CHAPTER 3 BENEFITS

Status Holder (Export, Trading Houses)

Merchant as well as Manufacturer Exporters, Service Providers, Export Oriented Units (EOUs) and Units Located in Special Economic Zones (SEZs), Agri Export Zones (AEZs), Electronic Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) and Biotechnology Parks (BTPs) are eligible for status. Status will be granted depending on total FOB (FOR - for deemed exports) of the applicant during current plus previous three years (taken together) upon exceeding limit given below.

For Export House (EH) Status, export performance is necessary in at least two out of four years (i.e., current plus previous three years).

Status Category	FOB / FOR Value (Rupees in Crores)
Export House (EH)	20
Star Export House (SEH)	100
Trading House (TH)	500
Star Trading House (STH)	2500
Premier Trading House (PTH)	7500

Exporters in Small Scale Industry (SSI) / Tiny Sector / Cottage Sector, Units registered with KVICs / KVIBs, Units located in North Eastern States, Sikkim and Jammu & Kashmir, Units exporting handloom handicrafts / hand knotted or silk carpets, exporters exporting to countries in Latin America / CIS / subSaharan Africa as listed in Appendix-9, Units having ISO 9000 (series) / ISO 14000 (series) / WHOGMP / HACCP / SEI CMM level-II and above status granted by agencies listed in Appendix-6 of HBP v1, exports of services and exports of agro products shall be entitled for double weight age on exports made for grant of status.

Served From India Scheme (SFIS)

Objective of this scheme is to accelerate growth in export of services so as to create a powerful and unique ‘Served From India’ brand, instantly recognized and respected world over. All Indian Service Providers, of services listed in Appendix 10 of HBPv1, who have free foreign exchange earning of at least Rs. 10 Lakhs in preceding financial year / current financial year shall qualify for Duty Credit Scrip under SFIS. For Individual Indian Service Providers, minimum free foreign exchange earnings would be Rs 5 LakhsAll Service Providers shall be entitled to Duty Credit Scrip equivalent to 10% of free foreign exchange earned during current financial year. Entitlement / goods (imported / procured) against SFIS scrip shall be non transferable (except within group company and managed hotels) and be subject to Actual User condition.

VKGUY Scheme

Objective of VKGUY is to promote exports of :

(i) Agricultural Produce and their value added products;

(ii) Minor Forest Produce and their value added variants;

(iii) Gram Udyog Products;

(iv) Forest Based Products; and

(v) Other Products, as notified from time to time.

Duty Credit Scrip benefits are granted with an aim to compensate high transport costs, and to offset other disadvantages. Exporters, of products notified in Appendix 37A of HBPv1, shall be entitled for Duty Credit Scrip equivalent to 5% of FOB value of exports (in free foreign exchange) for exports made from 27.8.2009 onwards. Flowers, Fruits, Vegetables and other products, as listed in Table 2 of appendix 37A shall be entitled to an additional duty credit scrip equivalent to 2% of FOB value of exports;

Status Holder Incentive Scrip (SHIS)

With an objective to promote investment in up gradation of technology of some specified sectors , Status Holders exporting products of these sectors shall be entitled to incentive scrip @1% of FOB value of exports in the form of duty credit. The Status Holders Incentive Scrip shall be with Actual User Condition and shall be used for imports of capital goods related to the sector.

Agri-Infrastructure Scrip

For exports made during a particular year, all Status Holders exporting products covered under ITC HS Chapters 1 to 24, shall be incentivized with duty credit scrip equal to 10% of FOB value of agricultural exports (including VKGUY benefits entitled under Policy Para 3.13.2) provided that the total benefits for all status holders put together does not exceed Rs 100 Cr (i.e. Rs 50 Cr for each half year). Zonal Office, CLA, New Delhi is the licensing office for grant of this benefit to all status holders of the country. Focus Market Scheme (FMS) Objective of this scheme is to offset high freight cost and other externalities to select international markets with a view to enhance India’s export competitiveness in these countries. Exporters of all products to notified countries (as in Appendix 37C of HBPv1) shall be entitled for Duty Credit Scrip equivalent to 3% of FOB value of exports (in free foreign exchange) for exports made from 27.8.2009 onwards,

Focus Product Scheme (FPS)

Objective is to incentivise export of such products which have high export intensity / employment potential, so as to offset infrastructure inefficiencies and other associated costs involved in marketing of these products. Exports of notified products (as in Appendix 37D of HBPv1) to all countries (including SEZ units) shall be entitled for Duty Credit scrip equivalent to 2% of FOB value of exports. However, Special Focus Product(s) /sector(s), covered under Table 2 and Table 5 of Appendix 37D, shall be granted Duty Credit Scrip equivalent to 5% of FOB value of exports. Further, Focus Product(s) / sector(s) that are notified under Table 7 of Appendix 37D shall be granted Additional Duty Credit Scrip equivalent to 2% of FOB value of export.

Market Linked Focus Product Scheme (MLFPS)

Export of Products/Sectors of high export intensity / employment potential (which are not covered under present FPS List) would be incentivized at 2% of FOB value of exports (in free foreign exchange) under FPS when exported to the Linked Markets (countries), which are not covered in the present FMS list