



# EXPORT BENEFITS

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# **PRODUCTS WITH PERCENTAGE CREDIT SCRIPS**



# BACKGROUND

- Government is giving various benefits on export of specified products.
- Benefit is given in the form of credit scrips at certain percentage of FOB value of Export made during the year.
- Credit scrip can be used for various purpose like payment of cenvat credit on indigenous product, payment of various duties on import of products, fulfilling of Export obligations and payment of various import duty on import of capital goods at concessional rates.

# TABLE OF PRODUCTS WITH PERCENTAGE BENEFITS

S.NO.	NATURE OF PRODUCT	PERCENTAGE
01	LEATHER PRODUCTS	2% + 2% BONUS BENEFIT ON CERTAIN ITEMS
02	FIREWORKS AND STATIONERY ITEMS	2% + 2% BONUS BENEFIT ON CERTAIN ITEMS
03	COIR PRODUCTS	2%
04	RAW SILK AND OTHER SILK PRODUCTS	2% + 2% BONUS BENEFIT ON CERTAIN ITEMS
05	HANDMADE CARPETS	2% + 2% BONUS BENEFIT ON CERTAIN ITEMS

<b>S.NO.</b>	<b>NATURE OF PRODUCT</b>	<b>PERCENTAGE</b>
06	HANDICRAFT PRODUCTS	5% + 2% BONUS BENEFIT ON CERTAIN ITEMS
07	GREEN TECHNOLOGY PRODUCTS	2% + 2% BONUS BENEFIT ON CERTAIN ITEMS
08	BICYCLES AND OTHER CYCLES (Only to specified countries like Algeria, Tanzania, Japan, China etc.)	2%
09	AUTO COMPONENTS (Only to specific countries like Brazil, Japan, South Africa, China etc.)	2%
10	MOTOR CARS (Various countries like Bahrain, Bangladesh, Kenya etc.)	2%
11	CHASIS FOR MOTOR VEHICLES (Specific Countries)	2%
12	MOTOR CYCLES (Specific Countries)	2%



S.NO.	NATURE OF PRODUCT	PERCENTAGE
13	APPAREL AND CLOTHING ACCESSORIES. (Specific Countries)	2%
14	PHARMA PRODUCTS, GLASS PRODUCTS, PANIT ETC. (Specific countries)	2%

- Above list is not exhaustive and there are various other products which are eligible to credit scrip under the scheme.



# **COUNTRIES/MARKETS WITH PERCENTAGE CREDIT SCRIPS**



# BACKGROUND

- Government is giving various benefits on export of any products to specified countries.
- Benefit is given in the form of credit scrips at certain percentage of FOB value of Export made during the year.
- Credit scrip can be used for various purpose like payment of cenvat credit on indigenous product, payment of various duties on import of products, fulfilling of Export obligations and payment of various import duty on import of capital goods at concessional rates.



# LIST OF ELIGIBLE COUNTRIES WITH PERCENTAGE CREDIT

S. NO.	COUNTRY/MARKET	PERCENTAGE CREDIT
01	LATIN AMERICAN COUNTRIES	3%
02	AFRICAN COUNTRIES	3%
03	EASTERN EUROPEAN COUNTRIES	DEPENDS
04	ASIANA-OCEANA COUNTRIES	DEPENDS

- Above list is not Exhaustive and depends on case to case basis.



# IMPORT OF CAPITAL GOODS AT CONCESSIONAL RATE OF DUTY



# BACKGROUND

- Import of Capital goods is allowed at concessional rate of duty i.e. at 0% or 3% as the case may be.
- Benefit of concessional rate is subject to fulfilment of Export obligation of 6 times or 8 times the duty saved on import of Capital goods.
- Sale of indigenous goods by domestic manufacturer to above importer is considered as deemed exports by the domestic manufacturer and domestic exporter can avail benefits available on deemed exports.
- Such import at concessional rate of duty is also available to retailers having minimum area of 1000 sq. mtrs. And who can fulfill export obligation @ 8 times the amount of duty saved.



# DUTY FREE IMPORT OF INPUTS



# BACKGROUND

- Duty free import of inputs to be used in export products is allowed under certain schemes.
- Duty free import of mandatory spares upto 10% of CIF value of above inputs to be used in export products is also allowed.
- Both Manufacturer exporter and merchant exporter can avail this benefit.
- Supply to SEZ is also considered as physical export, so inputs to be used in final products to be supplied to SEZ will also be applicable for this scheme.
- Importer will be exempt from paying basic custom duty, additional customs duty, education cess, anti-dumping duty and safeguard duty.



**THANK YOU**