

# EXPORT PROMOTION SCHEMES

TRADE PROMOTION WING  
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# SCHEMES IMPLEMENTED BY DEPT OF COMMERCE

## 1. ADVANCE AUTHORISATION (AA)

Advance Authorisation Scheme (AA) allows duty free import of inputs, which are physically incorporated in export product (making normal allowance for wastage). Fuel, oil, catalyst which is consumed / utilized in the process of production of export product, may also be allowed.

Imports under Advance Authorisation are exempted from payment of Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping Duty, Countervailing Duty, Safeguard Duty, Transition Product Specific Safeguard Duty, wherever applicable. Integrated Goods & Service tax and Compensation Cess are also exempted.

A Manufacturer Exporter or a Merchant Exporter tied to a supporting manufacturer can apply for AA Scheme.

Advance Authorisation Scheme allows inputs based on notified Standard Input Output Norms (SION) or on Self Declaration basis subject to procedures set out in Handbook of Procedures.

Except for Gems & Jewellery and some specified products exporter must maintain minimum 15% Value Addition under the Scheme. Value Addition is calculated as per the formula provided in the Foreign Trade Policy (FTP)

Advance Authorisation for Annual Requirement is also available under the scheme. Inputs Imported under the Advance Authorisation Scheme (AA) are subject to Actual User Condition.

The Exporter must complete its Export Obligation under scheme within 18 Months and Authorisation is valid for 12 Months. Both periods can be extended based on procedures set out in the Handbook of Procedures.



## 2. DUTY FREE IMPORT AUTHORISATION (DFIA)

Similar to the Advance Authorisation Scheme (AA), Duty Free Import Authorisation (DFIA) allows duty free import of inputs but on Post Export basis only.

Inputs Imported under DFIA are only exempted of the Basic Customs Duty only.

Only Inputs notified under Standard Input Output Norms (SION) are eligible to be imported under the scheme.

Minimum Value Addition of 20% is required to be achieved.

Merchant Exporter can also avail the benefit by mentioning the name and address of supporting manufacturer on export documents viz. Shipping Bill / Bill of Export / Tax Invoice

Under the scheme a DFIA, Duty Credit Scrip is issued on post export basis which means that the Inputs used in the export products can be imported after exports are completed.

The Scrip is valid for 12 Months from the date of issue. The DFIA Scrip is freely transferable.

<https://www.dgft.gov.in/CP>

### **3. EXPORT PROMOTION CAPITAL GOODS (EPCG)**

The Objective of the EPCG Scheme is to facilitate import of Capital Goods for producing quality goods and services to enhance India's export competitiveness.

The EPCG Scheme allows Import of Capital Goods at Zero Customs Duty. Integrated Goods and Service Tax (IGST) and compensation Cess are also exempted under the scheme.

Exporters availing the scheme must export goods equivalent to 6 times of duties, taxes and cess saved on the capital goods procured under the authorisation, to be fulfilled within 6 years reckoned from date of issue of Authorisation.



Exports done by exporter under various other schemes like Duty Drawback, Advance Authorisation, DFIA, or Deemed Exports would also be considered for fulfilment of obligation under EPCG Scheme.

A Post Export EPCG Scheme is also available for exporters who wish to get refund instead of exemption.

### **4. DEEMED EXPORTS**

"Deemed Exports" for the purpose of Foreign Trade Policy refer to those transactions in which goods supplied do not leave country, and payment for such supplies is received either in Indian rupees or in free foreign exchange.

Various categories of supply by manufacturer and supply by main and sub contractor are covered under the Deemed Export Scheme. These include Supply of goods against Advance Authorisation, Supply to EOU, Supply of goods to United Nations or International organization for their official use etc. This scheme provides a level-playing field to domestic manufacturers in certain specified cases.

Under Deemed Exports, the supplier shall be eligible for any / all of following benefits in respect of manufacture and supply of goods

- Advance Authorisation / Advance Authorisation for annual requirement/DFIA
- Deemed Export Drawback for BCD.
- Refund of terminal excise duty for excisable goods.

### **5. STATUS HOLDER CERTIFICATE**

In recognition to the business leaders who have excelled in international trade and have successfully contributed to country's foreign trade, Status Holder Certificates are issued.

Status Holder recognition will depend on export performance achieved by the exporter in current year 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).

The export performance will be counted on the basis of FOB of export earning in freely convertible foreign currencies. There are 5 Categories from One Star Export House to Five Star Export House.

Various privileges are accorded to Star Export Houses based on the certification .

<https://www.dgft.gov.in/CP>

## 6. INTEREST EQUALIZATION SCHEME (IES)

The Government of India has announced the Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit to eligible exporters.

The Scheme is extended from October 1, 2021 and ends on March 31, 2024.

All exporters seeking benefit under the Interest Equalisation Scheme need to apply a Unique IES Identification Number (UIN) from DGFT Website.

The UIN generated shall have a validity of 1 year from the date of registration, during which an application for availing benefit of IES can be submitted to the concerned bank.

**Details:** <https://www.dgft.gov.in/CP/?opt=application-help#:~:text=IES>

## 7. MARKET ACCESS INITIATIVE (MAI)

Market Access Initiative (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India's exports on a sustained basis. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/ Research Institutions/Universities/Laboratories, Exporters etc., for enhancement of exports through accessing new markets or through increasing the share in the existing markets. Under the Scheme the level of assistance for each eligible activities has been fixed.

The following activities will be eligible for financial assistance under the Scheme:

- Marketing Projects Abroad
- Capacity Building
- Support for Statutory Compliances
- Studies
- Project Development
- Developing Foreign Trade Facilitation web Portal
- To support Cottage and handicrafts units

<https://commerce.gov.in/international-trade/trade-promotion-programmes-and-schemes/trade-promotion-programme-focus-cis/market-access-initiative-mai-scheme/>

# SCHEMES ADMINISTERED BY DEPT OF REVENUE

## 8. DUTY DRAWBACK (DBK)

Duty Drawback (DBK) allows rebate of duty on any goods manufactured in India and Exported.

DBK excludes Integrated Goods and Service Tax (IGST) and Compensation Cess.

The Duty Drawback Scheme is administered by Department of Revenue.

## 9. REFUND OF DUTIES AND TAXES ON EXPORTED PRODUCTS (RoDTEP)

The scheme has been introduced with an objective to neutralize the taxes and duties suffered on exported goods which are otherwise not credited or remitted or refunded in any manner and remain embedded in the export goods.

The duties/taxes/levies at the Central, State and local level, borne on a export product, including prior stage cumulative indirect taxes on goods and services in production of exported products and other indirect duties/taxes/levies in respect to distribution of the exported goods is refunded under the scheme.

The Scheme is notified by Department of Commerce and administered by Department of Revenue.

The Scheme is effective for exports done from 1st January 2021.

RoDTEP rate schedule has been notified and based on the same transferable e-scrips are issued and are to be used only for payment of Basic Customs Duty.

<https://cip.icegate.gov.in/CIP/static/images/doc/RoDTEP/FAQ2.pdf>

## 10. EXPORT OF APPAREL/GARMENTS AND MADE-UPS (RoSCTL)

The Scheme is applicable for apparel/garments (under Chapter 61 and 62) and Made-ups (under Chapter 63)

The Scheme is continued from 01st January 2021 to 31st March 2024.

The Scheme is notified by The Ministry of Textiles and implemented by Department of Revenue with end to end digitization for issuance of transferable Duty Credit Scrip, which will be maintained in an electronic ledger in the Customs system. (ICEGATE)

<https://cip.icegate.gov.in/CIP/static/images/doc/RoDTEP/FAQs1.pdf>

# **SCHEMES IMPLEMENTED BY OTHER AGENCIES**

## **11. EXPORT DEVELOPMENT & PROMOTION OF SPICES**

The programme under the scheme 'Export Development and Promotion' aims to support exporters to adopt high technology processing or to upgrade existing level of technologies for high-end value addition and to develop capabilities to meet the changing food safety standards in the importing countries. The scheme also caters to promoting the Indian spices exporter by assisting them in promotion of Indian Goods in International Trade Fairs, Seminars, etc. by reimbursing their expenditure on the same.

The core benefit areas of the scheme include Infrastructure development, Research on new applications of spices & new product development, Promotion of Indian Spice Brand abroad, setting up of Infrastructure for common cleaning, grading, processing, packing, storing facilities (Spices Park) in major spice growing/marketing centers, promotion of organic spices, special programmers for North East entrepreneurs etc.

The Spices Board is also participating in international trade fairs and exhibitions to show case India's strengths and capabilities in spice processing and value addition.

Some of the financial fiscal benefits include:

1. Reimbursement of 50% airfare with limits as per terms for individual exporters
2. For delegations, 50% reimbursement with INR1.5 lakh limit per year per exporter

Details: <http://www.indianspices.com/>

## **12. EXPORT PROMOTION - PROVIDING TRANSIT/ FREIGHT ASSISTANCE FOR COFFEE EXPORTS**

1. The objective of the scheme is to maximize export earnings by enhancing the market share of value added coffees and high value differentiated coffees in important high value international markets.

2. All the Registered coffee Exporters with coffee Board having valid registration are eligible for the benefits under the scheme

### **Scale of Transit/Freight Assistance**

- i) Rs.2/.per kg.for the export of High Value Green coffees to far off high value ' market viz., U.S.A., Canada, Japan, Australia, New Zealand' South Korea and Finland and Norway.
- ii) Rs.3/.per Kg.for export of Value. Added Coffees in retail consumer packs ' exported as "India Brand" calculated on the Green coffee utilized for its manufacture/preparation at the rate of maximum of 2.6kg for instant/soluble coffee and 1.19 kgs for Roasted coffee seeds and R & G Coffees'

Details: [https://indiacoffee.org/Schemes/ICDP\\_MTF\\_Export\\_Promn\\_2021\\_22.pdf](https://indiacoffee.org/Schemes/ICDP_MTF_Export_Promn_2021_22.pdf)



## **13. THE FINANCIAL ASSISTANCE SCHEME (FAS)**

The Financial Assistance Scheme (FAS) is an export promotion scheme run by APEDA. The scheme aims to facilitate the export of agri-products by providing assistance to exporters.

Financial assistance is provided in three broad areas, namely:

### **i) Development of Export Infrastructure**

APEDA recognizes the importance of infrastructure for growth of agro-industries and export of agricultural products in the value chain. The scheme component covers both fresh produce and processed food products. The objective of the scheme is to reduce losses caused due to spoilage and to ensure quality production of agro products. To achieve this, it seeks to set up post-harvest handling facilities.

### **ii) Quality Development**

To participate/engage in international trade, it is necessary to comply with Food Safety requirements of different countries. Several importing countries demand adherence to stringent Maximum Residue Levels (MRLs). Some of the developed importing countries have set up MRLs at very low level. For this, high precision equipment are required to be installed by the food testing labs. Under this component, assistance is provided to comply with the prescribed standards of importing countries.

### **iii) Market Development**

This component helps exporters to achieve market access in new markets and help sustain their presence in the existing markets. It covers structured marketing strategies for export of food products, market intelligence for taking informed decisions, international exposure, skill development, capacity building and high quality packaging. The assistance under this component covers the following:

- Participation in International trade fairs
- Exchange of Trade Delegations
- Organizing Buyer Seller Meets
- Developing packaging standards for new products and upgrading the existing standards.

[https://apeda.gov.in/apedawebsite/Announcements/FAS\\_Guidelines\\_05102021.pdf?v=1](https://apeda.gov.in/apedawebsite/Announcements/FAS_Guidelines_05102021.pdf?v=1)