

CHAPTER 8

DEEMED EXPORTS

- 8.1 Policy** Policy relating to Deemed Exports is in Chapter 8 of FTP.
- 8.2.1 Criteria for claiming Deemed Export Benefits** In respect of supplies under paragraph 8.2(a) of FTP, procedure for issue of ARO and Back-to-Back Inland Letter of Credit is given in paragraphs 4.14 and 4.15 of HBP v1.
- 8.2.2** In respect of supplies under paragraph 8.2(b) of FTP, deemed export benefits may be claimed by an EOU from jurisdictional DC. A DTA unit shall claim benefit from RA concerned.
- 8.2.3** In respect of supply of capital goods under paragraph 8.2 (c) of FTP, supplier shall produce a certificate from EPCG Authorisation holder evidencing supplies / receipt of manufactured capital goods.
- 8.2.4** In respect of supplies under categories mentioned in paragraphs 8.2(d), (f), (i) and (j) of FTP, application for Advance Authorisation shall be accompanied with a Project Authority Certificate in Appendix 27. Payment against such supplies shall be certified by Project Authority concerned as in Appendix 22 C.
- 8.3.1 Procedure for claiming Deemed Export Drawback & Terminal Excise Duty Refund/ Exemption** Procedure for claiming benefits under paragraphs 8.3(b) and (c) of FTP shall be as under:-
- (i) An application in ANF 8, along with prescribed documents, shall be made by Registered office or Head office or a branch office or manufacturing unit of supplier to RA concerned. Where applicant is branch office or manufacturing unit of a supplier, it shall furnish self certified copy of valid RCMC. Recipient may also claim drawback benefits on production of a suitable declaration from supplier,

in the format given in Annexure III of ANF 8. In case of TED refund, a declaration, in the format given in Annexure II of ANF 8, regarding non-availment of CENVAT credit, shall be given, by the recipient of goods, in addition to other prescribed documents.”

(ii) In case of supplies under paragraphs 8.2(a), (b) & (c) of FTP, claim shall be filed against receipt of payment through normal banking channel as in Appendix 22B. Claims should be filed within a period of twelve months from the date of payment. In cases where payment is received in advance, last date for submission of application may be correlated with date of supply instead of date of receipt of payment. Claim can be filed ‘Invalidation Letter / ARO wise’ against individual authorisations within the time limit as specified above. Deemed export benefits may be allowed after 100% supplies have been made. Grant of deemed export benefit will be limited to the extent of payment received.

(iii) (a) In respect of supplies under paragraph 8.2(b) of FTP, where supplier wants to claim benefits from RA, RA shall allow deemed export benefits to DTA supplier, on receipt of certified copies of Central Excise attested invoice as proof of supplies made and / or Central Excise attested CT3 form and proof of validity of LoP.

(b) For supply of High Speed Diesel / Furnace Oil from Depots of domestic oil Public Sector Undertakings under Para 8.2 (b) of FTP, terminal excise duty shall be refunded on the basis of duty paid certificate issued by concerned domestic oil Public Sector Undertaking in the format given in Annexure I to ANF 8. Duty refund will be allowed for quantity of HSD /Furnace oil procured by EOU / EHTP / STP / BTP unit for its production activities, as certified by concerned DC / Bond authorities.

(iv) In respect of supplies under categories mentioned in paragraphs 8.2(d), (f), (h), (i) & (j) of FTP, claim may be filed either on the basis of proof of supplies effected or payment received. Claims should be filed within a period of twelve

months from date of receipt of supplies by project authority or from date of receipt of the payment as per the option of applicant, either against a particular project or all the projects. Claims may also be filed where part payments have been received Deemed export benefits may be allowed after 100% supplies have been made. Grant of deemed export benefit will be limited to the extent of payment received.

8.3.2 For claiming exemption from payment of terminal excise duty, procedure prescribed by Central Excise authority shall be followed.

8.3.3 Where All Industry Rate of Drawback is not available or same is less than 4/5th of duties actually paid on materials or components used in production or manufacture of the said goods, an application in ANF 8 along with prescribed documents may be made to RA or DC, for fixation of brand rate. Recipient may claim benefits on production of a suitable declaration from supplier in the format given in Annexure III of ANF 8.

8.3.4 Claim application shall be filed along with application for fixation of brand rate of duty drawback, in case brand rate is required to be fixed. Provision of late cut under paragraph 9.3 and supplementary claim under paragraph 9.4 shall also be applicable under this sub-paragraph.

8.3.5 RA may consider provisional payment up to 75% of drawback claim in case of private companies and 90% in case of PSUs, pending fixation of brand rate.

8.3.6 Subject to procedure laid down in HBP, Customs and Central Excise Duty Drawback Rules, 1995 shall apply mutatis mutandis to deemed exports.

8.4
Procedure for claiming deemed export In respect of supplies made by sub-contractor to main contractor under paragraphs 8.2(d),(f),(i) and (j), main contractor may make payment to sub-contractor and issue payment certificate as in Appendix 22-C as Form 1-C. Deemed export benefits to sub-contractor would be available

**benefits by
Sub-
contractor**

to the extent of goods that are manufactured and supplied by him or outsourced from other manufacturers, for value as indicated in Appendix 22-C of HBP v1.

**8.5
Payment of
interest on
delayed
refund of
Duty
Drawback /
TED**

For payment of interest, in accordance with para 8.5.1 of FTP, separate application for claiming interest is not required and a single cheque for main claim and interest can be issued to the claimant. However, separate account will be maintained by RAs for the amount of interest disbursed by them.