

Question No. 4 Comment on the following statements: a) Deemed exports refer to those transactions in which the goods supplied leave the country.

Solution: Deemed Exports refer to those transactions in which the goods supplied do not leave the country, The following categories of supply of goods by the main/sub-contractors shall be regarded as deemed exports under the policy, provided the goods are manufactured in India.

1. Supply of goods against advance licence/DFRC under the duty exemption/remission scheme.
2. Supply of goods to units located in EOU/EPZ/SEZ/STP/EHT
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4. Supply of capital goods to holders of licences under EPCG scheme.
5. Supply of goods to projects financed by multilateral or bilateral agencies/funds as notified by the Ministry of Finance.
6. Supply of capital 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.
7. Supply of goods to any project or purpose in respect of which the Ministry of Finance permits the import of such goods at zero customs duty coupled with the extension of benefits under this chapter to domestic supplies.
8. Supply of goods to the power and refineries and coal hydrocarbons, rail, road, port, civil aviation, bridges other infrastructure projects provided minimum specific investment is Rs.100 crores or more.
9. Supply of marine freight containers by **190%** 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. Supply to projects funded by UN agencies.

Deemed exports shall be eligible for the following benefits.

1. Advance licence for intermediate supply/deemed export
2. Deemed exports drawback
3. Refund of terminal excise duty