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Government of India
Ministry of Commerce and Industry
Department of Commerce
Udyog Bhawan

Notification No. 4 (RE-2013) /2009-2014

New Delhi, the 18th April, 2013

Subject: Amendments in Paragraph 8.3 (c) and Paragraph 8.4 of the FTP pertaining to deemed exports scheme- Regarding.

S.O (E) : In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992, as amended, read with paragraph 1.3 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes the following amendments in Foreign Trade Policy, 2009-2014.

2. The existing paragraphs 8.3 (c) and 8.4 in the FTP are substituted by amended paragraphs 8.3(c) and 8.4 as given below:

(i) Existing Paragraph 8.3 (c)

“Exemption from terminal excise duty where supplies are made against ICB. In other cases, refund of terminal excise duty will be given. Exemption from TED shall also be available for supplies made by an Advance Authorisation holder to a manufacturer holding another Advance Authorisation if such manufacturer, in turn, supplies the product(s) to an ultimate exporter.”

Amended Paragraph 8.3 (c)

“Refund of terminal excise duty will be given if exemption is not available. Exemption from TED is available to the following categories of supplies:

- (i) Supplies against ICB;
- (ii) Supplies of intermediate goods, against invalidation letter, made by an Advance Authorisation holder to another Advance Authorisation holder; and
- (iii) Supplies of goods by DTA unit to EOU / EHTP / STP / BTP unit

Thus such categories of supply which are exempt ab initio will not be eligible to receive refund of TED”.

(ii) Existing Paragraph 8.4

“Following table shows the benefits available to different categories of supplies as mentioned in Para 8.2 above. In respect of

such supplies supplier shall be entitled to the benefits listed in paragraphs 8.3 (a), (b) & (c) of the Policy, whichever is applicable.”

Relevant sub-para of 8.2	Benefit available as given in Para 8.3, whichever is applicable		
	(a)	(b)	(c)
(a)	Yes (for intermediate supplies)	Yes (against ARO or Back to Back letter of credit)	Yes (Against ARO or Back to Back letter of Credit)
(b)	Yes	Yes	Yes
(c)	Yes	Yes	Yes
(d)	Yes	Yes	Yes
(f)	Yes	Yes	Yes
(h)	No	Yes	Yes
(i)	Yes	Yes	No
(j)	Yes	Yes	Yes

Amended Paragraph 8.4

“Following table shows the benefits available to different categories of supplies as mentioned in Para 8.2 above. In respect of such supplies supplier shall be entitled to the benefits listed in paragraphs 8.3 (a), (b) & (c) of the Policy, whichever is applicable.”

Relevant sub-para of 8.2	Benefit available as given in Para 8.3, whichever is applicable		
	(a)	(b)	(c)
(a)	Yes (for intermediate supplies against an invalidation letter)	Yes (against ARO or Back to Back letter of credit)	(i) Exemption in case of invalidation (ii) Refund in case of ARO or back to back letter of credit

(b)	Yes	Yes	Exemption
(c)	Yes	Yes	Refund
(d)	Yes	Yes	Exemption
(f)	Yes	Yes	(i) Exemption (ii) Exemption, if ICB. Refund, if without ICB.
(h)	No	Yes	Refund
(i)	Yes	Yes	No
(j)	Yes	Yes	Refund

3. Effect of this amendment:

When ab initio exemption is available, benefit of TED refund will not be given.

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