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Part II, Section 3, Sub-Section (II)

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

Notification No.92(RE-2010) /2009-2014

New Delhi, the 28th December,2011

Subject: Amendment in Para 8.4.4(iv) of FTP

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 Paragraph 8.4.4 (iv) of Foreign Trade Policy, 2009-2014 (RE 2010).

2. At present Paragraph 8.4.4 (iv) of FTP contains a sentence “Supplier shall be eligible for benefits listed in paragraph 8.3(a) and (b) of FTP, whichever is applicable.” This sentence would now be replaced by a new sentence, “In respect of non mega power projects, supplier shall be eligible for benefit listed in paragraph 8.3 (a) of FTP.” Accordingly paragraph 8.4.4 (iv), incorporating this amendment would read as under :

Amended Para 8.4.4(iv) of FTP {amended sentence has been highlighted}

“ Supply of Capital goods and spares upto 10% of FOR value of capital goods to power projects in terms of paragraph 8.2(g), shall be entitled for deemed export benefits provided the ICB procedures have been followed at Independent Power Producer (IPP) / Engineering and Procurement Contract (EPC) stage. However, in regard to mega power projects, the requirement of ICB would not be mandatory, if the requisite quantum of power has been tied up through tariff based competitive bidding or if the project has been awarded through tariff based competitive bidding. Benefit of deemed exports shall also be available for renovation / modernization of power plants. **In respect of non mega power projects, supplier shall be eligible for benefits listed in paragraph 8.3(a) of FTP.** However, supply of goods required for setting up of any mega power project as specified in S.No. 400 of DoR Notification No. 21/2002-Customs dated 1.3.2002, as amended, shall be eligible for deemed export benefits as mentioned in paragraph 8.3(a), (b) and (c) of FTP, whichever is applicable, if such mega power project complies with the threshold generation capacity specified therein, in Customs Notification.

Further, supply of goods required for the expansion of existing mega power project as specified in Sl. no 400A of DoR Notification No. 21/2002- Customs dated 1.3.2002, as amended shall also be eligible for deemed export benefits as mentioned in paragraph 8.3 (a), (b) and (c) of FTP, whichever is applicable.”

3. Effect of this amendment :

- Supplies to non mega power projects shall henceforth be entitled to benefits for Deemed Exports only under Para 8.3(a) of FTP, viz., Advance Authorisation / Advance Authorisation for annual requirement / DFIA.

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