2017).



- Only services provided in the manner/mode specified at Para 9.51 (i) & (ii) are eligible, i.e. Supply of a 'service' from India to any other country (Mode 1-Cross border trade) and Supply of a 'service' from India to service consumers of any other country (Mode 2- Consumption abroad).
- Minimum net free foreign exchange earnings of USD 15,000 in the year of rendering service is the eligibility criteria. For Individual Service Providers and Sole Proprietorship minimum USD 10,000/- in the year of rendering service.
- This scheme is as per [FTP 2015-2020](#) and is valid until 31<sup>st</sup> March 2020 unless extended/renewed
- For more information – see link <https://dgft.gov.in/policies/export-services-sfisseis>

### Duty Credit Scrip

- Basic Custom duty paid in cash or through debit under Duty Credit scrip shall be adjusted for Duty Drawback benefits.
- As per Trade Notice No. 11 dated 30/06/2017, under the GST regime, the Duty Credit Scrips cannot be used for payment of IGST, GST and Compensation cess in inputs and CGST/SGST/IGST, GST and Compensation cess for domestic procurement.
- Duty Credit Scrip issued on or after 01.01.2016 under Chapter 3 shall be valid for a period of 24 months from the date of issue and must be valid on the date on which actual debit of duty is made.
- This scheme is as per [FTP 2015-2020](#) and is valid until 31<sup>st</sup> March 2020 unless extended/renewed
- For more information – see link [https://dgft.gov.in/sites/default/files/CHAP03\\_1.pdf](https://dgft.gov.in/sites/default/files/CHAP03_1.pdf)

### Status Holder

Status Holder Scheme is for business leaders who have excelled in international trade and have successfully contributed to country's foreign trade. An applicant shall be categorized as status holder on achieving export performance during the current and previous three financial years (for Gems & Jewellery Sector the performance during the current and previous two financial years shall be considered for recognition as status holder) as under:

<b>Status Category</b>	<b>Export Performance FOB/FOR Value (in US \$ million)</b>
One Star Export House	3
Two Star Export House	25
Three Star Export House	100
Four Star Export House	500
Five Star Export House	2000



A Status Holder shall be eligible for privileges as under:

- **Coverage** – All exporters duly registered with relevant EPCs of eligible agriculture products. The assistance, at notified rates, will be available for export of eligible agriculture products to the permissible countries, as specified from time to time.
- **Applicability** - The Scheme is as per [FTP 2015-2020](#) and would be applicable for exports effected from 01.03.2019 to 31.03.2020, unless extended/renewed. For more information – see link <https://dgft.gov.in/policies/status-holders-and-status-holders-incentive-scrip-shis>
- **Eligibility of products** - The assistance will be provided on export of all agriculture products covered in HSN Chapters 1 to 24 including marine and plantation products except those mentioned in Annexure (1).
- **Pattern of assistance** - The TMA would be provided in cash through direct bank transfer as part reimbursement of freight paid. FOB supplies where no freight is paid by Indian exporters are not covered under this scheme. The level of assistance would be different for different regions as notified from time to time. Currently, it is available for these regions, namely: West Africa, East Africa, EU, Gulf, North America, ASEAN, Russia & CIS, Far East, Oceania, China and South America. List of export countries in each region eligible for assistance under TMA are mentioned under Annexure (2). The Scheme covers freight and marketing assistance for export by air as well as by sea (both normal and refer cargo), made through EDI ports only and shall be admissible only if payments for the exports are received in Free Foreign Exchange through normal banking channels. The assistance will be provided as per the rates notified in Annexure 3.
- **Procedure for availing assistance** - The application can be made by Corporate office/ Registered office / Head office / Branch office or Manufacturing unit. Application for TMA would be filed to the RAs headed by Additional DGFT. Applicant shall have option to choose Jurisdictional RA headed by Additional DGFT on the basis of address of its Corporate office/ Registered office / Head office / Branch office or Manufacturing unit. Jurisdiction of RA headed by Addl. DGFT is specified in Appendix-7(A)B. The option of the RA needs to be exercised while making first application under this scheme. Once an option is exercised, no change would be allowed for further claims under the scheme. The units under SEZs/EOUs/FTWZ shall file applications for TMA to the RAs headed by Additional DGFT in whose geographical jurisdiction address of the applicant falls.
- **Documents required** - EP copy of S/B or Airway Bill, Commercial Invoice, self-certified copy of EP Shipping bill(s)/ Airway Bill(s) and Certificate of Chartered Accountant (CA) / Cost and Works Accountant (ICWA)/ Company Secretary (CS) as per Annexure A to ANF-7(A)A.

### **Duty Exemption / Remission Scheme**

This Scheme enables exporters' duty free import of inputs for export production, including replenishment of input or duty remission. The Duty Exemption Scheme consists of the following:



### ***Advance Authorization***

- Allow duty free import of input, physically incorporated in export product, on the basis of Standard Input Output Norms (SION) or Self Declaration. Minimum 15% value addition is required to be achieved. Period for fulfillment of export obligation is 18 months from the date of issue of Authorization.
- As per Trade Notice No. 11 dated 30.06.2017 under GST Regime, no exemption from payment of IGST and Compensation Cess would be available for imports under Advance Authorisation. However, as per Notification No. 53 dated 10.01.2019, imports under Advance Authorisation have been exempted from IGST and Compensation Cess till 31.03.2020.
- Special Advance Authorization Scheme for export of Articles of Apparel & Clothing Accessories has been introduced for duty free import of fabric, subject to the specified conditions.
- Under Self Ratification Scheme, eligible exporter, on self-declaration and self-ratification basis, can apply for an Advance Authorisation where there is no SION/valid Adhoc Norms for an export product and where SION has been notified but exporter intends to use additional inputs in the manufacturing process.
- Imports under Advance Authorization would now also be exempted from Transition Product Specific Safeguard Duty and Countervailing Duty.
- Advance Authorization for annual requirements would only be issued for items notified in SION and it shall not be available in cases of adhoc norms.

### ***Duty Free Import Authorization***

- Issued to allow duty free import of inputs and is exempted only from payment of Basic Customs Duty. Additional Customs Duty/Excise Duty paid may be adjusted as CENVAT credit. Value addition required 20%.
- DFIA will be exempted only from payment of Basic Customs Duty and minimum value addition of 20% will be required to be achieved.
- Duty Free Import Authorization (DFIA) will be issued only on post export basis separately for each SION and each Port and it will not be issued for an export product where SION prescribes 'Actual User' condition for any input.
- Exports under DFIA shall be made from a single Port and Regional Authority shall issue transferable DFIA with a validity of 12 months from the date of issue. No further revalidation shall be granted by Regional Authority.

### ***Duty Drawback Scheme***

The scheme is administered by Department of Revenue which has two components viz-a-viz: All Industry Rate (AIR) and Brand Rate. It comes under Duty Remission Scheme. Under the Scheme, Duty Drawback as per specified rates in Schedule of All Industry Rate of Drawback is granted. Exporter has the option to avail the benefit by getting fixation of Brand Rate on an application in the prescribed format.



### ***Rebate on State and Central Taxes and Levies***

The Scheme was notified by the Ministry of Textiles on 07.03.2019 to be implemented by DGFT. The Scheme will rebate all embedded State and Central Taxes/levies for meant for exports of made-up articles & garments. Under the RoSCTL, the benefit to exporters shall be given by DGFT in the form of transferable duty credit scrips.

These schemes are valid upto 31<sup>st</sup> March 2020 unless extended/renewed. For more information – see link - <http://dgftcom.nic.in/exim/2000/changesftp2015-20/ftpol/CHAP04.pdf>

### **Export Promotion Capital Goods Scheme**

EPCG Scheme allows import of capital goods for pre-production, production and post-production at Zero customs duty. As per Trade Notice No. 11 dated 30.06.2017 under GST Regime, no exemption from payment of IGST and Compensation Cess would be available for imports under EPCG. However, as per Notification No. 57/2015-20 dated 20.03.2019, Capital goods imported under EPCG scheme for physical exports are also exempt from whole of the Integrated Tax and Compensation Cess leviable thereon upto 31<sup>st</sup> March, 2020.

For more information, see link - <http://dgftcom.nic.in/exim/2000/changesftp2015-20/ftproc/CHAP05.pdf>

### **Towns of Export Excellence**

Selected towns producing goods of Rs. 750 crores or more are notified as TEE on potential for growth in exports and provide financial assistance under MAI Scheme to recognized Associations.

This scheme is valid upto 31st March 2020 unless extended/renewed. For more information, see link - <https://dgft.gov.in/sites/default/files/7.pdf>

### **Interest Equalization Scheme**

The Government announced the Interest Equalisation Scheme @ 3% per annum for Pre and Post Shipment Rupee Export Credit with effect from 1st April, 2015 for 5 years available to all exports under 416 tariff lines [at ITC (HS) code of 4 digits] and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC(HS) codes. With effect from November 2, 2018, the rate of Interest Equalisation for MSME has been increased to 5%. The Scheme has also been extended to Merchant Exporters who can avail the benefit @ 3% for all exports under 416 tariff lines w.e.f. January 2, 2019.

This scheme is valid upto 31st March 2020 unless extended/renewed. For more information, see link - <https://dgft.gov.in/sites/default/files/7.pdf>

### **Gold Card Scheme**

The Gold Card Scheme was introduced by the RBI in the year 2004. The Scheme provides for a credit limit for three years, automatic renewal of credit limit, additional 20% limit to meet sudden need of



exports on account of additional orders, priority in PCFC, lower charge schedule and fee structure in respect of services provided by Banks, relaxed norms for security and collateral etc. A Gold Card under the Scheme may be issued to all eligible exporters including those in the small and medium sectors who satisfy the pre-requisite conditions laid by individual Banks.

The scheme is valid for 3 years and gets automatically renewed for 3 more years unless there are adverse circumstances. For more information, see link -

<https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=11605&Mode=0>

### **Transport and Marketing Assistance for Specified Agriculture Products Scheme**

(TMA) scheme aims to provide assistance for the international component of freight and marketing as well as to mitigate disadvantage of higher cost of transportation of export of specified agriculture products to specified destinations/countries due to trans-shipment and to promote brand recognition for Indian agricultural products in the specified region.

This scheme is valid upto 31st March 2020 unless extended/renewed. For more information, see link - [https://dgft.gov.in/sites/default/files/Eng.%20PN%2082%20dt%2029.3.19\\_0.pdf](https://dgft.gov.in/sites/default/files/Eng.%20PN%2082%20dt%2029.3.19_0.pdf)

### **Customs**

Facilities like 24X7 customs clearance, single window, self - assessment of customs duty, prior filing facility of Bill of Entry etc. are available to facilitate exports.

### **Market Access Initiative (Mai) Scheme**

Under the Scheme, financial assistance is provided for export promotion activities on Focus country, focus product basis to EPCs, Industry & Trade Associations, etc. The activities are like market studies/surveys, setting up showroom/warehouse, participation in international trade fairs, publicity campaigns, brand promotion, reimbursement of registration charges for pharmaceuticals, testing charges for engineering products abroad, etc.

This scheme is valid upto 31st March 2020 unless extended/renewed. For more information, see link -

[https://commerce.gov.in/writereaddata/UploadedFile/MOC\\_636546562282394611\\_Market\\_Access\\_Initiative%20Scheme\\_2018.pdf](https://commerce.gov.in/writereaddata/UploadedFile/MOC_636546562282394611_Market_Access_Initiative%20Scheme_2018.pdf)

### **Export Oriented Units (EOUs)/Electronic Hardware Technology Parks (EHTPs)/Software Technology Parks (STPs) & Bio-Technology Parks SCHEME**

Units undertaking to export their entire production of goods and services may be set up under this scheme for import/ procurement domestically without payment of duties.

This scheme is valid upto 31st March 2020 unless extended/renewed. For more information, see link - <http://dgftcom.nic.in/exim/2000/changesftp2015-20/ftpol/CHAP06.pdf>



## **Trade Infrastructure for Export Scheme (TIES)**

The objective of the scheme is to enhance export competitiveness by bridging gaps in export infrastructure, creating focused export infrastructure, first mile and last mile connectivity for export-oriented projects and addressing quality and certification measures. The Central and State Agencies, including Export Promotion Councils, Commodities Boards, SEZ Authorities and Apex Trade Bodies recognized under the EXIM policy of Government of India; are eligible for financial support under this scheme. The Central Government funding will be in the form of grant-in-aid, normally not more than the equity being put in by the implementing agency or 50% of the total equity in the project. (In case of projects located in North Eastern States and Himalayan States including J&K, this grant can be up to 80% of the total equity). The grant in aid shall, normally, be subject to a ceiling of Rs 20 Cr for each infrastructure project. The implementing agencies shall provide details of the financing tie-ups for the projects which will be considered before approval of the project. Disbursement of funds shall be done after financial closure is achieved.

This scheme is valid upto 31st March 2020 unless extended/renewed. For more information, see link - <https://pib.gov.in/newsite/PrintRelease.aspx?relid=159212>