

CHAPTER-8

DEEMED EXPORTS

Deemed Exports	8.1	"Deemed Exports" refers to those transactions in which the goods supplied do not leave the country.
Categories of Supply	8.2	<p>The following categories of supply of goods by the main/ sub-contractors shall be regarded as "Deemed Exports" under this Policy, provided the goods are manufactured in India:</p> <ul style="list-style-type: none">(a) Supply of goods against Advance Licence/DFRC under the Duty Exemption /Remission Scheme;(b) Supply of goods to Export Oriented Units (EOUs) or units located in Export Processing Zones (EPZs) or Special Economic Zone (SEZs) or Software Technology Parks (STPs) or Electronic Hardware Technology Parks (EHTPs);(c) Supply of capital goods to holders of licences under the Export Promotion Capital Goods (EPCG) scheme;(d) Supply of goods to projects financed by multilateral or bilateral agencies/funds as notified by the Department of Economic Affairs, Ministry of Finance under International Competitive Bidding in accordance with the procedures of those agencies/funds, where the legal agreements provide for tender evaluation without including the customs duty;(e) Supply of capital goods, including in unassembled/ disassembled condition as well as plants, machinery, accessories, tools, dies and such goods which are used for installation purposes till the stage of commercial production and spares to the extent of 10% of the FOR value to fertiliser plants.(f) supply of goods to any project or purpose in respect of which the Ministry of Finance, by a notification, permits the import of such goods at zero customs duty coupled with the extension of benefits under this chapter to domestic supplies;(g) Supply of goods to the power and refineries not covered in (f) above.(h) Supply of marine freight containers by 100% EOU (Domestic freight containers-manufacturers) provided the said containers are exported out of India within 6 months or such further period as permitted by the Customs; and(i) Supply to projects funded by UN agencies.(j) Supply of goods to nuclear power projects through competitive bidding as opposed to international competitive bidding.
Benefits for Deemed Exports	8.3	<p>Deemed exports shall be eligible for any/all of the following benefits in respect of manufacture and supply of goods qualifying as deemed exports subject to the terms and conditions as given in Handbook (Vol.1):-</p> <ul style="list-style-type: none">(a) Advance Licence for intermediate supply/ deemed export.(b) Deemed Exports Drawback.(c) Refund of Terminal Excise duty.