



**Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhavan, New Delhi 110 011**

Policy Circular No. 29 (RE-2008)/2004-2009

Dated 20th August, 2008

Sub : Clarification regarding Grant of Deemed Export Benefits for supplies to Mega Power Projects.

Department of Power has raised an issue that as per existing provisions in chapter 8 of Foreign Trade Policy, deemed export benefits to Mega Power Projects are available where either power procurement has been tied up through ICB procedure or if ICB procedure has been followed at Engineering and procurement contract (EPC) stage.

2. The matter was discussed in the meeting chaired by Commerce Secretary and attended by DGFT, Addl. Secretary & Joint Secretary, Department of Power & representative from Department of Economic Affairs.

3. The representative from Department of Economic Affairs concurred with the viewpoint raised above. Accordingly, it is clarified that deemed export benefits are available on supply of goods to Mega Power Projects :-

(i) If power procurement from such projects has been tied up through ICB procedure;

OR

(ii) If ICB procedure has been followed by such projects at Engineering and procurement contract (EPC) stage.

Accordingly, the ICB procedure may be either at the stage of IPP or EPC.

This issues with the approval of Commerce Secretary.

Sd/-
(SANJAY RASTOGI)
Export Commissioner