

FOCUS PRODUCT SCHEME (FPS)

Objective

Objective is to incentivise export of such products, which have high employment intensity in rural and semi urban areas, so as to offset infrastructure inefficiencies and other associated costs involved in marketing of these products.

Entitlement

Exports of notified products (as in Appendix 37D of HBP v1) to all countries (including SEZ units) shall be entitled for Duty Credit scrip equivalent to 1.25% of FOB value of exports for each licensing year commencing from 1st April, 2006. However, for exports made w.e.f. 1.4.2008, Toys and Sports Goods as detailed in Table 2 of Appendix 37D shall be entitled to duty credit scrip equivalent to 6.25% of FOB value of exports. Further, for exports made w.e.f. 1.4.2008, High Value Added Manufactured goods, as notified in Table 9 of Appendix 37D, shall be entitled to duty credit scrip equivalent to 2.5% of FOB value of exports. However, New additional products notified / clarified in Appendix 37D of HBP v1 shall be entitled for Duty Credit scrip on exports w.e.f 1.4.2008.

Exports made by EOUs / EHTPs / BTPs who do not avail direct tax benefits / exemption shall be eligible, provided the same is not covered under the following Paragraph

Following exports shall not be taken into account for computation of entitlement.

- (a) (i) Export of imported goods covered under Para 2.35 of FTP;
- (ii) Exports through transshipment, meaning thereby that exports originating in third country but transshipped through India;
- b. Export turnover of SEZ units or SEZ products exported through DTA units; and

Market Linked Focus Product

For exports w.e.f 1.4.2008, Products of high export intensity (which are not covered under present FPS List) but which have a low penetration in countries (which are also not covered under present FMS list) would be incentivised and entitled to a duty credit scrip equivalent to 1.25% of FOB value of exports, provided that the product / sector are destined to specified linked markets for that particular product / sector.