

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE

Policy Circular No. 11 (RE-2009)/2009-2014

Date: October 13, 2009

To

All RAs/FIEO/ EPCs/DCs of SEZ

Subject: Reimbursement of Secondary and higher education cess paid on excise duty/terminal excise duty in case of supplies made under deemed exports.

In policy circular no 15 dated 4th July 2005 it was clarified that in terms of Para 8.3(b) & (c) of Foreign Trade Policy 2004-09, Education Cess paid along with excise duty for supplies made under deemed export are eligible for deemed export drawback and refund of terminal excise duty subject to fulfillment of conditions mentioned against the relevant provisions.

2 Subsequently, after introduction of Secondary and Higher Education cess in the Budget 2007, representations have been received about re-imbursement of Secondary and Higher education cess. The matter was examined and it was clarified vide letter no 01/92/180/92/AM 05/PC VI dated 11th April 2008 that Education cess, including Secondary and Higher Education Cess paid along with excise duty may be refunded subject to fulfillment of requisite conditions.

3 Representations have now been received stating that RAs are taking the view that the clarification of 11.4.08 can have only prospective effect. The matter has been considered. It is clarified that the letter dated 11.4.2008 issued to all RAs was clarificatory in nature and therefore claims filed before that date for refund of Secondary & Higher education cess are also eligible for refund.

This issues with the approval of competent authority.

Sd/-

(Akash Taneja)

Jt. Director General of Foreign Trade

(Issued from F.N o.01/92/180/92/AM05-PC.VI)