

FSIA E-circular dt. Monday, December 06, 2010

Faridabad Small Industries Association

The face of Modern Indian MSMEs

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Bonanza for Exporters (unknown to many)
Indian Government can give you additional
Bonus of 3% of your export value,
if you export to
Brazil, Nigeria, Ethopia, New Zealand, ...



Sources :

PUBLIC NOTICE NO.13/ (RE-2004)/2004-2009, NEW DELHI, DATED THE 25th MAY, 2006

http://commerce.nic.in/publications/annualreport_chapter4-2009-10.asp

http://commerce.nic.in/pressrelease/pressrelease_detail.asp?id=2558

Focus Market scheme (FMS)

Core Idea : The Government feels that there are some countries, where Indian goods and services are not visible sufficiently. Example. Whereas many of our FSIA members focus on US and UK markets, Very few FSIA members are Exporters to Algeria, Egypt, Kenya, Nigeria, South Africa, Tanzania, Ukraine, Brazil, Vietnam and Mexico, etc.

So why does the Govt want to incentivize this ??

So, the Government says, come export to these countries. And we will reward you. Why ? Govt feels that this way, our “Made in India” label will come to be respected in these new countries. And this way that exporter becomes a kind of “Brand Ambassador” for India in that country.

Another objective is to offset freight cost etc to these international markets

What will you get ?

Exporters of all products to notified countries shall be entitled for Duty Credit scrip equivalent to 2.5% of FOB value of exports for each licensing year commencing from 1st April, 2006.

And, **The incentive** available under **Focus Market Scheme (FMS)** has been raised now, from 2.5% to 3%.

What more ?

Infact, 27 new markets have been added under Focus Market Scheme. These include 16 new markets in Latin America and 11 in Asia-Oceania.

Recently in March 2010, even Japan and China have been added to the FMS.

((so next time

You visit China, to purchase your new machinery or raw materials,
Try to put in some extra time, to find a customer for your goods too)).



What is the message ?

- Government wants to help you
- Take this benefit
- Export more, and
- Grow your company with these additional benefits.

Focus product scheme (FPS)

Core Idea :

The Government feels that there are some products in which the country can give a lot of “value addition”, if manufacture is increased and exported. So, these items like

- Stationery(including registers, pen, pencil, staplers etc) ,
- Staples, studs, drawing pin and other office stationery
- Handicrafts(including those of Cast iron, steel, brass,copper etc),
- Leather Goods,
- Articles & equipment for gymnastics,athletics,other sports(including table tennis) etc
- swimming pools & paddling pools

(detailed list attached)

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.

What will you get ?

Exporters of all products to notified countries shall be entitled for Duty Credit scrip equivalent to 2% of FOB value of exports for each licensing year. And, **The incentive** available under **Focus Product Scheme (FPS)** has been recently **raised from 1.25% to 2%.**

For some products this 2% is raised to even 6.25% (example for sports goods etc)

What more ?

112 new products added under FPS at 8 digit ITC HS level, eligible for benefit in the form of Duty Credit Scrip @ 2% of FOB value of exports to all markets.

Any “if” and “but” ?

Yes, there is an exception, if your entity is an EOU, or a SEZ unit, and is making Exports and **avails direct tax benefits / exemption.** then, (unfortunately), it **shall NOT be eligible** for this **FPS benefit,**

Also some conditions and formalities are to be completed.

What is the message ?

- Government wants to help you
- Take this benefit
- Export more, and
- Grow your company with these additional benefits.

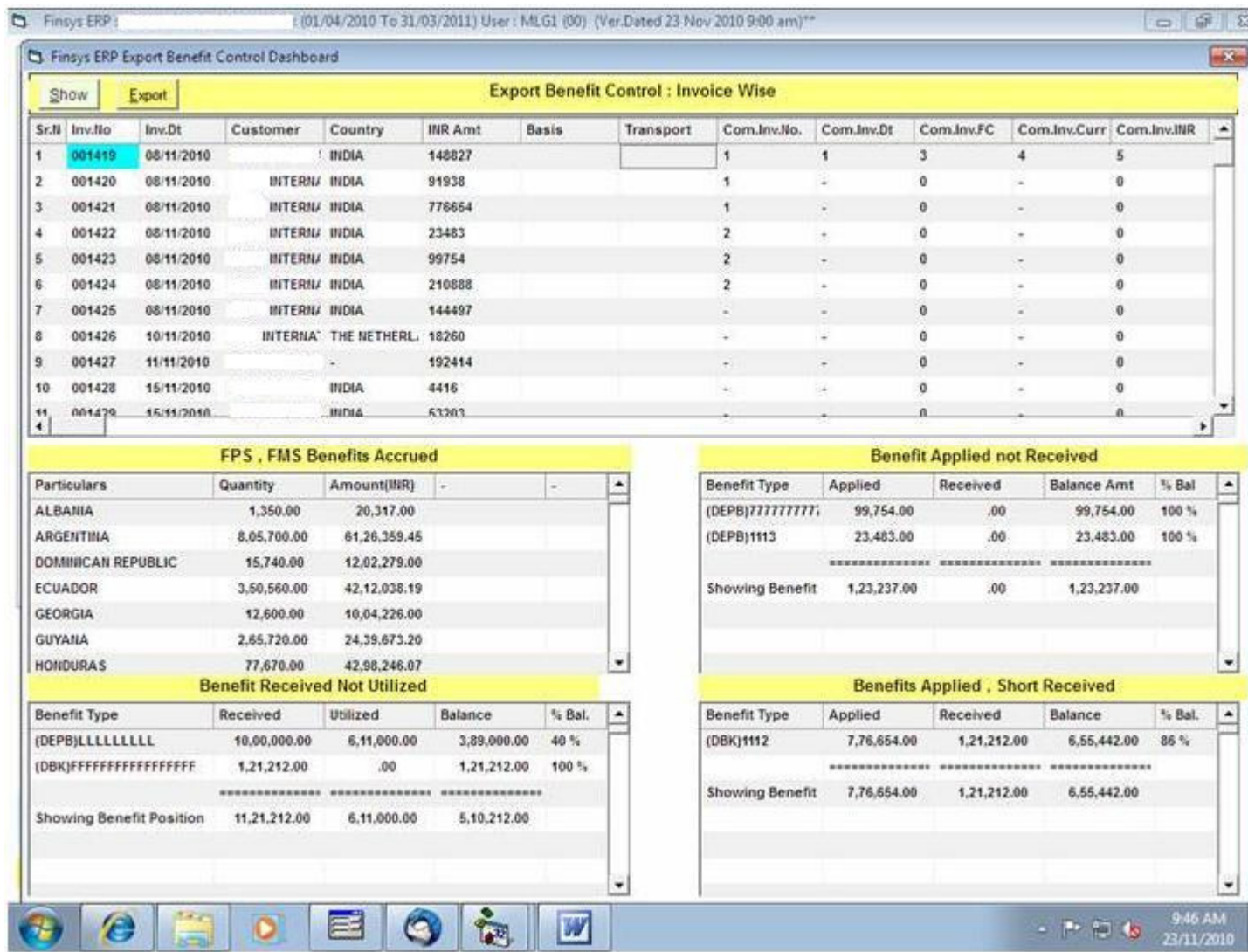
Next Question :

Is there any way, I can manage that ?

How will my Accountant or Accounts Manager, or even my CFO, control this ??
 How can I see that we are accruing these benefits and we are using them properly ?

The Answer is :

Yes there is a special purpose Finsys Module to manage this.
 Have a look below :



Export Benefit Control : Invoice Wise

Sr.No	Inv.No	Inv.Dt	Customer	Country	INR Amt	Basis	Transport	Com.Inv.No.	Com.Inv.Dt	Com.Inv.FC	Com.Inv.Curr	Com.Inv.INR
1	001419	08/11/2010		INDIA	148827			1	1	3	4	5
2	001420	08/11/2010	INTERN/	INDIA	91938			1	-	0	-	0
3	001421	08/11/2010	INTERN/	INDIA	778654			1	-	0	-	0
4	001422	08/11/2010	INTERN/	INDIA	23483			2	-	0	-	0
5	001423	08/11/2010	INTERN/	INDIA	99754			2	-	0	-	0
6	001424	08/11/2010	INTERN/	INDIA	210888			2	-	0	-	0
7	001425	08/11/2010	INTERN/	INDIA	144497			-	-	0	-	0
8	001426	10/11/2010	INTERNA/	THE NETHERL.	18260			-	-	0	-	0
9	001427	11/11/2010		-	192414			-	-	0	-	0
10	001428	15/11/2010		INDIA	4416			-	-	0	-	0
11	001429	15/11/2010		INDIA	63203			-	-	0	-	0

FPS , FMS Benefits Accrued

Particulars	Quantity	Amount(INR)
ALBANIA	1,350.00	20,317.00
ARGENTINA	8,05,700.00	61,26,359.45
DOMINICAN REPUBLIC	15,740.00	12,02,279.00
ECUADOR	3,50,560.00	42,12,038.19
GEORGIA	12,600.00	10,04,226.00
GUYANA	2,65,720.00	24,39,673.20
HONDURAS	77,670.00	42,98,246.07

Benefit Received Not Utilized

Benefit Type	Received	Utilized	Balance	% Bal.
(DEPB)LLLLLLLLL	10,00,000.00	6,11,000.00	3,89,000.00	40 %
(DBK)FFFFFFFFFFFF	1,21,212.00	.00	1,21,212.00	100 %
Showing Benefit Position	11,21,212.00	6,11,000.00	5,10,212.00	

Benefit Applied not Received

Benefit Type	Applied	Received	Balance Amt	% Bal
(DEPB)7777777777	99,754.00	.00	99,754.00	100 %
(DEPB)1113	23,483.00	.00	23,483.00	100 %
Showing Benefit	1,23,237.00	.00	1,23,237.00	

Benefits Applied , Short Received

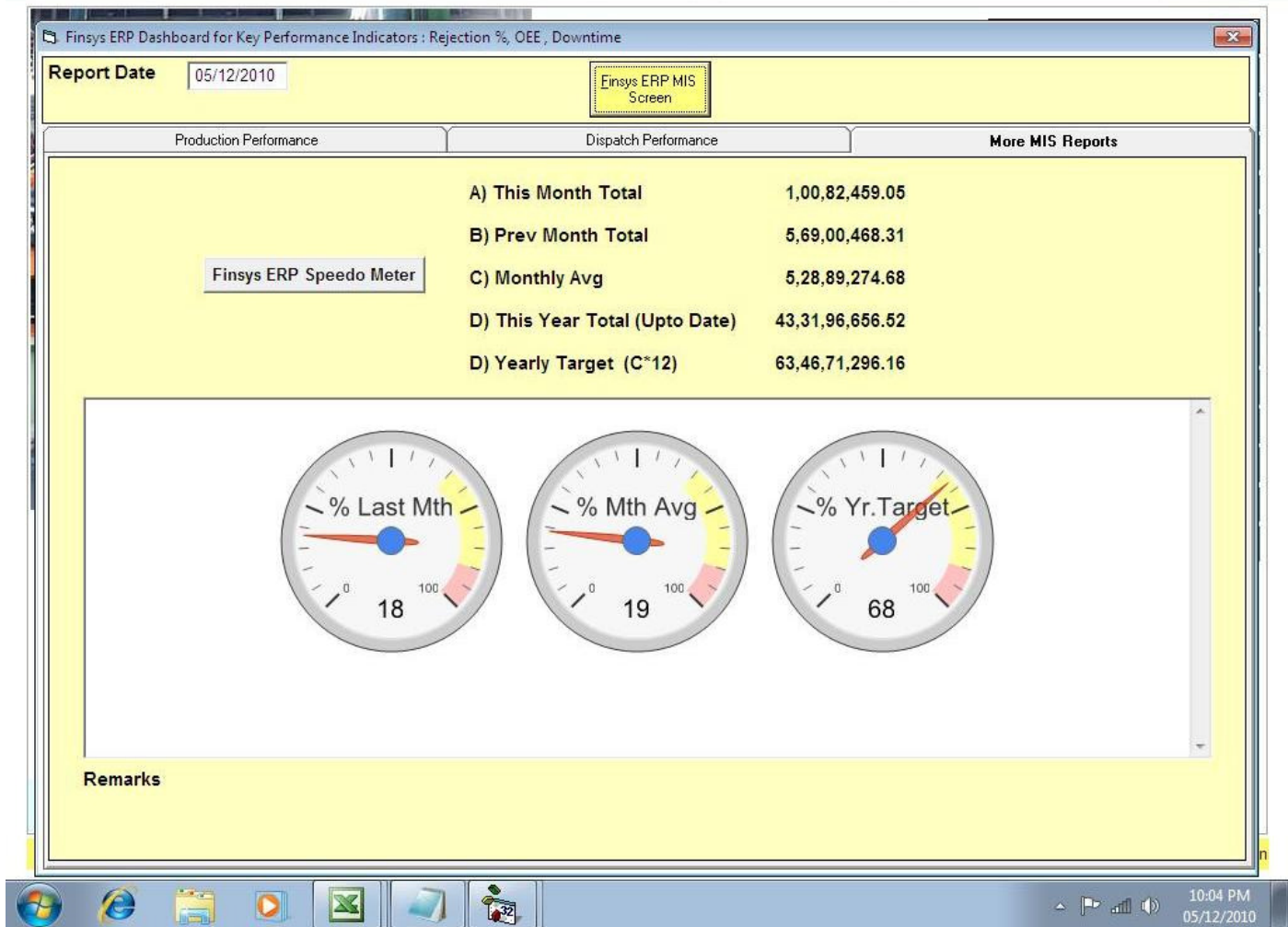
Benefit Type	Applied	Received	Balance	% Bal.
(DBK)1112	7,76,654.00	1,21,212.00	6,55,442.00	86 %
Showing Benefit	7,76,654.00	1,21,212.00	6,55,442.00	

Above is a great example of how to manage your DEPB, Duty Drawback, Export Benefit – Focus Product, Focus Market and so on, business, using the Finsys Dashboard.

We invite you to visit us at www.finsys.co.in
for (a) ERP training manuals, (b) Latest News (c) Recent ERP implementation successes (d)
New technological developments (e) New Tie-ups, and (f) Our Company profile

See another dashboard below, It has been made on a test data, of a company with yearly turnover of
around Rs 65.00 Cr

NEXT **ADRENALIN** for your company via Finsys ERP technology



Comeon, push yourself **NOW !**

For queries, suggestions and feedback , you can e-mail us at :

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