Government of India
Ministry of Commerce
Directorate General of Foreign Trade
Udyog Bhavan, New Delhi – 110 011.

Policy Circular No. 71(RE-08)/2004-2009 **Dated: 18th March, 2009**

To
All Licensing Authorities;
All Exporting Community;

Sub: Guidelines for issuance of Freely Transferable 'Supplementary' Duty Credit Scrip under Chapter 3 Schemes.

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Attention is invited to Para 3.12.6 of FTP. In case, an exporter has already claimed the benefits of freely transferable duty credit scrip for a shipping bill under one of the schemes of Chapter 3 (say FMS/FPS), the same shipping bill cannot be used for filing the claim under any other scheme like VKGUY / FPS (which may have a higher rate of entitlement). Once the exporter has opted for one scheme (VKGUY/FMS/FPS) and the duty credit scrip is granted, then the shipping bills concerned cannot be used for any other scheme wherein freely transferable duty credit scrip is granted. **This is not permitted in terms of Para 3.12.6 of FTP, even if there is higher rate under another scheme.**

2. In some cases additional benefit @2.5% is granted under VKGUY Scheme for exports made w.e.f. 1.4.2008, and some exporters may have already claimed the benefits under VKGUY at the standard rate of 5% or 3.5% (as applicable). Similarly, the rate of entitlement has been enhanced for some categories under FPS. In such cases, supplementary claim under VKGUY is entitled and the exporters may file requests quoting the related file numbers and the due-drawn differential statement as per **Annexure A** of this Policy Circular to RA concerned, along with application fee that may be applicable on entitlement differential due to exporter. RA concerned is directed to accept such scheme-wise requests and grant **supplementary scrip manually**, in the same format and annex the due drawn differential statement along with, without insisting on original scrip to be given for enhancement. These claims, although consolidated for several files of a scheme, RA should process the same in the related main files and issue a consolidated supplementary scrip, which will ensure that the record is in all the original claim main files.

3. Attention is invited to Port Officers Meeting dated 25.11.2008 (Decision No 1(f) therein and Public Notice No. 110 (RE2008) dated 21.12.2008. It has been decided that the claims, if any, may be filed for exports made from 1.4.2008 till 31.3.2009 and not for exports prior to 1.4.2008. **Procedure in Para 2 above shall be followed**.

4. In some cases, entitlement as due, may not be claimed fully by the exporter due to software not being updated, or the entitlement as claimed by the exporter might have been reduced by RA (or sometimes by Customs, although Customs should refer back the matter to RA concerned rather than reducing the entitlement themselves) for some reason, but in appeal or by clarification from Policy division of Headquarters, the original claim has been either **restored or enhanced** from the value that was granted by RA; in such cases, a supplementary scrip will be issued **manually** by RA concerned.

5. Similarly, if any case is covered by Para 3.23.6 of HBP v1, the fresh scrip should be issued **manually** by RA concerned.

This issues with the approval of DGFT.

Sd/-
(A K Singh)
Joint Director General of Foreign Trade
(Issued from File No. 01/91/180/1268/AM 09/ PC3)

Annexure A to Policy Circular No. 71(RE2008)/2004-09 dated: 18th March 2009

Due – Drawn Differential Statement

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Scheme Name: (Name the scheme - VKGUY / FPS / MLFPS etc..)

Sl. No. **(1)**	Shipping Bill No and Date & related File No. **(2)**	FOB Value **(3)**	Rate of Entitlement **(4)**	**Reason / Reference** Public Notice / Notification / Policy Circular / Clarification / Software issue / Appeal Order. **(5)**	(**Drawn**)Scrip value – issued (in Rupees) **(6)**	(**Due**) Scrip value entitled (in Rupees) **(7)**	**Difference** (in Rupees) **(8) = (7) – (6)**
1							
2							
3							
..							
..							
Total							

RA Remarks:

Supplementary Claim allowed : Rs …
(against the above shipping bills)

Government of India