

F.No.01/61/180/188/AM13/PC3
GOVERNMENT OF INDIA
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
POLICY SECTION-3,
UDYOG BHAWAN, NEW DELHI
Website: <http://dgft.gov.in>

Dated: 23rd September, 2014

To

All RAs

Subject: Clarification regarding entitlement under Incremental Export Incentivisation Scheme (IEIS)

Sir,

Requests have been received from RAs seeking clarification on entitlement of claim under Incremental Export Incentivisation Scheme (IEIS) vis a vis Notification Nos. 44 and 43 both dated 25.09.2013 which deals with the benefit of Incremental Export Incentivisation Scheme for the last quarter of 2012-13 and the financial year 2013-14 respectively.

2. DGFT had issued two notifications in this regard.

(a) Vide Notification No. 44 dated 25.09.2013 the following sub-paragraphs (i) & (ii) were added below paragraph 3.14.4.(c) of FTP as under:

- (i) Benefit of Incremental Export Incentivisation Scheme for the last quarter of 2012-13 will be limited to 25% growth or Incremental growth of Rs. 10 crores in value, whichever is less.*
- (ii) Claims in excess of this value will be subjected to greater scrutiny by Regional Authority.*

(b) Vide Notification No. 43 dated 25.09.2013 the following sub-paragraphs were added below paragraph 3.14.5(c) of FTP as under:

- (i) Benefit of Incremental Export Incentivisation Scheme for the year 2013-14 will be limited to a scrip of a value not exceeding Rs. 1 Crore per IEC.*
- (ii) Claims in excess of this value will be subjected to greater scrutiny by Regional Authority.*

3. It is informed that sub-paragraphs (i) and (ii) of each notification are independent paras in both the Notifications Nos 44 and 43 dated 25.09.2013. The limiting of claim is clearly mentioned in the first sub-para of both notifications which fixes the upper limit of grant of benefit. The second sub-para in both the notifications only directs RAs to exercise caution while dealing with cases of incremental growth of exports under the scheme. It does not entitle any applicant to higher levels of benefits under the scheme.

4. Accordingly RAs may compute entitlement under the scheme as under:

IEIS for the last quarter of 2012-13: Benefit of Incremental Export Incentivisation Scheme for the last quarter of 2012-13 will be limited to 25% growth or Incremental growth of Rs. 10 crores in value, whichever is less. RAs should recover excess claim over Rs. 20 lakhs, if sanctioned by them.

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IEIS for the whole year of 2013-14: Benefit of Incremental Export Incentivisation Scheme for the year 2013-14 will be limited to a scrip of a value not exceeding Rs. 1 Crore per IEC. RAs should recover excess claim over Rs. 1 crore, if sanctioned by them.

5. This issues with the approval of DGFT.

Yours faithfully,


[J.M.Gupta]

Joint Director General of Foreign Trade

Tel. No. 23062488

Email: jmgupta@nic.in