

Export Promotion Schemes

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Export Promotion schemes provide promotional measures to boost India's exports with the objective to offset infrastructural inefficiencies and associated costs involved to provide exporters a level playing field. Brief of these measures are as under

1. Merchandise Exports from India Scheme

Under this scheme, exports of notified goods/products to notified markets as listed in Appendix 3B of Handbook of Procedures, are granted freely transferable duty credit scrips on realized FOB value of exports in free foreign exchange at specified rate (2-5%). Such duty credit scrips can be used for payment of custom duties for import of inputs or goods, payment of excise duty on domestic procurement, payment of service tax and payment of custom duties in case of export obligation (EO) default.

2. Duty exemption & remission schemes

These schemes enable duty free import of inputs for export production with export obligation. These scheme consists of:-

2.1 Advance Authorization Scheme:

Under this scheme, duty free import of inputs are allowed, that are physically incorporated in the export product (after making normal allowance for wastage) with minimum 15% value addition. Advance Authorization (AA) is issued for inputs in relation to

resultant products as per SION or on the basis of self declaration, as per procedures of FTP. AA normally have a validity period of 12 months for the purpose of making imports and a period of 18 months for fulfillment of Export Obligation (EO) from the date of issue. AA is issued either to a manufacturer exporter or merchant exporter tied to a supporting manufacturer(s).

2.2 Advance Authorization for annual requirement

Exporters having past export performance (in at least preceding two financial years) shall be entitled for Advance Authorization for Annual requirement. This shall only be issued for items having Standard Input Output Norms (SION).

2.3 Duty Free Import Authorization (DFIA) Scheme:

DFIA is issued to allow duty free import of inputs, with a minimum value addition requirement of 20%. DFIA shall be exempted only from the payment of basic customs duty. DFIA shall be issued on post export basis for products for which SION has been



notified.

2.4 Duty Drawback of Customs/Central Excise Duties/Service Tax:

The scheme is administered by Department of Revenue. Under this scheme products made out of duty paid inputs are first exported and thereafter refund of duty is claimed in two ways:

- i) All Industry Rates : As per Schedule
- ii) Brand Rate : As per application on the basis of data/documents

2.5 Rebate of Service tax through all industry rates

Refund of service tax paid on specified output services used for export of goods is available at specified all industry rates.

3. EPCG Scheme

3.1 Zero duty EPCG scheme

Under this scheme import of capital goods at zero custom duty is allowed for producing quality goods and services to enhance India's export competitiveness. Import under EPCG shall be subject to export obligation equivalent to six times of duty saved in six years. Scheme also allows indigenous sourcing of capital goods with 25% less export obligation.

3.2 Post Export EPCG Duty Credit Scrip Scheme

A Post Export EPCG Duty Credit Scrip Scheme shall be available for exporters who intend to import capital goods on full payment of applicable duty in cash.

4. EOU/EHTP/STP & BTP Schemes

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. For details of the scheme and benefits available therein FTP may be required.

5. Other Schemes

5.1 Towns of Export Excellence (TEE)

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.

5.2 Rebate of duty on "export goods" and "material" used in manufacture of such goods:

Rebate of duty paid on excisable goods exported or duty paid on the material used in manufacture of such export goods may be claimed under Rule of 18

of Central Excise Rules, 2002.

5.3 Export of goods under Bond i.e. without payment of excise duty:

Rule 19 of Central Excise Rules 2002 provides clearance of excisable goods for exports without payment of central excise duty from the approved factory, warehouse and other premises.

5.4 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. Details of the Scheme is available at www.commerce.nic.in

5.5 Marketing Development Assistance (MDA) Scheme

Financial assistance is available for exporters having an annual export turnover upto Rs. 30 crores for trade fairs, buyer seller meets organized by EPC's/ Trade promotion organizations. MDA guidelines available at www.commerce.nic.in

5.6 Status Holder Scheme

Upon achieving prescribed export performance, status recognition as one star Export House, two Star Export House, three star export house, four star export house and five star export house is accorded to the eligible applicants as per their export performance. Such Status Holders are eligible for various non-fiscal privileges as prescribed in the Foreign Trade Policy.

In addition to the above schemes, facilities like 24X7 customs clearance, single window in customs, self assessment of customs duty, prior filing facility of shipping bills etc are available to facilitate exports.

Export Incentives increased

Focusing on making India a significant participant in world trade and on enabling the country to assume a position of leadership in international trade Government of India released the Mid-term Review of the Foreign Trade Policy 2015-20 on 5th December 2017. Export incentives under Merchandise Exports from India (MEIS) have been increased by 2% across the board for labour intensive MSME sectors.

Revised Export Incentives for Coconut products under the scheme MEIS and DDB.

Sl. No.	Products	ITC HS Code	MEIS Reward Rate	Duty Draw-back(DDB)
1	Broom	96031000	7%	1.50%
2	Chutney powder	20081920	7%	0.15%
3	Coconut Biscuits	19053100	7%	0.15%
4	Coconut chips	21069099	5%	0.15%
5	Coconut cream	20089999	7%	0.15%
6	Coconut Hookah	96140000	7%	1.50%
7	Coconut Jaggery	17029090	Nil	0.15%
8	Coconut Juice	20098990	7%	0.15%
9	Coconut milk	20098990	7%	0.15%
10	Coconut milk powder	21069050	5%	0.15%
11	Coconut oil	15131100/15131900	Nil	0.15%
12	Coconut oil based Fatty Acid	38231900	2%	1.50%
13	Coconut oil based medicated soaps	34011110	3%	1.50%
14	Coconut shell based activated carbon	38021000	2%	1.50%
15	Coconut shell charcoal	44029010	5%	Nil
16	Coconut shell oval	14049090	7%	0.15%
17	Coconut water powder	21069050	5%	0.15%
18	Copra (Ball & Milling)	12030000	Nil	0.15%
19	Desiccated coconut	8011100	7%	0.15%
20	Dry Coconut	08011220/08011920	5%(for 08011220), 7%(for 08011920)	0.15%
21	Flavored coconut milk	20098990	7%	0.15%
22	Fresh Coconut	08011210/08011910	5%(for 08011210), 7%(for 08011910)	0.15%
23	Frozen coconut	08011290/08011990	5%(for 08011290), 7%(for 08011990)	0.15%
24	Grated coconut	08011290/08011990	5%(for 08011290), 7%(for 08011990)	0.15%
25	Hair Cream	33059030	2%	1.50%
26	Nata De Coco	20079990	7%	0.15%
27	Oil cake (Expeller variety)	23065010	5%	0.15%
28	Oil cake (Solvent extracted variety)	23065020	5%	0.15%
29	Other coconut hair oil	33059019	3%	1.50%
30	Perfumed coconut hair oil	33059011	3%	1.50%
31	Shell Buttons	96062910	3%	1.50%
32	Shell Powder	14049090	7%	0.15%
33	Tender coconut water	22029090	3%	0.15%
34	Packed Tender coconut water	22029090	3%	0.15%
35	Vinegar	22090090	3%	0.15%
36	Virgin coconut oil	15131100/15131900	Nil	0.15%

Goods & Service Tax(GST)

Goods and Services Tax (GST) is an indirect tax which was introduced in India on 1st July 2017 and was applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% ,18% and 28%.

The single GST(goods and service taxes) replaced several former taxes and levies which included: central excise duty, services tax, additional customs duty, surcharges, state-level value added tax and Octroi. Other levies which were applicable on inter-state transportation of goods have also been done away with in GST regime. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the State governments. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax/destination-based tax, therefore, taxes are paid to the state where the goods or services are consumed not the state in which they were produced.

The GST rates of Coconut Products effective from 15th November 2017.

Sl. No.	Products	HSN Code	GST
1	Broom	96031000	5%
2	Chutney powder	2008	12%
3	Coconut Biscuits	1905 [other than 1905 32 11, 1905 90 40]	18%
4	Coconut chips	210690	12%
5	Coconut cream	2008	12%
6	Coconut Hookah	9614	28%
7	Coconut Jaggery	1701 or 1702	Nil
8	Coconut Juice	2009	12%
9	Coconut milk	2009	12%
10	Coconut milk powder	2106	18%
11	Coconut oil	1513	5%
12	Coconut oil based Fatty Acid	3823	18%
13	Coconut oil based medicated soaps	3401 [except 340130]	18%
14	Coconut shell based activated carbon	3802	18%
15	Coconut shell charcoal	4402	Nil
16	Coconut shell oval	14049060	Nil
17	Coconut water powder	2106	18%
18	Copra (Ball & Milling)	1203	5%
19	Desiccated coconut	0801	5%
20	Dry Coconut	0801	Nil
21	Flavored coconut milk	2009	12%
22	Fresh Coconut	0801	Nil
23	Frozen coconut	0801	Nil
24	Grated coconut	0801	Nil
25	Hair Cream	3305 [other than 3305 9011, 3305 90 19]	28%
26	Nata De Coco	2007	12%
27	Neera	2201	Nil
28	Oil cake (Expeller variety)	2306	Nil
29	Oil cake (Solvent extracted variety)	2306	Nil
30	Other coconut hair oil	3305 90 19	18%
31	Perfumed coconut hair oil	3305 90 11	18%
32	Shell Buttons	9606 29	18%
33	Shell Powder	1404 [other than 1404 90 10, 1404 90 40, 1404 90 50]	5%
34	Tender coconut water	2202 90 90	Nil
35	Packed Tender coconut water	2202 90 90	12%
36	Vinegar	2209	18%
37	Virgin coconut oil	1513	5%

HSN (Harmonized System of Nomenclature) is an 8-digit code for identifying the applicable rate of GST on different products as per CGST rules.