

Government of India
Ministry of Commerce & Industry
Directorate General of Foreign Trade
(Policy Cell II)

Policy Circular No.11/2004

Dated the 30th Nov.04

To

All Licensing Authorities

Subject: Grant of Deemed export benefits on supply of goods to nuclear power projects.

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Attention is invited to the provisions contained in para 8.2(j) of Foreign Trade Policy, 2004-09, in terms of which supply of goods to nuclear power projects through competitive bidding are treated as deemed exports.

2. A clarification has been sought by the licensing authorities whether the deemed export benefits on supplies made to nuclear power projects would be available in respect of (a) contract which have been entered into prior to the announcement of the benefit in the Exim Policy/Trade Policy; (b) contract in terms of which the supplier was paid the TED under the loan head; and (c) supplies effected prior to the announcement of the facility for the nuclear project in the Policy.

3. The matter has been considered and accordingly it is clarified as under:-

(a) Supply of goods to nuclear power projects was covered under deemed exports w.e.f. 21.12.2001. The supplies made on or after 21.12.2001 would be eligible for deemed export benefits. However, no deemed export benefit will be available on supplies made to such projects prior to 21.12.2001.

(b) The benefits of deemed exports are to be given with reference to the benefits available on the date of supply irrespective of the date of contract for such supplies subject to fulfillment of all the parameters of Policy and Handbook and submission of application along with the prescribed documents within the time limit.

(c) In cases, where the project authority has already paid the excise duty component to the supplier, the deemed export benefits will be given to the project authority based on a disclaimer from the supplier.

This issues with the approval of DGFT.

(P.K.Santra)
Dy. Director General of Foreign Trade
For Director General of Foreign Trade

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