



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

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Reply to Government Questionnaire

The Republic of India

IN THE MATTER

Zinc Coated (Galvanised) Steel

Exported from

The Republic of India, Malaysia and the Socialist Republic of Vietnam

Period of Investigation: 1 July 2015 to 30 June 2016

Response due by: 13 November 2016 (New Date 23.1.2016)

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RETURN OF QUESTIONNAIRE DETAILS

Preferably by email to: operations5@adcommission.gov.au

**Or by mail
(CD-ROM or USB):** Director Operations 5
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GLOSSARY OF TERMS 15959

ABBREVIATIONS

CIF	Cost, Insurance & Freight
EPZ	Export Processing Zones
FOB	Free On Board
GOI	Government of India
India	The Republic of India
SEZ	Special economic zone
SIE	State-invested enterprise
the Act	the Customs Act 1901
the Applicant or BlueScope	BlueScope Steel Ltd
the Commission	Anti-Dumping Commission
the goods	the goods the subject of the application (zinc coated (galvanised) steel)
the investigation period	1 July 2015 to 30 June 2016

BACKGROUND AND GENERAL INSTRUCTIONS

1. Background

On 7 October 2016, following an application by BlueScope Steel Ltd. (BlueScope), the Commissioner of the Anti-Dumping Commission (the Commissioner) initiated a dumping investigation in respect of zinc coated (galvanised) steel (the goods) exported to Australia from the Republic of India (India), Malaysia and the Socialist Republic of Vietnam (Vietnam) and a countervailing investigation in respect of the goods exported from India and Vietnam.

BlueScope alleges that the Australian industry has suffered material injury caused by galvanised steel exported to Australia from India Malaysia and Vietnam at dumped and/or subsidised prices.

Anti-Dumping Notice (ADN) No. 2016/105 outlining the details of the investigation and the procedures to be followed during the investigation was published on 7 October 2016 and can be accessed on the Commission's website at www.adcommission.gov.au

2. Goods under consideration

The goods the subject of the application (the goods) are:

"Flat rolled iron or steel goods (whether or not containing alloys) that are plated or coated with zinc. The goods are also generically described as galvanised steel. Galvanised steel of any width is included in this application.

Trade or further generic names often used to describe the goods the subject of the application include:

- *"GALVABOND®" steel*
- *"ZINCFORM®" steel*
- *"GALVASPAN®" steel*
- *"ZINCHITEN®" steel*
- *"ZINCANNEAL" steel*
- *"ZINCSEAL" steel*
- *Galv*
- *GI*
- *Hot Dip Zinc coated steel*
- *Hot Dip Zinc/Iron alloy coated steel*
- *Galvanneal*

The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²) with the prefix being Z (Zinc) or ZF (Zinc converted to a Zinc/Iron alloy coating). The common coating masses used for zinc coating are: Z350, Z275, Z200/Z180, Z100, and for zinc/iron alloy coatings are ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

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Surface treatments can include but not be limited to; passivated or not passivated (often referred to as chromated or unchromated), oiled or not oiled, skin passed or not skin passed, phosphated or not phosphated (for zinc iron alloy coated steel only).

There are a number of relevant International Standards for zinc coated goods that cover BlueScope's goods, including the recommended or guaranteed properties of each of these grades.

Relevant International Standards for galvanised steel are set out below:

International Standards	Product Grade Names
General and Commercial Grades	
AS/NZS 1397	G1, G2
ASTMA 653/A 653M	CS type A, B and C
EN10346	DX51D, DX52D
JIS 3302	SGCC, SGHC
Forming, Pressing & Drawing Grades	
AS/NZS 1397	G3
ASTMA 653/A 653M	FS, DS type A and B
EN10346	DX53D, DX54D
JIS 3302	SGCD, SG added,
Structural Grades	
AS/NZS 1397	G250, G300, G350, G450, G500, G550
ASTMA 653/A 653M	33 (230), 37 (255), 40 (275), 50 (340), 55 (380), 80 (550)
EN10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3302	SGC340, SGC400, SGC440, SGC490, SGC570 SGH340, SGH400, SGH440, SGH490, SGH570

Exclusions

Painted galvanised steel, pre-painted galvanised steel, electro-galvanised steel, corrugated galvanised steel or aluminium zinc alloy coated or plated steel are excluded from the application.

3. Tariff classification

The goods are typically classified to the following Subheadings in Schedule 3 of the *Customs Tariff Act 1995*.

Tariff code	Statistical code	Description
7210.49.00	55, 56, 57 and 58	Flat -rolled products of iron or non-alloy steel, of width of 600mm or more, clad, plated or coated
7212.30.00	61	Flat- rolled products of iron or non-alloy steel, of a width of less than 600mm, clad, plated or steel coated. Otherwise plated or coated with zinc
7225.92.00	38	Flat-rolled products of other alloy steel, of a width of 600mm or more. Otherwise plated or coated with zinc.

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7226.99. 00	71	Flat-rolled products of other alloy steel, of a width of less than 600mm
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4. Investigation period

The existence and amount of any subsidy in relation to galvanised steel exported to Australia from India will be determined on the basis of an investigation period of 1 July 2015 to 30 June 2016 (the investigation period).

The Commission will examine details of the Australian market from 1 July 2012 for injury analysis purposes.

5. Purpose of this questionnaire

The purpose of this questionnaire is to assist the Commission to obtain the information from the Government of India (the GOI) it considers necessary for the countervailing investigation generally.

Please note that the subsidy sections of this questionnaire focus on identified programs that the Anti-Dumping Commission is specifically investigating at this stage. However, the Commission may also investigate any additional subsidy program(s) that it considers may warrant investigation if additional information comes to light in relation to further programs.

Any additional questions may be posed to the GOI in the form of supplementary questionnaires.

A separate exporter questionnaire will be available for Indian exporters of galvanised steel to complete, if they chose to cooperate with the investigation. All known exporters have been sent notification of the investigation and advice on how to access the Exporter Questionnaire.

The GOI does not have to complete this questionnaire. However, if the GOI does not respond, the Commission may be required to rely on information supplied by other parties (including information supplied by the Australian industry – the applicant for the countervailing measures).

Therefore, it is considered to be in the GOI's interests and the interests of Indian exporters of galvanised steel, to provide a complete response.

If the GOI chooses to respond to this questionnaire, the response is due by **13 November 2016**.

6. If you decide to respond

Should the GOI choose to provide a response to this questionnaire, please note the following:

For official use only and public record

If the GOI chooses to respond to this questionnaire, you are required to lodge a "for official use only" and a "public record" version of your submission by the due date.

In submitting these versions, please ensure that each page of the information you provide is clearly marked either “**FOR OFFICIAL USE ONLY**” or “**PUBLIC RECORD**” in the header and footer.

All information provided to the Commission “for official use only” will be treated confidentially. The public record version of your submission will be placed on the public record, which all interested parties can access.

Your public record submission must contain sufficient detail to allow a reasonable understanding of the substance of the “for official use only” version. If, for some reason, you cannot produce a public record summary, contact the investigation case manager (see contact details on Page 1 of this questionnaire).

Declaration

You are required to make a declaration that the information contained in the GOI’s response is complete and correct. You must return the signed declaration of an authorised GOI official at last section of this questionnaire with the GOI’s response.

Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise the Commission of the relevant details.

The Commission will require a written authorisation from the GOI for any party acting on its behalf.

Provision of documents

When providing documents, please indicate whether the documents:

- are currently in force;
- were in force during the investigation period; or
- have been repealed, revised or superseded.

Where the documents have been repealed, revised or superseded;

- indicate when this revision occurred;
- provide any notice of repeal;
- provide the revised version;
- provide the document that supersedes the requested document; and
- indicate whether the revised version was in force during the investigation period.

Responses to questions should:

- be as accurate and complete as possible, and attach all relevant supporting documents, even where not specifically requested in this questionnaire;

- be in English (with fully translated versions of all requested and other applicable documents submitted);
- list your source(s) of information for each question;
- identify all units of measurement used in any tables, lists and calculations;
- show any amounts in the currency in which they were originally denominated.

Please note that answers such as: "Not Applicable" or an answer that only refers to an exhibit or an attachment may not be considered by the Commission to be adequate. We therefore suggest that in answering the questions you outline the key elements of your response in the primary submission document, rather than merely pointing to supporting documents of varying degrees of relevance and reliability as your answer.

Lodgement

Lodgement by email is preferred. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email, you are still required to provide a “for official use only” and “public record” version of your submission by the due date.

You may also lodge your response by mailing it to the address shown on the front cover of this questionnaire. For questions requiring a response in a Microsoft Excel spreadsheet that cannot be emailed, please provide those spread sheets on a CD-ROM or on a USB device.

7. Future questions and verification

Please note that after receiving the GOI response to this questionnaire, the Commission may seek additional information from the GOI.

The Commission may also seek to carry out a visit to the GOI to examine relevant records and to verify the information provided. You will be contacted in advance of such a meeting to make arrangements.

SECTION A: GENERAL QUESTIONS

1. Describe the nature and structure of the galvanised steel industry in India. Without limiting your response, include details of any government involvement in the galvanised steel industry including upstream raw materials (i.e. hot rolled coils (HRC), coking coal, coke, iron ore and scrap steel). The response should include details of:
- (a) distribution channels
 - (b) any vertical integration
 - (c) any changes over the last 5 years (such as mergers and acquisitions)
 - (d) any changes to the government laws and regulations after 1 January 2011

- ✓ **Response:** The galvanised plain coils / sheets and corrugated sheets (GP/GC) are value - added steel products which are tough, sturdy, light weight, bright and corrosion resistant. In India these are produced in the thickness range of 0.15 mm to 2.0 mm and width range of 800 mm to 1560 mm.

Galvanised steels are basically zinc coated steel and include a range of hot dip galvanised and electro-galvanised steels. The function of the zinc layer is mainly three fold:

- To retain the steel intact with its full initial strength.
- To provide the surface a more pleasing appearance.
- To increase the life of any suitable organic finishing system applied over it.

Zinc coating offers a two - fold advantage. First, it protects the steel from corrosive attack in most atmospheres, acting as a continuous and lasting shield between steel and the atmosphere so long as the zinc sheath is unbroken. Secondly, it acts as a galvanic protector, sacrificing itself slowly in the presence of corrosive elements, by continuing to protect the steel even when moderate-sized areas of the bare metal have been exposed. This ability is the result of the fact that zinc is more electrochemically active than steel. Of all industrial coating materials, zinc alone possesses this dual ability.

Applications of Galvanised Steel Products

Galvanised steel products find applications in roofing and side cladding, agricultural silos, protective covers in fields, tea gardens, water tanks, iceboxes, household trunks, desert coolers, air-conditioning ducting, chemical drums, washing machines, refrigerators, trucks and bus bodies, color coating, containers, hoardings, interior panelling, rural housing, factory sheds, railway platform etc.

Sector-wise Consumption Pattern

Table - 1: Sector wise Consumption of GP/GC Sheets in India

Sectors	% Share in Consumption
House builders, Public building, hotels etc.	42
Consumer durables	11
Drums, barrels, Containers,	10
Railways, Power, Irrigation	8
CPWD / PWD & Other Govt. Dept.	9
Tube Makers	5
Furniture Makers	6
Engineering Units	7
Others	2
Total	100

* Estimates as on 2002-03

Gol understands following are the broad type of galvanised steel products produced in India.

- Hot Dip Galvanised Steel Sheets
- Electro-galvanising Sheets
- Special quality Galvanised steel products - Galvalume or Zinalume Sheets
- Colour Coated Sheets
- Galbo Sheets

Changes in the last decade

As it is widely understood, almost all of the major galvanised steel producers in India have in the last 7/8 years, either upgraded the technology of their galvanising units or installed state - of - the - art new units for production on superior quality value added products of international quality. The Indian galvanized steel industry has made remarkable progress during the last decade. Indian galvanized steel products have been well-accepted in the global market. With the thrust on infrastructure development during the 12th Five Year Plan, the consumption of galvanized steel product is likely to go up, particularly in the housing sector.

The Gol further submits that it does not maintain any information centrally on the producers and exporters list of the galvanised steel industry in India. There have not been any particular government involvement in the galvanised steel industry by way of any enactment of laws, regulations etc. However, certain general information about the steel industry in India

is available in the website of Ministry of Steel at <http://steel.gov.in/welcome.html>. It may also be noted that none of the companies under investigation are Public Sector Undertakings and as such the GOI does not hold any direct or indirect ownership/interest in any of the companies under investigation.

2. At all levels of government (central, state, regional, municipal, special economic zone (SEZ), etc.) identify the names of the government departments, bureaus or agencies that are responsible for the administration of any the GOI measures concerning the galvanised steel and / or the iron and steel industry.

Include information relating to the following areas:

- supervision of galvanised steel , State-owned/invested enterprise (SIE) senior management and administration;
- consolidation of domestic galvanised steel and/or iron and steel producers;
- industrial policy and guidance on the galvanised steel and/or the iron and steel sectors;
- market entry criteria for the galvanised steel and/or the iron and steel industry;
- environmental enforcement for the galvanised steel and /or iron and steel industry;
- management of land utilization;
- banking regulations in relation to galvanised steel and /or the iron and steel industry;
- investigation and inspection of galvanised steel manufacturing facilities;
- the section in the Board for Reconstruction of Public Sector Enterprises (BRPSE) that is responsible for the galvanised steel and / or the iron and steel sector;
- import licensing for raw materials used in galvanised steel manufacture;
- export regulations, export licensing, “guidance prices”, free trade export zones, etc.; and
- taxation - especially export taxes; export tax rebates and any other indirect taxes such as goods and services taxes (including any rebates).

Ensure that your response includes contact information regarding the government officials responsible for the listed areas listed along with their full mailing addresses, phone numbers, email addresses and fax numbers.

- ✓ **Response:** There aren't any government departments, bureaus or agencies that are responsible for the administration of any of the GOI measures concerning the galvanised steel and / or the iron and steel industry per se nor there is any measures as such concerning galvanised steel and / or the iron and steel industry. General information about the steel industry is available on the website of Ministry of Steel at

<http://steel.gov.in/welcome.html>. It may also be noted that GOI does not hold any direct or indirect ownership/interest in any of the companies under investigation.

3. Describe the ownership structure of the Indian galvanised steel industry, identifying what proportion of the industry is represented by SIEs, foreign-invested enterprises (FIEs), and Indian domestic-owned private enterprises.

For each business where the GOI is a shareholder in the business, provide the name and percentage GOI ownership of the enterprise.

- ✓ **Response:** The Government of India (“GOI”) submits that it does not maintain any record as to ownership structure of the Indian galvanised steel industry, identifying what proportion of the industry is represented by SIEs, foreign-invested enterprises (FIEs), and Indian domestic-owned private enterprises. General information about the steel industry is available in the website of Ministry of Steel at <http://steel.gov.in/welcome.html>. Also, none of the companies under investigation are Public Sector Undertakings and as such the GOI does not hold any direct or indirect ownership/interest in any of the companies under investigation and there is no shareholding also in any of the companies under investigation. As understood, the producers and exporters of the subject goods are operating in the private sector and are primarily large scale companies also producing multiple products.

4. Complete the attached spread sheet A-4 (using Microsoft Excel format) listing all manufactures/traders of galvanised steel and upstream raw material (hot rolled coils, coking coal, coke, iron ore and scrap steel) and land providers in India including the following details:

- (i) name of the business entity;
- (ii) location of the business entity;
- (iii) function of the business (e.g. manufacturer, trader, exporter);
- (iv) type of business (e.g. State invested enterprise (SIE), Foreign invested enterprise (FIE), private enterprise or other (please specify));
- (v) whether the business is a manufacturer of galvanised steel;
- (vi) production quantity of galvanised steel;
- (vii) value of total benefit provided to each company;
- (viii) whether GOI is a shareholder in the business;
- (ix) if so the percentage of GOI holdings; and
- (x) whether there is GOI representation in the business, and if so the type of representation (e.g. on the Board of Directors), the authority responsible, and indicate any special rights provided to the representative (e.g. veto rights).

For each business where the GOI is a shareholder and/or there is the GOI representations in the business provide:

- (i) the complete organisational structure, including subsidiaries and associated businesses; and
- (ii) copies of annual reports of the business for the last 2 years.

- ✓ **Response:** The Government of India (“GOI”) submits that it does not maintain any such record centrally for the galvanised steel industry in India so that the Gol can fully list the name of producers and/or exporters of subject goods in India. Gol, however, notes that the Commission has identified POSCO Maharashtra Steel Pvt. Ltd and Essar Steel India Limited to have exported the subject goods to Australia during the investigation period and Jindal Steel Works and Uttam Steel as other Indian producers of subject goods. Such companies may participate in the present investigation by providing all such information as requested above which is not maintained at the end of Gol. The Gol, however, will provide all such available information in the manner in which it is maintained with the Gol for the purpose of this questionnaire response at appropriate places in this reply.

5. Which industry associations represent galvanised steel manufacturers?

Please provide names, address and contact details including their websites of the relevant industry associations. Include all national, provincial and regional producer organisations that represent the interests of galvanised steel manufacturers and traders in India.

- ✓ **Response:** The Government of India (“GOI”) submits that it does not maintain any such record as to the associations representing the galvanised steel manufacturers in India.

SECTION B: SUBSIDIES

The applicant alleges that producers of galvanised steel in India have benefited from a number of subsidies provided by the GOI (including state governments), and that these subsidies are countervailable.

Table 1 below lists all the alleged countervailable subsidy programs for galvanised steel that are being investigated.

Note: the below titles of programs are to the best of the Commission's knowledge and in some cases may simply be descriptions of the program. Consequently, the below titles may not exactly reflect any official titles that the GOI or the relevant state governments have in place.

In responding to this questionnaire, if the GOI is unfamiliar with the title given to a program, but is aware of the existence of a similar program or one that it appears is being referred to, please identify this (including providing the official title of any such program) and respond to the questionnaire in relation to that program.

The GOI is requested to provide information on each program, regardless of the year the benefit was granted by the GOI or the year that the benefit was received by the recipient company, as well as those further identified by the GOI, where the program benefits impact on the production and sale of galvanised steel during the investigation period.

TABLE 1: PROGRAMS UNDER INVESTIGATION

The following are programs that the Commission is currently investigating:

Program no.	Program Title
1	Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)
2	Export Income Tax Exemptions in SEZs
3	Exemption in SEZs from Minimum Alternate Tax
4	Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material
5	Exemption in SEZs from Service Tax
6	Discounted Land Fees and Leases in SEZs
7	Discounted Electricity Rates in SEZs
8	Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments
9	Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)
10	Reimbursement to EOUs of Central Sales Tax

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11	Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies
12	Credit for Service Tax paid by EOUs
13	Exemptions from Income Tax for EOUs
14	Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India
15	Assistance to States for Developing Export Infrastructure and Allied Activities
16	Market Access Initiative
17	Market Development Assistance
18	Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters
19	Brand Promotion and Quality
20	Test Houses
21	Focus Product Scheme
22	Rupee/Foreign Currency Export Credit & Customer Service to Exporters
23	Export Promotion Capital Goods Scheme
24	Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme
25	Duty Exemption/Remission Schemes – Advance Authorization Scheme
26	Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme
27	Duty Exemption/Remission Schemes – Duty Drawback Scheme
28	Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal
29	Purchase of Iron Ore From State-owned Enterprises for Less Than Fair Market Value
30	80-IB Income Deduction Program
31	80-IA Income Tax Deduction Program
32	Steel Development Fund Loans
33	Steel Development Fund R&D Grants
34	State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy
35	SGOM – Exemption from Electricity Duty
36	SGOM – Waiver of Stamp Duty
37	SGOM – Power Tariff Subsidy
38	SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)
39	SGOM – Special Incentives of the SGOM for Mega Projects
40	State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy
41	SGOG – Assistance to MSMEs – Quality Certification
42	SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods
43	SGOG – VAT Remission Scheme

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44	SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions
45	SGOG – Critical Infrastructure Projects
46	State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy
47	SGOC – Industrial Policy 2009-2014: Interest Subsidy
48	SGOC – Industrial Policy 2009-2014: Quality Certification
49	SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption
50	SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption
51	SGOC – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration
52	State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy
53	SGOJ – Stamp Duty and Registration
54	SGOJ – Incentive for Quality Certification
55	SGOJ – VAT and Tax Incentives

Table 1: Alleged Subsidy Programs

If the GOI, any of its agencies, or any other authorised non-governmental body provides any other assistance programs not referred to in table 1 (including market development assistance programs or any domestic support programs related to the manufacture of subject goods) to manufacturers of galvanised steel in India, identify these program(s). Such assistance programs are those that constitute a subsidy as defined in the attached 'Glossary of Terms'.

- ✓ **Response:** The GoI takes note of the 55 alleged incentive programs listed in Table 1 by the Commission. However, it is also noted that it would be very premature to observe that the programs identified in Table 1 above constitute a subsidy as defined in the attached 'Glossary of Terms' in this questionnaire. The reply herein below would unambiguously show that there are no such assistances provided to support the galvanised steel exporters from India which may constitute a countervailable subsidy as per the WTO ASCM as alleged by the Australian industry/petitioner. Detailed comments of the GoI on each of the identified alleged assistance programs is provided at appropriate places herein below under Part B-1.

PART B-1 GENERAL INFORMATION FOR ALL PROGRAMS

The GOI is requested to provide the information requested for each of the programs identified above and any additional programs the GOI has identified. In addition, please respond to the program-specific information requested.

- ✓ **Response:** The general information for all programs as identified herein above as applicable are as follows. However, it may be noted that information provided herein is without prejudice to the fact as to the existence or non-existence of the schemes cited by the Petitioner;

1. **Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)**

- ✓ **Response:** The SEZ Division, Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods as defined). This position precludes any possibility of benefits which have been allegedly given to exporters of the subject goods under the above mentioned program. Thus, the alleged incentive scheme as well as various questions pertaining to the scheme may be treated as non-applicable. Accordingly, the questions pertaining to this alleged scheme are not being answered.

It may also be noted that the SEZs in India are governed by SEZ Act 2005 and the same is available in public domain at: <http://sezindia.nic.in/writereaddata/pdf/SEZ%20Act,%202005.pdf>. The Govt. has also enacted SEZ Rules to govern the provisions of the SEZ Act and they are called Special Economic Zones Rules 2006. The legal texts of these rules are accessible at the following URL i.e. <http://sezindia.nic.in/writereaddata/rules/SEZ Rules July 2010.pdf>.

2. **Export Income Tax Exemptions in SEZs**

- ✓ **Response:** Please refer to the response to the B-1.1, above.

3. **Exemption in SEZs from Minimum Alternate Tax**

- ✓ **Response:** Please refer to the response to the B-1.1, above.

4. **Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material**

- ✓ **Response:** Please refer to the response to the B-1.1, above.

5. **Exemption in SEZs from Service Tax**

- ✓ **Response:** Please refer to the response to the B-1.1, above.

6. **Discounted Land Fees and Leases in SEZs**

- ✓ **Response:** Please refer to the response to the B-1.1, above.

7. **Discounted Electricity Rates in SEZs**

- ✓ **Response:** Please refer to the response to the B-1.1, above.

8. **Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments**

- ✓ **Response:** Please refer to the response to the B-1.1, above.

9. **Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)**

- ✓ **Response:** The EOU Division, Department of Commerce, Govt. of India has not issued any letter of Permission to the mandatory respondents as well as identified exporters for any EOUs in India for the export of subject goods.

This position precludes even any possibility of benefits which may have been allegedly given to exporters of the subject goods under the above mentioned program. Thus, the alleged incentive scheme as well as various questions pertaining to the scheme may be treated as non-applicable. Accordingly, the questions pertaining to this alleged scheme are not being answered.

Notwithstanding the above backdrop, for sake of information, it may be noted that EO Units in India are governed by Foreign Trade Policy 2015-2020 of India. Without prejudice to the fact as to the existence or non-existence of the schemes cited by the Petitioner, units undertaking to export their entire production of goods and services (except permissible sales in DTA), may be set up under the Export Oriented Unit (EOU) Scheme, Electronics Hardware Technology Park (EHTP) Scheme, Software Technology Park (STP) Scheme or Bio-Technology Park (BTP) Scheme for manufacture of goods, including repair, re-making, reconditioning, re-engineering, rendering of services, development of software, agriculture including agro-processing, aquaculture, animal husbandry, bio-technology, floriculture, horticulture, pisciculture, viticulture, poultry and sericulture. Trading units are not covered under these schemes.

Objectives of these schemes are to promote exports, enhance foreign exchange earnings, attract investment for export production and employment generation and not any subsidy schemes per se.

The details of the scheme can be accessed at Chapter 6 of the FTP 2015-2020 [http://dgft.gov.in/exim/2000/Updated FTP 2015-2020.pdf](http://dgft.gov.in/exim/2000/Updated_FTP_2015-2020.pdf) along with Chapter 6 of HBP at [http://dgft.gov.in/exim/2000/Updated HBP 2015-2020.pdf](http://dgft.gov.in/exim/2000/Updated_HBP_2015-2020.pdf).

10. **Reimbursement to EOUs of Central Sales Tax**

- ✓ **Response:** Please refer to the response of the scheme B-1.9, above. Also refer to EOU provisions provided in Program 9 above for general information purposes.

11. Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies

- ✓ **Response:** Please refer to the response of the scheme B-1.9, above. Also refer to EOU provisions provided in Program 9 above for general information purposes.

12. Credit for Service Tax paid by EOUs

- ✓ **Response:** Please refer to the response of the scheme B-1.9, above. Also refer to EOU provisions provided in Program 9 above for general information purposes.

13. Exemptions from Income Tax for EOUs

- ✓ **Response:** Please refer to the response of the scheme B-1.9, above. Also refer to EOU provisions provided in Program 9 above for general information purposes.

14. Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India

- ✓ **Response:** Please refer to the response of the scheme B-1.9, above. Also refer to EOU provisions provided in Program 9 above for general information purposes.

15. Assistance to States for Developing Export Infrastructure and Allied Activities

- ✓ **Response:** Assistance to States for Infrastructure Development of Exports scheme aims for development of export infrastructure through Government Agencies since 2002. The scheme has been restricted to providing grant to Central Agencies for creation of infrastructure in the country from 2015-16. This makes the scheme practically not applicable for the present subsidy investigation as there is no benefit provided to any individual companies under the scheme as alleged by the petitioner. The below submissions are made without prejudice to the fundamental position that the scheme has no subsidy element in it as alleged.

The scheme does not provide any financial benefits/subsidy or concessions to any individual company and this ground alone the allegation of subsidy against this scheme is untenable under the texts of ASCM. This makes any subsidy allegation against the scheme redundant and the Commission may treat various questions pertaining to this scheme as not applicable.

Notwithstanding the above position, the relevant details of the scheme can be accessed at the following URL: http://commerce.nic.in/trade/national_tpa_assistance.asp

It can be seen that following are the specific purposes which the scheme envisages as at the time of inception and it does not focus specifically on a particular industry or product or area etc.

- a) Creation of new Export Promotion Industrial Parks/Zones (including Special Economic Zones (SEZs)/Agri-Business Zones) and augmenting facilities in the existing ones.
- b) Setting up of electronic and other related infrastructure in export conclave.
- c) Equity participation in infrastructure projects including the setting up of SEZs.
- d) Meeting requirements of capital outlay of EPIPs/EPZs/SEZs
- e) Development of complementary infrastructure such as roads connecting the production centres with the ports, setting up of Inland Container Depots and Container Freight Stations,
- f) Stabilising power supply through additional transformers and islanding of export production centres etc.
- g) Development of minor ports and jetties of a particular specification to serve export purpose.
- h) Assistance for setting up common effluent treatment facilities as per the guidelines.
- i) Projects of national and regional importance.
- j) Activities permitted as per EDF in relation to North East and Sikkim as per the guidelines.

However, as submitted herein above, the scheme has been restricted to providing grant to Central Agencies for creation of infrastructure in the country from 2015-16. The above makes it amply clear that the scheme focuses on general infrastructure development and cannot be termed as a subsidy countervailable under the ASCM Agreement. ASCM at Article 1.1 (a) (1) (iii) makes it clear that general infrastructure provided by the government shall not constitute a subsidy.

16. Market Access Initiative

- ✓ **Response:** Market Access Initiative (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India's exports on a sustained basis. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/ Research Institutions/Universities/Laboratories, Exporters etc., for enhancement of exports through accessing new markets or through increasing the share in the existing markets. Under the Scheme the level of assistance for each eligible activities has been fixed.

The program is not contingent upon export performance nor is any any definitive relation between exports made by an exporter and the assistance provided under this program. Further, the GOI does not offer any financial benefit directly to the exporters under this program. Accordingly, this program cannot be countervailed under the ASCM.

The relevant documentary records are maintained by the concerned EPCs/ Trade Organisations, as the case may be. In terms of the Revised Guidelines on the MAI Program dated 4 August, 2014, the eligible agencies (i.e. EPCs and trade organizations) are required to submit a quarterly report to the Department of Commerce which is used review the progress of utilisation of the funds released and also the basis for further release of funds. The Empowered Committee periodically reviews the progress report and takes steps to ensure achievements of the objectives of the scheme.

The eligible agencies under this scheme are Departments of Central Government and Organisation of Central/ State Governments including, Indian Missions abroad, Export Promotion Councils, Registered trade promotion Organisation, Commodity Boards Apex Trade Bodies recognized under Foreign Trade Policy of Govt of India, Recognized Industrial & Artisan Clusters, Individual Exporters (only for statutory compliance etc.), National Level Institutions (e.g. Indian Institutes of Technology (IITs), Indian, Institutes of Management (IIMs), National Institute of design (NIDs), NIFT etc.)/ Research Institutions/Universities/ Recognized laboratories, etc. The relevant scheme related documents can be accessed at the following URL: [http://commerce.nic.in/DOC/writereaddata/trade/Revised MAI Guidelines W E F 04 08 2014.pdf](http://commerce.nic.in/DOC/writereaddata/trade/Revised%20MAI%20Guidelines%20W%20E%20F%2004%2008%202014.pdf).

17. Market Development Assistance

- ✓ **Response:** Marketing Development Assistance Scheme (MDA) was established to facilitate various measures aimed to stimulate and diversify India's export trade through marketing activities of the eligible agencies i.e. the Exports Promotion Councils ("EPCs"), the Federation of Indian Export Organization ("FIEO") etc. The scheme support the under mentioned activities;

(i) Assist exporters for export promotion activities abroad

(ii) Assist Export Promotion Councils (EPCs) to undertake export promotion activities for their product(s) and commodities

(iii) Assist approved organizations/trade bodies in undertaking exclusive nonrecurring innovative activities connected with export promotion efforts for their members

(iv) Assist Focus export promotion programmes in specific regions abroad like FOCUS (LAC), Focus (Africa), Focus (CIS) and Focus (ASEAN + 2) programmes.

(v) Residual essential activities connected with marketing promotion efforts abroad.

The MDA program is not contingent on export performance nor is there any definitive relation between the activities supported by EPCs or FIEO and the volume of exports made by an exporter. Further, the GOI does not confer any benefit directly to the exporters under the MDA Program. Accordingly, MDA program is not countervailable under the ASCM.

The relevant documentary records are maintained by the concerned EPC or the FIEO, as the case may be. In terms of the Revised Guidelines on the MDA Program dated 1 June, 2013, the eligible agencies i.e. the EPCs or FIEO are required to submit a progress report about the activities undertaken and the achievements made to the Department of Commerce. The MDA Committee under the Department of Commerce verifies the progress reports sent by the eligible agencies on selection basis. The relevant scheme related documents can be accessed at the following URL: <http://commerce.nic.in/DOC/writereaddata/trade/mda-guidelines01-06-2013.pdf>.

18. Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters

- ✓ **Response:** Under the Scheme, which is a part of Market Access Initiative scheme, assistance is provided on reimbursement basis to individual exporters for charges/fees paid by an Indian exporter for fulfilling the statutory requirements in the buyer country e.g. registration charges paid in case of pharmaceuticals, bio-technology and agro-chemical products.

For getting assistance an exporter is required to send the request through concerned EPC along with a certificate from the said EPC and the Indian Mission concerned certifying the amount paid towards such charges. Expenses made for carrying out clinical trials; data validation etc. for pharmaceutical products, equipments, medical consumables/disposables etc. shall also be covered for assistance. Preference shall be given to the small and medium entrepreneurs. Empowered Committee decides other product groups, nature of compliance eligible for assistance under this provision.

Level of Assistance- For statutory charges/expenses on statutory compliances of the products allowed by the Empowered Committee, assistance under the Scheme would be 50% of the charges/expenses and the total ceiling for each exporter shall be Rs.50 lakhs per annum. The relevant scheme related documents can be accessed at the following URL:

[http://commerce.nic.in/DOC/writereaddata/trade/Revised MAI Guidelines W E F 04 08 2014.pdf](http://commerce.nic.in/DOC/writereaddata/trade/Revised_MAI_Guidelines_W_E_F_04_08_2014.pdf).

19. Brand Promotion and Quality

- ✓ **Response:** It is pointed here for the consideration of the Commission that the Gol is in the process of collecting and collating relevant general information and also replies to various questions herein below pertaining to the program including whether the scheme was in force or not and all such information shall be provided to the Commission soon. A request for extension of time on behalf of the Gol is also being filed separately in view of the delays that are taking place in collecting the information.

20. Test Houses

- ✓ **Response:** It is pointed here for the consideration of the Commission that the Gol is in the process of collecting and collating relevant general information and also replies to various questions herein below pertaining to the program including whether the scheme was in force or not and all such information shall be provided to the Commission soon. A request for extension of time on behalf of the Gol is also being filed separately in view of the delays that are taking place in collecting the information.

21. Focus Product Scheme

- ✓ **Response:** No such program was in operation during the period of investigation. Therefore the questions relating the program are not being answered including any general information.

22. Rupee/Foreign Currency Export Credit & Customer Service to Exporters

- ✓ **Response:** It is pointed here for the consideration of the Commission that the Gol is in the process of collecting and collating relevant general information and also replies to various questions herein below pertaining to the program including whether the scheme was in force or not and all such information shall be provided to the Commission soon. A request for extension of time on behalf of the Gol is also being filed separately in view of the delays that are taking place in collecting the information.

23. Export Promotion Capital Goods Scheme

- ✓ **Response:** EPCG Scheme allows import of capital goods for pre-production, production and postproduction without payment of customs duty. The information herein is without prejudice to the fact as to the existence or non-existence of the scheme cited by the Petitioner.

The objective of the EPCG scheme is to facilitate import of capital goods for producing quality goods and services to enhance India's export

competitiveness. The details of the scheme can be accessed at Chapter 5 of the FTP 2015-2020 [http://dgft.gov.in/exim/2000/Updated FTP 2015-2020.pdf](http://dgft.gov.in/exim/2000/Updated_FTP_2015-2020.pdf) along with Chapter 5 of HBP at [http://dgft.gov.in/exim/2000/Updated HBP 2015-2020.pdf](http://dgft.gov.in/exim/2000/Updated_HBP_2015-2020.pdf).

EPCG Scheme is availed for duty free imports of capital goods and capital goods can be used for the production of both domestic and exported products. The benefits, if any, received under EPCG Scheme must be attributed to the entire production of a particular company in question and not to exported product alone.

The GOI submits that the benefits availed under EPCG Scheme is not countervailable as the capital goods are used to manufacture the products. Even if the investigating authorities do not agree with this argument, the investigating authorities must take it on record that entitlement, if any, in its entirety is not countervailable within the meaning of the ASCM. Footnote 1 to the ASCM states that *“the exemption of an exported product from duties or taxes borne by the like product when destined for domestic consumption, or the remission of such duties or taxes in amounts not in excess of those which have accrued, shall not be deemed to be a subsidy”*.

Therefore, only the excess exemption or remission of duties and taxes accrued on an exported product constitutes a subsidy and is liable to be countervailed under the WTO subsidies framework. In terms of the FTP which is effective from 30th June, 2015, the EPCG Scheme provides for as follows:

(a) EPCG Scheme allows import of capital goods for preproduction, production and post-production at Zero customs duty. Alternatively, the Authorisation holder may also procure Capital Goods from indigenous sources in accordance with provisions of paragraph 5.07 of FTP. Capital goods for the purpose of the EPCG scheme shall include:

- (i) Capital Goods as defined in Chapter 9 including in CKD/SKD condition thereof;
- (ii) Computer software systems;
- (iii) Spares, moulds, dies, jigs, fixtures, tools & refractories for initial lining and spare refractories; and
- (iv) catalysts for initial charge plus one subsequent charge.

(b) Import of capital goods for Project Imports notified by Central Board of Excise and Customs is also permitted under EPCG Scheme.

(c) Import under EPCG Scheme shall be subject to an export obligation equivalent to 6 times of duty saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of Authorisation.

(d) Authorisation shall be valid for import for 18 months from the date of issue of Authorisation. Revalidation of EPCG Authorisation shall not be permitted.

(e) In case countervailing duty (CVD) is paid in cash on imports under EPCG, incidence of CVD would not be taken for computation of net duty saved, provided CENVAT is not availed.

(f) Second hand capital goods shall not be permitted to be imported under EPCG Scheme.

(g) Authorisation under EPCG Scheme shall not be issued for import of any Capital Goods (including Captive plants and Power Generator Sets of any kind) for (i) Export of electrical energy (power) (ii) Supply of electrical energy (power) under deemed exports (iii) Use of power (energy) in their own unit, and (iv) Supply/export of electricity transmission services

(h) Import of items which are restricted for import shall be permitted under EPCG Scheme only after approval from Exim Facilitation Committee (EFC) at DGFT Headquarters.

(i) If the goods proposed to be exported under EPCG authorisation are restricted for export, the EPCG authorisation shall be issued only after approval for issuance of export authorisation from Exim Facilitation Committee at DGFT Headquarters.

Following conditions shall apply to the fulfilment of Export Obligation under the scheme:-

(a) EO shall be fulfilled by the authorisation holder through export of goods which are manufactured by him or his supporting manufacturer / services rendered by him, for which the EPCG authorisation has been granted.

(b) EO under the scheme shall be, over and above, the average level of exports achieved by the applicant in the preceding three licensing years for the same and similar products within the overall EO period including extended period, if any; except for categories mentioned in paragraph 5.13(a) of HBP. Such average would be the arithmetic mean of export performance in the preceding three licensing years for same and similar products.

(c) In case of indigenous sourcing of Capital Goods, specific EO shall be 25% less than the EO stipulated in Para 5.01.

(d) Shipments under Advance Authorisation, DFIA, Drawback scheme or reward schemes under Chapter 3 of FTP; would also count for fulfilment of EO under EPCG Scheme.

(e) Export shall be physical export. However, deemed exports as specified in paragraph 7.02 (a), (b), (e), (f) & (h) of FTP shall also be counted towards fulfilment of export obligation, alongwith usual benefits available under paragraph 7.03 of FTP.

(f) EO can also be fulfilled by the supply of ITA-I items to DTA, provided realization is in free foreign exchange.

(g) Royalty payments received by the Authorisation holder in freely convertible currency and foreign exchange received for R&D services shall also be counted for discharge under EPCG.

(h) Payment received in rupee terms for such Services as notified in Appendix 3E shall also be counted towards discharge of export obligation under the EPCG scheme.

Cenvatable and non-cenvatable duties

Duties/taxes paid on imports and local procurements can be classified into cenvatable and non-cenvatable duties. Cenvatable taxes are such taxes on which Cenvat credit can be availed for taxes paid on input goods and services. Cenvat credit can be used to offset taxes payable on output goods and services. Cenvat credit is not a kind of program or benefit, but is an integral part of tax administration, like every value-added type tax.

Cenvat credit

When the manufacturer has processed the purchased inputs into its manufactured goods, the manufacturer in turn is required to charge its downstream customers the Excise Duty. The manufacturer then forward the collected tax to the government, but before it does so it offsets the duty levied with the amount of excise (or CVD) duty it earlier paid, and only forwards the difference to the government. This offset and credit for the taxes already paid at the time of purchase is the "Cenvat credit."

Cenvat credit is applied in order to avoid cascading effect of taxation, since tax is levied both when the inputs are purchased and when the output is sold. Cenvatable taxes are of two types:

- (i) for domestic purchases, the Excise Duty, Service Tax and VAT; and
- (ii) for imported purchases, the CVD (in lieu of Excise), Special Additional Duty (in lieu of VAT) and Cess.

Therefore, the CVD, SAD and cess waived on imports of capital goods under the EPCG Scheme does not confer a countervailable benefit on the recipient of the assistance provided by this program.

24. Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme

✓ **Response:** At the outset, the GOI submits that the DFIA Scheme is not countervailable in terms of the ASCM. The GOI provides below the reasons for the same:

(i) It is well established that duty exemption and remission programs are not inconsistent with the ASCM. In this regard, reference is drawn to paragraphs (h) and (i) of Annex I and guidelines in Annex II of the ASCM. Specifically, paragraph 1 of Section I under Annex II states that the following schemes can allow for exemption, remission, deferral or refund of indirect taxes or import charges levied on inputs that are consumed in the production of the exported product:

- (a) indirect tax rebate schemes; and
- (b) substitution drawback schemes.

(ii) Further, as per paragraph 2 of Section I under Annex II, both indirect tax rebate schemes and substitution drawback schemes can constitute an export subsidy only to the extent that they result in exemption, remission, deferral or refund of indirect taxes or import charges in excess of the amount of such taxes or charges actually levied on inputs that are consumed in the production of the exported product. However, normal allowance for waste must be made in findings regarding consumption of inputs in the production of the exported product.

(iii) Furthermore, Section II of Annex II provides guidelines for determining whether inputs are consumed in the production of the exported product. Briefly put, it provides:

a. Investigating authorities would proceed on the following basis:

i. The investigating authority would first determine whether the government of the exporting country has in place and applies a system or procedure to confirm which inputs are consumed in the production of the exported product and in what amounts.

ii. Where such system or procedure is determined to be applied, investigating authorities should then examine the system or procedure to see whether it is reasonable, effect for the purpose intended, and based on generally accepted commercial practices in the country of export.

iii. The investigating authorities may carry out certain practical tests in order to verify information or to satisfy themselves that the system or procedure is being effectively applied.

b. ...

c. ...

d. In determining the amount of a particular input that is consumed in the production of the exported product, a normal allowance for waste should

be taken into account, and such waste should be treated as consumed in the production of the exported product.

e. The investigating authority's determination of whether the claimed allowance for waste is 'normal' should take into account the production process, the average experience of the industry in the country of export, and other technical factors, as appropriate.

(iv) Therefore, it is clear that duty exemption and remission schemes are not countervailable as long as inputs that are consumed in the production of the exported product can be verified.

(v) In line with the ASCM, the FTP provides for the accounting of input under DFIA. In order to monitor the consumption of input in the production of the exported product, paragraph 4.12 of the current FTP states that:

(a) The name/description of the input used (or to be used) in the Authorisation must match exactly with the name/description endorsed in the shipping bill;

(b) Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in shipping bills; and (c) At the time of discharge of export obligation (issue of EODC) or at the time of redemption, RA shall allow only those inputs which have been specifically indicated in the shipping bill.

(vi) Moreover, Appendix 4H to the HBP, which is an account of consumption and utilization of duty free imported inputs against each authorisation, has to be filed with the RA.

In light of the above, it is evident that the GOI has in place and applies a system to confirm which inputs are consumed in the production of the exported product and in what amounts. Therefore, the DFIA Scheme is not countervailable as per the ASCM.

Without prejudice to the above, pursuant to the first paragraph of instructions pertaining to the program-specific questions, the GOI is providing information limited to the explanation of the program and a detailed description of the records kept on that program.

Details of the DFIA Scheme

- a) Duty Free Import Authorisation is issued to allow duty free import of inputs. In addition, import of oil and catalyst which is consumed / utilised in the process of production of export product, may also be allowed.

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- b) Duty Free Import Authorisation shall be issued on post export basis for products for which Standard Input Output Norms have been notified.
- c) Merchant Exporter shall be required to mention name and address of supporting manufacturer of the export product on the export document viz. Shipping Bill / Airway Bill / Bill of Export / ARE-1 / ARE-3.
- d) The authorisation can be issued either to a manufacturer exporter or merchant exporter tied to supporting manufacturer(s).
- e) A minimum 20% value addition is required for the issuance of such authorisation. For items where higher value addition has been prescribed under Advance Authorisation in Appendix 4C, the same value addition shall be applicable for Duty Free Import Authorisation also
- f) The authorisation is issued only for the products for which SION norms have been notified.
- g) The import entitlement is limited to the quantity mentioned under the SION Norms.
- h) The DFIA program is in existence since May 1, 2006.
- i) Application is to be filed with concerned Regional Authority before effecting export under Duty Free Import Authorisation.
- j) Applicant shall file online application to Regional Authority concerned before starting export under DFIA.
- k) Export shall be completed within 12 months from the date of online filing of application and generation of file number.
- l) While doing export/supply, applicant shall indicate file number on the export documents viz. Shipping Bill / Airway Bill/ Bill of Export / ARE-1 / ARE-3, Central Excise certified Invoice.
- m) After completion of exports and realization of proceeds, request for issuance of transferable Duty Free Import Authorisation may be made to concerned Regional Authority within a period of twelve months from the date of export or six months (or additional time allowed by RBI for realization) from the date of realization of export proceeds, whichever is later.
- n) Applicant shall be allowed to file application beyond 24 months from the date of generation of file number as per paragraph 9.03 of Hand Book of Procedures.

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- o) Separate DFIA shall be issued for each SION and each port.
- p) Exports under DFIA shall be made from from a single port as mentioned in paragraph 4.37 of Handbook of Procedures.
- q) No Duty Free Import Authorisation shall be issued for an export product where SION prescribes 'Actual User' condition for any input.
- r) Regional Authority shall issue transferable DFIA with a validity of 12 months from the date of issue. No further revalidation shall be granted by Regional Authority.

For further details the following link for FTP 2015-2020 Chapter 4 can be accessed at <http://dgft.gov.in/exim/2000/Updated FTP 2015-2020.pdf> along with HBP at <http://dgft.gov.in/exim/2000/Updated HBP 2015-2020.pdf>.

25. Duty Exemption/Remission Schemes – Advance Authorization Scheme

- ✓ **Response:** Advance Authorisation Scheme (AAS) is a duty exemption scheme. It was introduced in the year 1976. AAS is governed by conditions / stipulations mentioned in chapter 4 of the Foreign Trade Policy 2015-2020 which can be accessed at <http://dgft.gov.in/exim/2000/Updated FTP 2015-2020.pdf> and the corresponding chapter 4 of the Hand Book of Procedures 2015-2020 which can be accessed at <http://dgft.gov.in/exim/2000/Updated HBP 2015-2020.pdf>. The said documents guiding the scheme are self- explanatory and are the binding law as far as the Governance of the scheme is concerned.

An Advance Authorisation is issued to allow duty free import of inputs, which are physically incorporated in export product (making normal allowance for wastage). In addition, fuel, oil, catalysts which are consumed / utilised to obtain export product, may also be allowed. DGFT, by means of Public Notice, may exclude any product(s) from the purview of Advance Authorisation.

AAS is based on Standard Input Output Norms (SION), scientifically computed by the Inter Ministerial Technical Committees (Norms Committee). Inputs under SION are those that are directly incorporated in the export products. While fixing the SION, Norms Committee (NC) takes into account as to which inputs are required to manufacture the product along with its quantity. Advance Authorisation merely exempts duty on inputs used for export production. Under the AAS, the authorization holder can either import the inputs duty free or procure the inputs duty free from the domestic supplier. The core of the scheme of Advance Authorisation, is to allow producers duty free imports of inputs that are physically incorporated into the exported product. The scheme is applicable to a manufacturer exporter as well as the merchant exporter tied up with

supporting manufacturer. Advance Authorisation is subject to time bound export obligation as specified. The AAS is specifically a quantity based scheme. The inputs allowed under the Authorisation are with reference to the quantity of exports and the corresponding SION. Whatever inputs are imported under Advance Authorisation, the same have to be used in manufacturing of the export product or replenishment of the inputs used in the product already exported. No duty free input can be sold, transferred or disposed off even after the fulfillment of export obligation. However, in cases where the product has been exported using the duty paid inputs having the same quality, technical characteristics and specification as those of imported inputs duty free, replenishment of the inputs is allowed. However, the imported inputs have to be used by the exporter and the same is not allowed to be sold or transferred.

Every Advance Authorization holder has to compulsorily maintain a true and proper account of consumption and utilization of duty free imported/domestically procured inputs in terms of Para 4.21 of Hand Book of Procedures(HBP-2015-20) against each authorization as prescribed in Appendix 4-I. The record in Appendix 4-I format has to be duly verified and certified by the jurisdictional excise authority and it has to be submitted to Regional Authority of Directorate General of Foreign Trade , who has issued the Advance authorization at the time of filing application for redemption/bond waiver of Advance authorization. Such records of consumption and utilization of duty free imported/domestically procured inputs against Advance authorizations has to be preserved for a period of at least 3 years from the date of redemption.

Fulfilment Period of Export Obligation (EO) under an Advance Authorisation shall commence from Authorisation issue date, unless otherwise specified. EO shall be fulfilled within 18 months except in case of supplies to projects / turnkey projects in India / abroad under deemed exports category where EO must be fulfilled during contracted duration.

As per para 4.42 (b) & (c) of HBP 2015-2020, request for further extension of six months after first extension (as per para 4.42(b)) can be considered by Regional Authority, provided Authorisation holder has fulfilled minimum 50% export obligation in quantity as well as in value, on pro-rata basis. This will be subject to payment of composition fee @ 0.5% per month on unfulfilled FOB value of export obligation. No further extension shall be allowed by Regional Authority. This provision shall also be applicable to Advance Authorisations issued during FTP 2009-2014. However, only two extensions of six months each as given in sub-para (b) and in this sub-para can be allowed subject to payment of composition fee and under no circumstance Regional Authority shall allow any extension beyond 12 months from date of expiry of EO period. At the time of filing application for second extension, authorisation holder will have to submit a certificate to RA from an independent Chartered Accountant/Chartered Engineer certifying that unutilized imported/domestically procured inputs are available with the applicant.

Eligible Applicant / Export / Supply

(a) Advance Authorisation can be issued either to a manufacturer exporter or merchant exporter tied to supporting manufacturer.

(b) Advance Authorisation for pharmaceutical products manufactured through Non-Infringing (NI) process (as indicated in paragraph 4.18 of Handbook of Procedures) shall be issued to manufacturer exporter only.

(c) Advance Authorisation shall be issued for:

(i) Physical export (including export to SEZ);

(ii) Intermediate supply; and/or

(iii) Supply of goods to the categories mentioned in paragraph 7.02 (b), (c), (e), (f), (g) and (h) of this FTP.

(iv) Supply of 'stores' on board of foreign going vessel / aircraft, subject to condition that there is specific Standard Input Output Norms in respect of item supplied.

The eligibility is contingent upon export obligation to be fulfilled as stated in the Policy, as the duty (Indirect taxes) free access to the inputs is for the purpose of manufacture of export product, which is otherwise permissible under ASCM. However, it is not contingent on the use of domestic goods, but if invalidation has been obtained for the inputs mentioned in Advance authorization instead of importing from abroad then it is contingent upon export obligation.

The scheme is available to all sectors and all regions, without any discrimination. The scheme is applicable to a manufacturer exporter as well as the merchant exporter tied up with supporting manufacturer. Eligibility is not limited by sector or region, nor is eligibility confined to particular enterprises. All the applicants/firms that meet the eligibility criteria as described above are given authorisation and the authority does not exercise any discretion.

It is submitted that as per ASCM footnote 1, AA cannot be construed as subsidy at all. AAS scheme permits determination of "which inputs" are consumed in the production of the exported product and in "what amounts". Technical committee consisting of the Inter departmental experts of the administrative ministries determine the inputs required and "what amount" of inputs are required in production of the product concerned. Moreover the Input-output norms are reviewed from time to time by the Technical Committee taking into account various factors including the change in efficiency with the change of technology, the industry average etc. Hence there is clearly a system or procedure in place to "confirm" "which inputs" and "in what amounts" inputs are required. The system or procedure is reasonable and effective for the purpose intended. As a matter of double check, an exporter is required to provide consumption details in respect of details of inputs imported, its

quantity, name of the finished product produced, quantity of finished product, inputs actually consumed for the exported product, duly verified and certified by the Chartered Accountant in Appendix 4H of Hand Book of Procedure (2015-2020). In case of excess import to that of actual consumption, applicable customs duty is required to be paid along with interest at higher rate than the normal commercial interest rate. In addition, there is constant monitoring by the bodies like the Central Excise and the Directorate of Revenue Intelligence on the duty exempted materials. The customs authorities also keep complete record of the duty free imports made and exports effected by the exporter to ensure compliance with the scheme. Furthermore, for some items against Advance Authorisation the import and export are restricted/regulated through specified ports by the customs to monitor/exercise proper control. DGFT maintains company specific record of advance authorization issued.

26. Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme

- ✓ **Response:** DEPBS scheme had been on pre export and post export basis. The pre-export DEPBS was abolished with effect from (w.e.f.) 1 April 2000. Hence, during the IP i.e 1st July 2015 to 30th June 2016, the said scheme was not availed. Similarly, Duty Entitlement Passbook Scheme (post export) has been discontinued for exports made on or after 1 October 2011 [Chapter 4, FTP 2009-2014]. Since the benefits under this scheme were not available during the IP, the above questions are not applicable.

27. Duty Exemption/Remission Schemes – Duty Drawback Scheme

- ✓ **Response:** Duty Drawback rebates duty or tax chargeable on any imported / excisable materials and input services used in the manufacture of export goods. The duties and tax neutralized under the scheme are (i) Customs and Union Excise Duties in respect of inputs and (ii) Service Tax in respect of input services. Duty Drawback is of two types: (i) All Industry Rate and (ii) Brand Rate. The legal framework is provided by Sections 75 and 76 of the Customs Act, 1962 and the Customs and Central Excise Duties and Service Tax Drawback Rules, 1995 (Drawback Rules, 1995) issued under the Customs Act, 1962, the Central Excise Act, 1944 and the Finance Act, 1994.

Chapter 22 of the Customs Manual 2015 issued by the Central Board of Excise & Customs contains the relevant details and instructions for the scheme and the said manual can be accessed at http://www.cbec.gov.in/resources/htdocs-cbec/deptt_offcr/cs-manual2015.pdf which is self-explanatory.

Section 75 & 76 of the Customs Act, 1962 regarding customs duties paid on the imported inputs used in the manufacture of exported product (Customs Act can be accessed at, <http://www.cbec.gov.in/htdocs->

[cbec/customs/cs-act/cs-act-ch10](http://www.cbec.gov.in/htdocs-cbec/excise/cxrules/cs-cxduties-st-dbk-rules1995)) which is self-explanatory. Customs and Central Excise Duties and Service Tax Drawback Rules, 1995 (Drawback Rules, 1995) can be accessed at <http://www.cbec.gov.in/htdocs-cbec/excise/cxrules/cs-cxduties-st-dbk-rules1995>, as amended in 2006.

Section 93A of the Finance Act, 1994 governs the power of the Central Government to grant rebate of service tax paid on taxable services used as input services in the manufacture, processing, removal or export of the exported goods. This can be accessed at <http://www.cbec.gov.in/resources//htdocs-servicetax/st-act-ason24oct2013.pdf>. Drawback primarily covers three elements namely customs duties, excise duties and service tax.

Duty Drawback Scheme is restricted to rebating Customs duty and/or Central Excise duty and Service Tax chargeable on any imported or excisable materials and input services used in the manufacture of export goods. Manufacture includes processing of or any other operation carried out on goods. The Duty Drawback may be paid on basis of actual or average incidence of the duty/tax.

The determination of individual drawback rates based on the "actuals" is provided for in the case of products which are not eligible for All Industry Rate either because Govt. has not provided AIRs or where the AIRs prescribed are not applicable to the product exported on account of involvement of alternative mechanism of refund. Drawback based on actuals of duty incidence is also available to those who find that the AIR rebates less than 80% of the actual duty/tax incidence and wish to apply for such drawback.

The Government determines the All Industry Rate of drawback based on taking essentially averages of values, duties /taxes on materials and input services used for a class of export goods produced or manufactured and taking into account extent to which these duties / tax may have not been paid or already rebated or refunded. The All Industry Rates are notified in the form of a Schedule every year after a Committee appointed for the purpose has reviewed the data and recommended the rates. The scheme design is such that use of any alternative mechanisms of rebating these duties/tax make the Duty Drawback inapplicable or it gets reduced to the appropriate extent.

The Committee undertakes analysis of data which includes the data on procurement prices of inputs, indigenous as well as imported, applicable duty rates, consumption ratios and FOB values of export products, submitted on representative basis by export promotion councils / commodity boards / trade bodies. The Government databases are used for appropriate cross-checks. The Committee also visits manufacturer exporter units for first-hand knowledge of the manufacturing process and observe nature of inputs ordinarily used and wastage. Committee also takes into account the industry experience and broad technical factors, as

appropriate. This yearly exercise constitutes a reasonable mechanism to arrive at averages relevant for the purpose taking into account the administrative feasibility of undertaking individual verifications in a country of India's size with spread of hundreds of thousands of exporters as well as in the light of the fact that domestically procured inputs in the market carry duty/ tax burden including embedded duty/tax in certain cases, irrespective of availability of duty paying documentation arising from factors such as the input being exempted but its precursors being dutiable or manufacturer being exempt and that inputs are also imported in bulk and sold domestically to those requiring them in smaller quantities making a break in the chain of documentation showing the duty paid.

The All Industry Rates are not provided to sectors where averages across class of goods produced are assessed to be non-representative (eg. petroleum products).

Moreover, duties imposed for anti-dumping and safeguard purposes are also assessed to be not amenable to being averaged for the purposes of AIR and hence not factored. Certain All Industry Rates are "residuary" in nature in that they represent a broad assessment of the unrebated incidence (direct and embedded) of the duties which for ease of implementation is together extended as a "Customs" portion. The AIRs are largely expressed as percentage of FOB value and a substantial number of them are subject to cap or ceiling amount expressed in Rupees /Unit. Further, there is a cap that drawback should not be more than one third of market price of export goods. Drawback above the cap amount is inadmissible irrespective of how high the FOB value of the product is.

Eligibility criteria

1. As stated above, the scheme design is such that use of alternative mechanisms of rebating these particular duties/tax make the AIR Duty Drawback inapplicable or it gets reduced to the appropriate extent -
 - a) If CENVAT credit or facility of procurement of input free of central excise duty or rebate of duty on inputs is availed the AIR drawback gets restricted to a lower rate.
 - b) The export goods become ineligible for AIR drawback if manufactured in a warehouse under section 65 of the Customs Act or manufactured or exported in discharge of export obligation against an Advance License/Duty Free Import Authorization or by a unit licensed as hundred per cent. Export Oriented Unit or by a Unit situated in FTZ/EPZ/SEZ or by availing the benefit of job work notification 32/1997-Cus
2. As also brought out above, all AIRs amounts are restricted upto one third of market price of export goods as well as a substantial number of them are further subject to cap or ceiling amount expressed in Rupees /Unit above which no drawback is admissible.

3. Since averaging is in relation to manufacture of class of export goods, AIR drawback is also not available if value of export goods is not more than the value of imported material used in their manufacture.
4. Export performance as in having a threshold level of exports for being eligible for drawback is not relevant for determining eligibility to AIR drawback. The fact of export and the fact of timely realization of export proceeds is relevant.
5. Insofar as the question of eligibility being contingent upon the use of domestic over imported goods is concerned, AIR drawback neutralizes duties/tax paid calculated on average quantities of relevant inputs (imported and domestic) and input services that are observed as ordinarily used in the manufacture of the class of goods exported. The differing manner of sourcing of inputs by individual exporters gets factored and evened out in averages.
6. The eligibility of the program is not limited, by law, to any enterprises or industries located within designated regions. Duty drawback is a tax/duty rebate and not a subsidy.
7. The scheme is not specific to any sector or industries. However, All Industry Rates are not provided to sectors where averages across class of goods produced are assessed to be non-representative (eg. petroleum products).
8. An AIR is based on averages for the relevant class of export goods manufactured in India. Therefore, any firm which meets the eligibility criteria can apply to avail this rebate. Government does not discriminate amongst such firms.

Process of claiming AIR

- The Duty Drawback on export goods is claimed at the time of export and with details filled in the required format in the Shipping Bill/Bill of Export under Drawback. In case of exports under electronic Shipping Bill, the Shipping Bill itself is treated as the claim for Drawback. In case of manual shipping bill, triplicate copy of the Shipping Bill is treated as the claim for Drawback. The claim is to be accompanied by specified documents as laid down in the Drawback Rules 1995. If the requisite documents are not furnished or there is any deficiency, the claim may be returned for furnishing requisite information/documents.
- Once the Export General Manifest (EGM) has been filed by respective airlines / shipping lines and the export is confirmed, the Drawback claim is automatically processed through EDI system by the officers of Drawback Branch on first-come first-served basis. The status of the Shipping Bills and sanction of Drawback claim can be ascertained from the query counter set up at the Service Centre. If any query is raised or deficiency noticed, the exporters are required to reply to such queries through the

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Service Centre. All the claims sanctioned on a particular day are enumerated in a scroll and transferred to the Bank through the system. The bank credits the drawback amount in the respective accounts of the exporters.

An exporter who avails benefit from this scheme cannot avail benefits from the Advance Authorisation Scheme. Please refer to paragraph 5.4 of Chapter 23 of the Customs Manual 2015 issued by the CBEC

AIRs of the products during POI:

Year	Tariff Item	Description of goods	Unit	A		B	
				Drawback when Cenvat facility has not been availed	Drawback when Cenvat facility has been availed	Drawback when Cenvat facility has not been availed	Drawback when Cenvat facility has been availed
				Drawback Rate	Drawback cap per unit in Rs	Drawback Rate	Drawback cap per unit in Rs.
	1	2	3	4	5	6	7
From 1.7.2015 to 22.11.2015	7210	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated		1.90%		1.90%	
	7212	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, clad, plated or coated		1.90%		1.90%	

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	722 5	Flat-rolled products of other alloy steel, of a width of 600 mm or more		1.90%		1.90%	
	722 6	Flat-rolled products of other alloy steel, of a width of less than 600 mm		1.90%		1.90%	
From 23.11.20 15 to 10.2.201 6	721 0	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated	MT	2%	1200	2%	1200
	721 2	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, clad, plated or coated	MT	2%	1200	2%	1200

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	722 5	Flat-rolled products of other alloy steel, of a width of 600 mm or more	MT	2%	3200	2%	3200
	722 6	Flat-rolled products of other alloy steel, of a width of less than 600 mm	MT	2%	3200	2%	3200
From 11.2.201 6 to 30.6.201 6	721 0	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated	MT	2%	1200	2%	1200
	721 2	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, clad, plated or coated	MT	2%	1200	2%	1200

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	722 5	Flat-rolled products of other alloy steel, of a width of 600 mm or more	MT	2%	2500	2%	2500
	722 6	Flat-rolled products of other alloy steel, of a width of less than 600 mm	MT	2%	2500	2%	2500

28. Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal

- ✓ **Response:** In respect of Mining rights for Iron Ore, state governments, as the owner of minerals, grant mineral concessions for mining leases in terms of Mines and Minerals (Development and Regulation) (MMDR) Act, 1957. Previously, there was no provision for captive mining in the MMDR Act, 1957. The Government has amended the MMDR Act, 1957 through MMDR Amendment Act 2015 with effect from 12th January, 2015 which inter alia provides mining rights through auction. The miners will be required to pay royalty in terms of second schedule to the Act in addition to the amount quoted in the auction.

The amendment in the Act which provides for commercial auction of the mines at competitive bid price leaves no room for any sort of incentives and it should be noted that there was not any benefit provided to the exporters of the subject goods under the alleged scheme during the IP. The details of MMDR Act 1957 can be accessed at the URL:http://ibm.nic.in/writereaddata/files/07102014115602MMDR%20Act%201957_10052012.pdf and the amendments in the act can be accessed at the following URL for information purposes. <http://www.indiacode.nic.in/acts-in-pdf/2015/201510.pdf>. It is to be noted that the amendments of this act are effective from the 12th day of January, 2015 which is much prior to the Period of Investigation in the present investigation.

To augment the coal production and mitigate the shortage of coal to be supplied to power, steel and cement sector in India, during the period 1993 to 2011, Ministry of Coal, GoI, allocated 218 coal blocks under the provisions of Coal Mines (Nationalisation) Act, 1973 through the Screening Committee and Government Dispensation route to the then erstwhile eligible Central/State Government PSUs and private companies for specified end use projects i.e power, steel and cement, as well as for commercial use. The names of some of the steel companies who got the allocation are as follows;

Name of the Company	Name of the Coal Block Allocated	Date of Allocation	End Use Project
JSW Steel Ltd/Jindal Thermal Power Ltd	Utkal-A	29.11.2005	Power
JSW Steel Ltd	Rohne	05.06.2008	Sponge Iron
JSW Steel Ltd	Gourangdih ABC	10.07.2009	Power
Uttam Galva Steel Ltd	Moira Madhujore (North & East)	06.10.2009	Steel & Sponge Iron

It is to be noted here that M/s Essar Steel India Ltd and M/s POSCO Maharashtra Steel Pvt Ltd were not allocated any Coal block during the period of Investigation.

Ministry of Coal only allocates the coal blocks and gives certain statutory approval under the provisions of the MMDR Act, 1957 vis-à-vis approval of mining plan, previous approval for mining lease etc. which provides the coal mining rights to the allocatees. The mining cost was to be incurred by the allocatees for the development of mine which included exploring, building infrastructure for coal mining, mining expenditure etc. Moreover, no subsidy regarding royalty, service tax, transportation costs etc. were given to the allocatees of coal blocks. ***It is also to be pointed out that none of the coal block mentioned above had commenced production till the cancellation of the coal blocks by the Hon'ble Supreme Court in 2014.*** As such no benefits were accrued by the prior allocatees mentioned above from the above allocated coal blocks. Thus, it can be seen that there was not any element of incentives flowing to the exporters of subject goods in the IP and based on this fact the Commission should treat the contentions and claims of the petitioner bereft of any merit and allegation of subsidy should be rejected.

From the foregoing, it is submitted that the facts as above makes it apparent that the alleged incentive scheme has no applicability as claimed

by the petitioner and the Commission should treat this program as not applicable for the purpose of present investigation. In view of the same, various questions pertaining to this program are also not being answered herein below.

29. Purchase of Iron Ore From State-owned Enterprises for Less Than Fair Market Value

- ✓ **Response:** It is pointed out in this respect that the reply to program no 28 herein above makes it amply clear that the allocation of mines are done in the country based on commercial auctions and it was so during the entire IP. The process of auction has been incorporated to bring in transparency in the process and the resource is availed at commercially competitive rates to the users. It is also pointed out here that there is not any scheme under any of the Governments to supply iron ore at a particularly designed price which is perceived to be less than the fair market value of Iron Ore. In fact, the process of auction has brought in parity of players and the state owned enterprises are not placed in a position to offer a price which is less than what is the fair market value. Thus, it is pointed out that there was not any element of incentives flowing to the exporters of subject goods in the IP based on any such alleged supply of Iron Ore and the Commission should treat the contentions and claims of the petitioner concerning this program as devoid of any merit and allegation of any subsidy should be rejected.

In view of the same, various questions pertaining to this program are also not being answered herein below. However, the Gol shall be available for any further information and clarification if responses by any of the exporters require corroboration of facts.

30. 80-IB Income Deduction Program

- ✓ **Response:** It is pointed here for the consideration of the Commission that the Gol is in the process of collecting and collating relevant general information and also replies to various questions herein below pertaining to the program including whether the scheme was in force or not and all such information shall be provided to the Commission soon. A request for extension of time on behalf of the Gol is also being filed separately in view of the delays that are taking place in collecting the information.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** It is pointed here for the consideration of the Commission that the Gol is in the process of collecting and collating relevant general information and also replies to various questions herein below pertaining to the program including whether the scheme was in force or not and all such information shall be provided to the Commission soon. A request for extension of time on behalf of the Gol is also being filed separately in view of the delays that are taking place in collecting the information.

32. Steel Development Fund Loans

- ✓ **Response:** It is settled that SDF loans do not confer any benefit within the meaning of the ASCM. The steel development fund was created in 1978 for modernisation, rehabilitation and development of the steel industry. The primary purpose of the fund was to extend loans to steel producers who contribute to the fund. The fund is administered by the Joint Plant Committee under the chairmanship of the Cabinet Secretary of Steel.

To obtain loans from the fund, Indian steel producers must first pay money into the fund. The money paid into the fund amounts to a borrowing cost. For that reason, the WTO Appellate Body in the US — Carbon Steel (India)¹ dispute held that the Panel erred in considering SDF loans to confer a benefit. Specifically, the Panel, like the USDOC, did not take into account borrowers' costs. Therefore, the Appellate Body reversed the Panel's findings on this point. The relevant paragraphs from the Appellate Body Report are reproduced below:

"4.348. We understand India to argue that, in evaluating the structure of the SDF loans, one cannot simply focus on the interest rates attached to the loans, ... As India explained before the Panel, Indian steel producers "contributed their own funds to the SDF Program and as a result, lost the interest that they could otherwise obtain on their own funds had it been invested elsewhere". We consider this argument to be consistent with the Appellate Body's understanding that Article 14(b) entails a "progressive search" for a comparable loan that begins with the commercial loan that is "closest" to the investigated loan and moves to "less similar" commercial loans. In examining whether the particular terms of a loan programme are in accordance with market terms, a benchmark must be selected that ensures that there are sufficient similarities between the investigated loan and the benchmark "as to make that comparison worthy or meaningful". To the extent that the terms associated with a loan programme are determined by the conditions of funding for the programme, such terms should also be taken into account if a failure to do so would render the comparison meaningless. India makes precisely this point when it argues that the interest rates of SDF loans are necessarily lower due to the fact that beneficiaries of SDF loans also have to contribute to the fund.

4.349. For the forgoing reasons, we consider that the Panel improperly excluded consideration of a borrower's costs in assessing the cost of a loan programme to the recipient for purposes of a benchmark analysis, and that the Panel therefore erred in finding that Article 14(b) does not require the USDOC to take into account the costs incurred by SDF loan recipients in obtaining SDF loans. This error led the Panel, in turn, to err in rejecting India's claim regarding the USDOC's determination that the SDF

¹ United States – Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India, WT/DS436/AB/R dated 8 December 2014.

loans conferred a benefit. Consequently, we reverse the Panel's finding, in paragraph 7.313 of the Panel Report, rejecting India's claim as it relates to the USDOC's determination that loans provided under the SDF conferred a benefit within the meaning of Articles 1.1(b) and 14(b) of the SCM Agreement."

In view of the WTO Appellate Body decision, it is settled that SDF loans do not confer any benefit on steel producers and hence, there is no element of subsidy in such loans. For further clarity, it is re-iterated that the steel development fund is funded by Indian steel producers themselves. The GOI does not contribute any monetary amount to the SDF pool. Hence, the SDF loans do not constitute a countervailable benefit within the meaning of the ASCM. In view of the same, various questions pertaining to the program herein below are replied accordingly.

33. Steel Development Fund R&D Grants

- ✓ **Response:** It is pointed here with regard to this alleged program that Steel Development Fund R&D Grants are part of Steel Development Fund Loans and such assistance, if any, are provided for R&D purpose and these are not any separate scheme. Please refer to Part B1.32 for the details.

34. State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy

- ✓ **Response:** In order to encourage the dispersal of industries to lesser developed areas of the State, the Government has been giving package of incentives to New Industrial Units / Expansion Units set up in the developing regions of the State since 1964 under a Scheme popularly known as the "Package Scheme of Incentives."

The Package Scheme of Incentives, introduced in 1964, has been amended from time to time. The Scheme as amended last, is commonly known as the "Package Scheme of Incentives-2007" (PSI-2007) and is operative since the 1st April, 2007.

The State has recently declared the new Industrial Policy -2013 to ensure sustained industrial growth through various innovative initiatives so as to further improve the conducive industrial climate in the State and to provide global competitive edge to the industries in the State. The policy envisages grant of fiscal and non-fiscal incentives to the Industrial units with a view to helping the units achieve higher and sustainable economic growth with emphasis on balanced regional development and employment generation through greater Private and Public Investment in industrial sector. The Package Scheme of Incentives-2007 was amended in the light of the Industrial Policy-2013 and "Package Scheme of Incentives 2013" was introduced containing details of eligibility criteria, quantum of incentives and monitoring mechanism for administering the incentives

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during the period up to the 31st March, 2018. The Package Scheme of Incentive – 2007 was expired on the 31st March, 2013 and the Government accorded approval to the new “Package Scheme of Incentives -2013” (PSI-2013) which came into effect from the 1st April 2013 for a period of five years.

The notifications on Package Scheme of Incentives 2007 and Package Scheme of Incentives 2013 are enclosed as **Annexure-1 Part and Part II** respectively with this questionnaire reply.

The Package Scheme of Incentives *inter alia* provides for Industrial Promotion Subsidy (IPS) for MSMEs at para 4.3 and Industrial Promotion Subsidy for Large Scale Industries at para 4.4 as per the texts of the scheme.

As per para 4.3, the eligible New/Expansion Micro, Small and Medium Manufacturing Enterprises, which are set up in different parts of the State, will be eligible for Industrial Promotion Subsidy as follows;

Sr.No	Taluka/Area Classification	The quantum of Industrial Promotion Subsidy Every Year
1	Naxalism Affected Area	VAT on local sales minus Input Tax Credit (ITC) or zero whichever is more + CST payable + 100% of ITC
2	No Industries District	VAT on local sales minus ITC or zero whichever is more + CST payable + 75% of ITC
3	Entire Vidarbha and Marathwada (Other than Sr. No. 1 & 2.)	VAT on local sales minus ITC or zero whichever is more + CST payable + 65% of ITC
4	Group D+ Taluka (Other than Sr.No.1 and 3)	VAT on local sales minus ITC or zero whichever is more + CST payable + 50% of ITC
5	Group D Taluka (Other than Sr.No.1 and 3)	VAT on local sales minus ITC or zero whichever is more + CST payable + 40% of ITC
6	Group C Taluka	VAT on local sales minus ITC or zero whichever is more + CST payable + 30% of ITC
7	Group B Taluka	VAT on local sales minus ITC or zero whichever is more + CST payable + 20% of ITC

As per para 4.4, the eligible New/Expansion Large Scale Manufacturing Units, which are set up in different parts of the State, will be eligible for Industrial Promotion Subsidy (IPS) as follows -

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Sr.No	Taluka/Area Classification	The quantum of Industrial Promotion Subsidy Every Year
1	Naxalism affected area	100% VAT on local sales minus Input Tax Credit (ITC) or zero whichever is more + CST payable
2	No Industries Districts, Vidarbha and Marathwada	90% VAT on local sales minus ITC or zero whichever is more + CST payable
3	Group D+ Taluka (Other than Sr. No. 1 and 2)	80% VAT on local sales minus ITC or zero whichever is more + CST payable
4	Group D Taluka (Other than Sr. No. 1 & 2)	70% VAT on local sales minus ITC or zero whichever is more + CST payable
5	Group C Taluka	60% VAT on local sales minus ITC or zero whichever is more + CST payable

Para 6 of the scheme document at sub para 6.1 says that the amount of incentives to be disbursed to the MSMEs and LSI Units every year will be limited to the total quantum of incentives divided by the number of years as per the applicable Eligibility period with the provision of carrying forward the differential between the actual sanctioned amount for a given year and the yearly disbursement limit. It is also provided at para 6.2 that for Mega Projects/ Ultra Mega Projects, if the E.C. Period is more than 10 years, the yearly limit on disbursement amount shall be equal to 1/10 of the total quantum of incentives or Industrial Promotion Subsidy sanctioned for that year whichever is less. The Carry forward principle will be applicable. The balance quantum of incentives will be allowed to be availed of after 10 years with yearly cap as above. Proportionate quantum of incentives will be calculated for a part of the year.

The scheme details are elaborated in the enclosed annexure and reliance is placed on the same for further details which is self-explanatory.

35. SGOM – Exemption from Electricity Duty

- ✓ **Response:** Exemption from Electricity duty is a part of the Package Scheme of Incentives of SGOM as provided above at Program No 34 and the introductory note to the scheme is not repeated herein again for the sake of brevity.

Para 4.6 of the scheme document enclosed herein above says that all Eligible New Units in Group C, D, and D+ areas and No-Industry District(s) and Naxalism affected Area will be exempted from payment of Electricity

Duty during eligibility period not exceeding 15 years. In Group A and B areas, 100% Export Oriented Units (EOUs), Information Technology Manufacturing Units and Bio-Technology Manufacturing units will also be exempted from payment of Electricity Duty for a period of 7 Years. Necessary Notification under the provisions of the Electricity Duty Act 1958 will be issued separately by the Energy Department.

36. SGOM – Waiver of Stamp Duty

- ✓ **Response:** Waiver of stamp duty is a part of the Package Scheme of Incentives of SGOM as provided herein above and the introductory note to the scheme is not repeated herein again for the sake of brevity.

Para 4.7 of the scheme document enclosed herein above says that new Units as well as Units undertaking Expansion/ Diversification (including Mega and Ultra Mega Projects) will be exempted from payment of Stamp duty during the Investment period in Group “C, D, D+ Talukas, No Industry Districts and Naxalism affected areas. However, in Group A and B areas, stamp duty exemption would be available as given below:

- BT Manufacturing and IT Manufacturing Units in Public Parks : 100%
- BT Manufacturing and IT Manufacturing Units in Private Parks : 75%
- Mega Projects - 50% for first conveyance deed only

Explanation: Eligible New/Expansion Units of PSI-2007 will also be eligible for Stamp Duty Exemption during their investment period.

37. SGOM – Power Tariff Subsidy

- ✓ **Response:** Power Tariff Subsidy is a part of the Package Scheme of Incentives of SGOM as provided herein above and the introductory note to the scheme is not repeated herein again for the sake of brevity.

Para 4.8 of the scheme document enclosed herein above says that eligible New Micro, Small and Medium Enterprises (MSME) will be eligible for power tariff subsidy. The subsidy will be to the tune of Rs 1/- per unit for the Units located in Vidarbha, Marathwada, North Maharashtra and the Districts of Raigad, Ratnagiri and Sindhudurg in Kokan Region and Rs 0.50 per unit for the Units in other areas of the State for a period of 3 years from the date of commencement of commercial production, for the energy consumed and paid. The Units in Group “A” areas will however not be eligible for this incentive.

It may however be noted that the scheme says benefits under this package scheme are applicable to MSMEs and none of the exporters of the subject goods do fall in the MSME category as they are all large scale industrial units. Hence, this scheme has no applicability to the scope of

present investigation and the Commission may treat all questions pertaining to this scheme as not applicable.

38. SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)

- ✓ **Response:** Incentives to Strengthen Micro, Small and Medium Enterprises (MSME) and LSIs is a part of the Package Scheme of Incentives of SGOM as provided herein above and the introductory note to the scheme is not repeated herein again for the sake of brevity.

Para 4.9 of the scheme document enclosed herein above says that the followings incentives shall be admissible to the MSMEs and LSIs so as to promote Quality Competitiveness, Research & Development, Technology Upgradation, Water & Energy Conservation, Cleaner Production Measures and Credit Rating –

(A) New MSMEs and Expansion thereof in all categories of areas will be eligible for following incentives -

- (i) 5% subsidy on capital equipment for Technology Up –gradation, subject to a maximum of Rs.25 lacs
- (ii) 75 % subsidy on the expenses incurred on quality certification limited to Rs. 1 Lakh .
- (iii) 25% subsidy on capital equipment for cleaner production measures ,limited to Rs.5 Lakhs
- (iv) 75 % subsidy on the expenses incurred on patent registration limited to Rs. 10 Lakh for the National patents and Rs. 20 lakh for the International patents.

(B) Incentives for Credit Rating of MSMEs in all categories of areas - 75% of the cost of carrying out Credit Rating by Small Industries Development Bank of India/ Government accredited Credit Rating Agency, limited to Rs. 40,000.

(C) New MSMEs, LSI and Expansion thereof will be eligible for the following incentives in all categories of areas -

- (i) 75% of cost of water audit limited to Rs. 1.00 lakh.
- (ii) 75% of cost of energy audit limited to Rs. 2.00 lakh.
- (iii) 50% of the cost of Capital Equipment under the measures to conserve/recycle water, limited to Rs. 5 lakh
- (iv) 50% of the cost of Capital Equipment for improving energy Efficiency, limited to Rs. 5 lakh.

The scheme primarily pertains to MSMEs and none of the exporters of the subject goods are MSMEs meaning thereby no benefits under this

scheme have been accrued to the exporters of subject goods under this scheme. It may be noted in any case that no benefit under this scheme was granted to any of the exporters of the subject goods. Hence, this scheme has no applicability to the scope of present investigation and the Commission may treat all questions pertaining to this scheme as not applicable.

39. SGOM – Special Incentives of the SGOM for Mega Projects

- ✓ **Response:** Incentives for Mega Projects/Ultra Mega Projects is a part of the Package Scheme of Incentives of SGOM as provided herein above and the introductory note to the scheme is not repeated herein again for the sake of brevity.

Para 4.9 of the scheme document enclosed herein above says that the quantum of incentives for Mega Projects and Ultra Mega Projects shall be decided by the High Power Committee under the chairmanship of the Chief Secretary, Government of Maharashtra on a case to case basis. However the Cabinet Sub Committee for Industry, under the chairmanship of the Chief Minister of Maharashtra will have the powers to sanction customized package of incentives and even offer special / extra incentives for prestigious Mega Projects / Ultra Mega Projects, on a case to case basis.

40. State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy

- ✓ **Response:** The Government of Gujarat is providing assistance to MSMEs for interest on Term Loan provided by financial Institution. As the title says, the scheme is aimed at Medium, Small and Micro Enterprises and no assistance under this scheme can be availed by large industrial unit.

The Government resolution dated 19/1/2015 specifically mentions that the scheme is “Scheme for assistance to Micro, Small and Medium Enterprises (MSMEs)” (please see para 1.1 of the Scheme). The scheme is applicable to MSME industrial units i.e units which has investment of RS. 10 crores or less in Plant and Machinery. The Government resolution detailing the scheme is attached herewith as **Annexure-2**

M/s Essar Steel Ltd is having production facility for subject goods in Gujarat. However, M/s Essar Steel Ltd. is a large scale Industrial Unit & not MSME therefore the company is not eligible for any incentives under the above scheme and did not avail any benefit. Hence, this scheme has no applicability to the scope of present investigation and the Commission may treat all questions pertaining to this scheme as not applicable.

41. SGOG – Assistance to MSMEs – Quality Certification

- ✓ **Response:** The Government of Gujarat is Providing Assistance to MSMEs for obtaining quality certificate. As the title says, the scheme is aimed at Medium, Small and Micro Enterprises and no assistance under this scheme can be availed by large industrial unit.

The Government resolution dated 19/1/2015 specifically mentions that the scheme is "Scheme for assistance to Micro, Small and Medium Enterprises (MSMEs)" (please see para 1.1 of the Scheme). The scheme is applicable to MSME industrial units i.e units which has investment of RS. 10 crores or less in Plant and Machinery. The Government resolution detailing the scheme is provided in reply to Program no 40 hereinabove which is relied upon for this reply also.

M/s Essar Steel Ltd is having production facility for subject goods in Gujarat. However, M/s Essar Steel Ltd. is a large scale Industrial Unit & not MSME therefore the company is not eligible for any incentives under the above scheme. Hence, this scheme has no applicability to the scope of present investigation and the Commission may treat all questions pertaining to this scheme as not applicable.

42. SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods

- ✓ **Response:** The State Government is not providing any sales tax exemption or VAT remission to Industrial Units. The state government had discontinued the sales tax based incentives vide Government Resolution dated 29/4/2000. The relevant Government Resolution dated 29/4/2000 is enclosed as **Annexure-3**

M/s Essar Steel Ltd is having production facility for subject goods in Gujarat. However, M/s Essar Steel Ltd has not availed any benefit under the scheme. Thus, the scheme is not applicable and as such is not relevant for the present investigation as the same has been discontinued long back. This makes this alleged scheme of subsidy having any applicability in the scope of present investigation.

43. SGOG – VAT Remission Scheme

- ✓ **Response:** The State Government is not providing any sales tax exemption or VAT remission to Industrial Units. The state government had discontinued the sales tax based incentives or VAT remission to industrial units scheme vide Government Resolution dated 29/4/2000. The relevant Government Resolution dated 29/4/2000 is enclosed in reply to program number 42 hereinabove as annexure 3 which is relied upon for this reply also.

M/s Essar Steel Ltd is having production facility for subject goods in Gujarat. However, M/s Essar Steel Ltd has not availed any benefit under the scheme. Thus, the scheme is not applicable and as such is not relevant for the present investigation as the same has been discontinued long back. This makes this alleged scheme of subsidy having any applicability in the scope of present investigation.

44. SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions

- ✓ **Response:** The Government of Gujarat has observed setting up of Industrial Parks as one of the important infrastructure component for Industrial development of the state and with this intent a scheme for assistance to Industrial parks had been introduced. The aim of the scheme is to develop and upgrade industrial infrastructure in the state. The scheme is declared to promote & encourage industrial park by private institution.

Institution means any Industries Association/any enterprise registered under the Societies Act, Partnership Act or the Companies Act or SPV constituted for setting up of Industrial Park. Such institution will be eligible to avail assistance under the scheme for setting up of Industrial Park. In case of park having more than 100 hectares area, the Institution will be allowed to develop park with co-developer during the development of Industrial Park.

Industrial Park means an estate which is developed in minimum area of 20 Hectares for establishment of minimum 10 industrial units to manufacture any product or service and having basic infrastructure facilities such as developed plot, internal roads, water distribution facilities, sewage, power distribution, communication facilities, Hostel for workers and such other facilities/services as may be required.

For further details of the scheme, please refer to the scheme details dated 21/4/2015 enclosed as **Annexure- 4**

The scheme is not applicable to the individual company and applicable to the developer of the industrial park alone and as scheme is not relevant for the present investigation.

M/s Essar Steel Ltd is having production facility for subject goods in Gujarat. However, M/s Essar Steel Ltd is an individual unit and is not eligible for any incentive and had not been provided with any incentives under the scheme. Hence, this scheme has no applicability to the scope of present investigation and the Commission may treat all questions pertaining to this scheme as not applicable.

45. SGOG – Critical Infrastructure Projects

- ✓ **Response:** The scheme for assistance for industrial infrastructure was introduced to enable the industrial clusters to address their comprehensive infrastructural needs and initiate steps for fulfilling their needs by utilizing these schemes and to ensure commitment and complete involvement of the benefiting units it is necessary to expect financial involvement of the units collectively with a contribution in the project cost directly and also through financial Institutions.

Eligible Institution as per the scheme:

- (i) Any Industries Association, Chamber of Commerce, Federation of Industries or group of industrial units which are registered under Societies Act. Trust Act or the Companies Act. Will be eligible to avail assistance. Any large project/Industry House will also be eligible if the project is approved by the Implementation Committee.
- (ii) Any Department of Govt., Govt. Agency or Authority, Board, Corporation, Municipal Corporations will be eligible to avail assistance.

Eligible Activities as per the scheme

- (i) Infrastructure facilities as may be required in an industrial estate, industry clusters or any industrial area such as:
- (a) Approach road from industrial estate/area to Airport, Port of Highway.
- (b) Over Bridge on road / railway
- (c) Up gradation of existing roads/widening of road
- (d) Construction of by pass road
- (e) Setting up of Earth station/Communication facilities
- (f) Water distribution network and related facilities
- (g) Gas/electricity/energy distribution network and related facilities
- (h) Setting up of warehousing facilities and related facilities
- (i) Facilities Centre, Product Development Centre, Training Centre, Testing Centre, R&D Institution and/or any common facilities centre.
- (j) Any other infrastructure facility required in the area specific to industry

The scheme is not applicable to the individual company and applicable for the infrastructure development of the industrial cluster/ area. The government resolution dated 19/1/2015 pertaining to scheme is enclosed herewith as **Annexure- 5.** Para 1.1 of the scheme enclosed detail makes it amply clear that an individual company cannot claim any benefit under the scheme. Para 1.2 and 1.3 of the scheme further clarifies what are the eligible activities and investments under the scheme which is self-explanatory to demonstrate that any company engaged in the production and sale of a product such as the subject goods cannot claim any assistance under the scheme and the scheme focuses on development of common infrastructure development of the State with the help of identified agencies.

M/s Essar Steel Ltd is having production facility for subject goods in Gujarat. However, M/s Essar Steel Ltd has not been provided any such kind of incentives and the scheme is not relevant for the present investigation. The scheme pertains to general infrastructure development as identified in the ASCM itself.

46. State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy

- ✓ **Response:** With regard to the SGOC schemes **listed at 46 to 51 in the Table 1 herein above** and as also provided herein below, it may be noted that the Exporters of the subject goods as identified i.e Essar & Posco have no units in Sate of Chhattisgarh. Hence, the alleged schemes of incentives listed at serial no 46 to 51 have no applicability on the exporters of subject goods and the Commission may treat all questions pertaining to these schemes as not applicable for the purpose of present questionnaire response and accordingly they are being answered briefly for information purposes wherever applicable. Notwithstanding this factual backdrop, the general information about the schemes of Sate of Chhattisgarh is provided herein below for the information of the Commission.

The state of Chhattisgarh was created with immense possibilities of development. The state is aggressively adopting ‘Ease of Doing Business’ practices towards facilitating transparent and a public-oriented administration. Industrial policy has been implemented in the State on the basis of Five Year Action plans for planned industrial development. After the state was created in 2000, “Industrial Policy 2001-06”, “Industrial Policy 2004-09” and “Industrial Policy 2009- 14” have been implemented and currently Industrial Policy 2014-19 is in place. Industrial Policy 2014-19 can be accessed at the following URL: <https://industries.cg.gov.in/pdf/policy2014-19/Industrial%20Policy%202014-19%20Translated%2012Feb2016.pdf>

Some of the objectives of the Industrial Policy of the SGOC are summarised as follows;

- a) To promote the manufacturing sector on a priority basis, design “Make in Chhattisgarh” on the lines of the ambitious plan of “Make in India” of the Government of India.
- b) To bring Chhattisgarh state at par with developed Industrial states of country by 2024 by reaping the benefits of the enabling environment created for inclusive rapid industrialization in the State. Industrial Policy 2014-19.
- c) To encourage the domiciles of the state towards entrepreneurship and to provide them with abundant opportunities of livelihood and employment among the industries.

- d) In addition to the established sectors, facilitate industrial development in sectors which are relatively new to the State and are not yet established.
- e) To create a conducive environment for promotion of exports and attract foreign investments by encouraging establishment of Special Economic Zones and other enabling infrastructure in the State.
- f) To facilitate private sector participation in the construction and maintenance of industrial infrastructure.
- g) To enhance the quality of life of citizens through value addition in the available mineral and forest resources.
- h) To ensure participation of industries in the skill development of the local populace.
- i) To increase the warehousing capacities for the agriculture produce/products in the state, especially in rural areas.

Appendix 5 and Appendix 6 of the Industrial Policy 2014-2019 provides for industrial incentives. Appendix 5 stipulates the incentives concerning eligible industries established by general category of entrepreneurs and Appendix 6 provides for industrial incentives concerning eligible industries established by scheduled caste/Tribe category. Fixed Capital Investment Please refer to Para 2 of Appendix 5 and 6 of the Policy as enclosed above for fixed capital investment subsidy for both the categories of entrepreneurs.

47. SGOC – Industrial Policy 2009-2014: Interest Subsidy

- ✓ **Response:** As submitted herein above Interest Subsidy is also a part of Industrial Policy of SGOC 2014-2019. Appendix 5 stipulates the incentives concerning eligible industries established by general category of entrepreneurs and Appendix 6 provides for industrial incentives concerning eligible industries established by scheduled caste/Tribe category. Please refer to Para 1 of Appendix 5 and 6 of the Industrial Policy 2014-2019 as enclosed herein above for the details of Interest Subsidy for both the categories of entrepreneurs.

As submitted hereinabove, the Exporters of the subject goods have no units in Sate of Chhattisgarh. Hence, this scheme has no applicability on the exporters of subject goods and the Commission may treat all questions pertaining to this scheme as not applicable in the present response.

48. SGOC – Industrial Policy 2009-2014: Quality Certification

- ✓ **Response:** As submitted herein above Quality Certification is also a part of Industrial Policy of SGOC 2014-2019. Please refer to Para 9 of Appendix 5 of the Industrial Policy 2014-2019 as enclosed herein above for the details of Quality Certification.

Para 9 of Appendix 5 of the policy says that the new and existing Micro, Small and Medium category industries established by the entrepreneurs of general category in the State shall be reimbursed 50% of the amount spent, maximum Rs. 1.00 Lakh for obtaining ISO– 9000, ISO -14000, ISO - 18000, ISO -22000 category, BIS certification, Bureau of Energy Efficiency (BEE) certification, LEBP certification in the field of new and renewable energy, AGMARK, Euro Standard or other equal national/international certification will be reimbursed for getting each certification.

Similarly, para 6 of the Appendix 6 says that the new and existing Micro, Small and Medium category industries in the State shall be reimbursed 60% of the amount spent, maximum Rs. 1.25 Lakh for obtaining ISO 9000, ISO 14000, ISO 18000, ISO 22000 category, BIS certification, Bureau of Energy Efficiency (BEE) certification LEBP certification in the field of new and renewable energy, AGMARK, Euro Standard or other equal national/international certification.

As submitted hereinabove, the Exporters of the subject goods have no units in Sate of Chhattisgarh. Hence, this scheme has no applicability on the exporters of subject goods and the Commission may treat all questions pertaining to this scheme as not applicable in the present response.

49. SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption

- ✓ **Response:** As submitted herein above Electricity Duty Exemption is also a part of Industrial Policy of SGOC 2014-2019. Appendix 5 stipulates the incentives concerning eligible industries established by general category of entrepreneurs and Appendix 6 provides for industrial incentives concerning eligible industries established by scheduled caste/Tribe category. Please refer to Para 3 of Appendix 5 and Para 4 of the Appendix 6 of the Industrial Policy 2014-2019 as enclosed herein above for the details of Electricity Duty Exemption for both the categories of entrepreneurs.

As submitted hereinabove, the Exporters of the subject goods have no units in Sate of Chhattisgarh. Hence, this scheme has no applicability on the exporters of subject goods and the Commission may treat all questions pertaining to this scheme as not applicable in the present response.

50. SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption

- ✓ **Response:** As submitted herein above, Stamp Duty Exemption is also a part of Industrial Policy of SGOC 2014-2019. Para 4 of Appendix 5 stipulates that in view of classification of investors, all categories of entrepreneurs who have established eligible Micro, Small, Medium, Large industries and all Mega project and Ultra-Mega project (including the industries of the Core sector, according to the Appendix-4) will get complete exemption from stamp duty in the following cases-

“4.1 (a) On Deeds executed for purchase/lease of land, shed and buildings and on deeds of transfer of land lease (excluding land for mining lease) (b) Up to 3 years on the execution of deeds related with loan & advances from the date of sanction of loan by bank/financial institutions.

4.2 On purchase of agriculture land within 2 years of receipt of land acquisition compensation amount up to the extent of amount received as compensation by the affected land owners for the land acquired for industrial areas/ industrial purpose/ plots reserved for industrial purpose/ industrial areas (excluding land for mining lease).

4.3 On purchase/lease of land for Industrial areas/ Industrial park to be established in private sector sanctioned/approved by the Govt. of India/State Government and on industrial units established in those areas/parks.

4.4 On purchase/ lease of land by the Chhattisgarh State Industrial Development Corporation limited for industrial area/industrial plot/industrial purposes, land bank and for creation of infrastructure.

4.5 On purchase/sale deeds of purchase of closed/sick industrial unit.

4.6 On purchase/ lease of land for establishing film studio, editing studio.

4.7 On purchase/ lease of land for establishing logistic hub, warehousing, cold-storage and grain silo”.

As stated hereinabove, the Exporters of the subject goods have no units in State of Chhattisgarh. Hence, this scheme has no applicability on the exporters of subject goods and the Commission may treat all questions pertaining to this scheme as not applicable in the present response.

51. SGOC – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration

- ✓ **Response:** The Industrial Policy of SGOC 2014-2019 do not provide for any scheme called Provision of Land for Less than Adequate

Remuneration. However, information on exemption/concession in land premium on allotment of land in industrial areas/industrial parks is self-explanatory in Appendix 5 and 6 concerning the Industrial Policy 2014-2019.

In any case, as stated hereinabove, the Exporters of the subject goods have no units in State of Chhattisgarh. Hence, this scheme has no applicability on the exporters of subject goods and the Commission may treat all questions pertaining to this scheme as not applicable in the present response.

52. State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy

- ✓ **Response:** With regard to the SGOJ schemes **listed at 52 to 55 in the Table 1 herein above** and as also provided herein below, it may be noted that the Exporters of the subject goods i.e Essar & Posco have no units in State of Jharkhand. Hence, the alleged schemes of incentives listed at serial no 52 to 55 have no applicability on the exporters of subject goods and the Commission may treat all questions pertaining to these schemes as not applicable for the purpose of present questionnaire response and accordingly they are being answered briefly for information purposes wherever applicable. Notwithstanding this factual backdrop, the general information about the schemes of State of Jharkhand is provided herein below for the information of the Commission.

Jharkhand, the 28th state of the Indian Union, was brought into existence by the Bihar reorganization Act on 15th Nov 2000. The State has immense potential for industrialisation with its large deposits of minerals amounting to 40% of the total mineral wealth of the country. It is the sole producer of coking coal, uranium and pyrite and ranks first in the production of Coal, Mica, Kynite and Copper in India.

Jharkhand is progressing fast on adopting best practices for making an investor friendly environment in the state to facilitate investments, employment generation and welfare of the people. Measures like Jharkhand Investment Promotion Board, single window clearance, online payments, online verification, third party certifications, self- certification, time bound approvals, availability of information online, standard operating procedures for approvals, deemed approvals, etc. are being adopted by various departments and government agencies.

The industrial policy aims at creating industry-friendly environment for maximising investment especially in mineral and natural resource based industries, MSMEs, infrastructure development and rehabilitation of viable sick units. The objective here is to maximise the value addition to state's natural resources by setting up industries across the state, generating revenue and creating employment. Government of India has launched ambitious programmes like Make in India, Skill India, Digital India, Startup

India, Smart-City Swachh Bharat, Zero Defect-Zero effect etc. to improve the standard of living of the common people, revenue generation for social sector activities and employment generation, leading to overall development of the country. It is the right time to realise the objectives of these initiatives for the welfare of the Jharkhand State.

In view of the above, Jharkhand Industrial and Investment Promotion Policy 2016 has been drafted. This policy proposed to provide attractive package to industry and investment opportunities, which lead to growth in industrialisation and investment which will have multiplier effect on economy, like employment generation, increase in income level, higher tax revenue to the State government for funding social sector projects. The packages provided in this policy can attract more industry and investment to the state. The details of the policy can be accessed at the following URL: <http://jharkhandindustry.gov.in/JIIPP2016.pdf>. A few objectives of the said policy can be seen as below;

- a) To convert Jharkhand into a favoured destination for investors and to promote sustainable Industrial growth of the State
- b. To create time bound, web based transparent working mechanism for project clearance, Date of Production declaration and financial and non-financial assistances and clearances
- c. To establish linkages between large industries and MSME/ ancillary industries
- d. To ensure participation of scheduled tribes, scheduled castes and other underprivileged sections of the society for inclusive industrial growth
- e. To promote employment generation in industrial and service sector by providing facilitation under Industrial and Investment promotion Policy, MSME Act 2006 and other policy interventions
- f. To promote MSME sector for textile, auto component, food processing and I.T., besides ancillary and downstream industries
- g. To increase the level of processing, reduction of wastage, value addition, enhance the income of farmers as well as increase exports thereby resulting in overall development of food and feed processing sector.

To meet such larger objectives of the policy, GoJ proposed to provide the best incentives, exemption and concessions for industrial units to be established in the state under section 7 of the scheme and section 7.1 provides for Comprehensive Project Investment subsidy. Please refer to section 7.1 to 7.1.8 for the details of the scheme for information purposes. It is relevant to point out here that the scheme is open to the entire State and not restricted to any region or industry or enterprises. This makes any

benefit under this entire scheme non actionable as per Article 8 read with Article 2 of the ASCM. However, as submitted herein above that the exporter of subject goods as submitted above have no units in Jharkhand and the scheme as such is not applicable to the present investigation.

53. SGOJ – Stamp Duty and Registration

- ✓ **Response:** As per section 7.2 of the Jharkhand Industrial and Investment Promotion Policy 2016, industrial units will enjoy 100% exemption / reimbursement of stamp duty and registration fee for land directly purchased from the raiyats / acquired through consent award (lessee of IADA / industrial parks will not be eligible for this benefits). This facility will be granted only for the first transaction for a particular plot of land. However, as submitted herein above that the exporter of subject goods as submitted above have no units in Jharkhand and the scheme as such is not applicable to the present investigation.

54. SGOJ – Incentive for Quality Certification

- ✓ **Response:** Section 7.3 of the Jharkhand Industrial and Investment Promotion Policy 2016 provides for Quality certification assistances.

(a) High priority is being accorded by the State government for improvement of quality of the industrial units and will be provided with assistance for obtaining quality certification from B.I.S. and other internationally recognised institutions @ 50% of the expenditure incurred up to maximum of Rs. 10.00 lakh.

Units obtaining certification / accreditation under any of the following internationally recognised / accepted standards will be eligible for the benefit;

- > ISO-9000 Quality Management System
- > ISO-14000 Environmental Management System
- > ISO-18000 Occupational Health and Safety Standards
- > BIS certification
- > Social Accountability Standards
- > Green Energy Certificate
- > Bureau of Energy Efficiency (BEE) Certificate
- > LEED Certification in New and renewable Energy
- > Internationally accredited eco-labels OKE-TEX 100 etc.
- > Any other internationally accredited certification that will enable better market positioning

(b) An Enterprise can avail the facility for more than one certification during the policy period subject to maximum limit

However, as submitted herein above that the exporter of subject goods as submitted above have no units in Jharkhand and the scheme as such is not applicable to the present investigation.

55. SGOJ – VAT and Tax Incentives

- ✓ **Response:** Section 7.5 of the Jharkhand Industrial and Investment Promotion Policy 2016 provides for incentives on VAT.

This facility will be available to all industries including MSME, Handloom, Sericulture, Handicraft, Khadi and village industries products, as given below:

(a) Incentive on VAT:

1) New M SME units will be given incentive of 80% NET VAT payable p.a for five years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.

2) New large projects will be given incentive of 75% of NET VAT p.a for seven years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.

3) New mega projects will be given incentive of 75% of NET VAT p.a for nine years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.

4) New ultra-mega projects will be given incentive of 75% of NET VAT p.a for twelve years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.

(b) Industrial units which have qualified to be new unit by expansion / modernisation / diversification will be entitled to get similar benefits in respect of VAT. However, they have to maintain separate record of production, investment details and VAT paid/ payable after such expansion / diversification / modernisation. In case, maintaining a separate record is not possible by such units the benefit to such eligible units shall be available in the ratio of installed capacity.

(c) Any unit claiming these benefits will have to get registered with Commercial Taxes Department, Government of Jharkhand and shall have to file all their statutory returns.

d) Department of Commercial Taxes shall give top priority to such units in matters of final assessment of annual tax return in a specific time frame.

(e) Commercial Taxes Department shall also notify the responsibility of assessing officers along with time frame to be maintained in assessment of tax.

(f) VAT incentive will be made on annual basis and claim for such incentives shall be made in the next financial year after the financial year in which DoP was given

(g) The unit for which return assessment has not been duly completed by Commercial Taxes Department will not be eligible for incentive of the VAT claimed for the next year.

(h) Net VAT incentive claim for the final year i.e. the last year of eligibility period can only be entertained after the complete assessment of all the previous years.

(i) After availing VAT incentive facility for eligibility period, industrial units are to maintain tax compliance at similar level in future for the same number of years they have claimed VAT e.g. a unit which has claimed VAT incentive for five years for location. The Unit will have to do the tax compliance for another five years after the expiry of incentive.

Note : Notwithstanding anything contained in this Industrial and Investment Promotion Policy, the State reserves its right, to take appropriate direction including amendment, deletion or substitution of any incentives as granted in this Policy after the implementation of the Goods and Services Tax System into the State.

However, as submitted herein above that the exporter of subject goods as submitted above have no units in Jharkhand and the scheme as such is not applicable to the present investigation.

For all programs under investigation and any other program/s identified by the GOI provide any amendments to law, regulations or policy that makes a particular program redundant for this investigation. Provide all documentary evidence.

PART B-2 RAW MATERIAL, LAND AND ELECTRCITY

The applicant claims that public bodies (in the form of state-invested enterprises (SIEs²)) are supplying upstream raw material (Iron ore) and land, directly or indirectly, to manufacturers of galvanised steel at less than fair value:

Program 29: Purchase of Iron Ore From State-owned Enterprises for Less Than Fair Market Value

Program 51: State Govt. of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration

In relation to these programs, provide the following information:

² For the purpose of this Questionnaire State Owned enterprise (SOE) and State Invested Enterprise (SIE) are together referred to as SIE. The term SIE is defined in the glossary of this questionnaire.

1. Outline how each of the following is determined for the entities identified in Section A, Question 5 (4)³ above and for manufacturers of galvanised steel in India (where this differs across enterprise or type (e.g. SIEs, FIEs), describe this differently):
 - (a) suppliers of raw material inputs (including any restrictions as to what entities can supply raw materials);
 - (b) purchase prices of raw material inputs;
 - (c) allocation of inputs into production process, including raw materials and labour costs;
 - (d) quality by volume and value;
 - (e) selling prices;
 - (f) customers (including restrictions on entities that can purchase goods produced from the enterprise);
 - (g) production output (detail any restrictions on production output);
 - (h) safety standards; and
 - (i) electricity costs.

- ✓ **Response:** It is noted that by way of sub question (a) to (i) herein above, the Commission has sought company specific information on various aspects such as raw material purchase, production details etc. It has been submitted herein above that the Gol do not maintain any such company specific information relevant for this investigation and any such information can be provided by the concerned entities only, if they choose to participate in the present investigation. It may also be noted that the Gol has not prescribed any particular guidelines or policy which has any restrictive role over any business decisions of the galvanised steel producers in India.

Notwithstanding the above position, the Commission may note that none of the exporters of the subject goods have any unit in Chhattisgarh and it has been submitted in Part B-1 of this response that Programs identified by the Commission pertaining to State Chhattisgarh are not applicable. Hence, the Commission may note reply to Question 1 (a) to (i) above pertaining to **Program No Program 51: State Govt. of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration⁴** as not applicable and the Commission should reject any allegation of subsidy concerning this alleged scheme.

Please refer to the reply provided viz. **Program No 29 in Part B-1** herein above and it can be seen that no incentives were availed by the exporters under this scheme as alleged. Iron ore mining is subject to auction in the country and the system of allocation rules out possibility of any price less than fair market value which can be offered by any of the enterprises owned by State. Thus, the allegation of subsidy by way of iron ore at less than fair market value is denied. However, the Gol shall be available for any

³ It appears that reference is placed to question number 5 whereas the said details are part of question no 4 in part 1. Reply is prepared assuming it is question no 4.

⁴ Please refer to Par B-1 General Information on this program for the facts of this scheme.

clarification based on any facts arising out of the purchase details of iron ore submitted by any of the exporters.

2. For **programs 29 and 51**, provide full details of the following:

- (a) policy objective and/or purpose of the program
- (b) legislation under which the subsidy is granted
- (c) nature or form of the subsidy
- (d) when the program was established
- (e) duration of the program
- (f) how the program is administered and explain how it operates
- (g) to whom and how is the program provided
- (h) the eligibility criteria in order to receive benefits under the program

- ✓ **Response:** For the reasons as submitted in Part B-1 of this Questionnaire, Program No 46 to 51 pertaining to State of Chhattisgarh is not applicable for the present investigation, hence, the sub questions (a) to (h) above may are not being answered as not applicable. In any case, general information of the scheme along with the Policy documents is provided in Part B-1 which inter alia covers answers to the above questions which is not repeated herein for sake of brevity.

Please refer to information provided on the Program in Part B-1 which would show that the above questions are not applicable and are not being replied upon accordingly. There was not any such program which could have helped the exporters of subject good to gain any benefits as alleged by the petitioner.

3. Please complete the attached spreadsheet **B-3** (using Microsoft Excel format) listing all providers of iron ore and land who service those entities identified in question A-4 including the following details:

- a. name of the business entity
- b. location of the business entity
- c. type of business (e.g. State invested enterprise (SIE), Foreign invested enterprise (FIE), private enterprise or other (please specify))
- d. whether GOI is a shareholder in the business, and if so the percentage of GOI holdings
- e. whether there is GOI representation in the business, and if so the type of representation (e.g. on the Board of Directors), the authority responsible, and indicate any special rights provided to the representative (e.g. veto rights)

- ✓ **Response:** This question deals with company specific information and no such information pertaining to the exporters of subject goods is maintained with the Gol. In any case, purchase decision of raw material such as iron ore and also land etc are decided independently by the producers of the goods based on free market principles and Gol does not have any role in such decisions of the companies.

4. The applicant claims that the manufacturers of galvanised steel in India are in receipt of following countervailable subsidies provided by the GOI:

Program 7: Discounted Electricity Rates in SEZs

Program 35: SGOM – Exemption from Electricity Duty

Program 37: SGOM – Power Tariff Subsidy

In relation to these programs please complete the attached spreadsheet **B-4** (using Microsoft Excel format) listing all electricity providers who service those entities identified in question A-4 including the following details:

- a. name of the business entity
- b. location of the business entity
- c. type of business (e.g. State invested enterprise (SIE), Foreign invested enterprise (FIE), private enterprise or other (please specify))
- d. whether GOI is a shareholder in the business, and if so the percentage of GOI holdings
- e. whether there is GOI representation in the business, and if so the type of representation (e.g. on the Board of Directors), the authority responsible, and indicate any special rights provided to the representative (e.g. veto rights)

- ✓ **Response:** At the very outset, Gol denies the contention of the petitioner that the manufacturers of galvanised steel in India are in receipt of any countervailable subsidies provided by the GOI. The facts emanating from the reply by Gol and also the exporters would show that the claims of the applicant are not tenable under the legal texts of ASCM.

Notwithstanding the above position, Gol notes that the Commission seeks information on all electricity providers who service those entities identified in question A-4 which pertains to the exporters of the subject goods in India. It may be noted that the Gol has no role in the selection of electricity providers by any such exporters of the subject goods in India. Purchase decision of utilities including electricity is independent business decisions of exporters in the present case and they may be buying electricity from any of the suppliers near to their units as per free market principles and there may be some captive production of power as well and only the participating companies can provide such detailed information. Thus, the Commission may treat reply to the above question in spread sheet **B-4** not applicable to the Gol.

Also, it is pointed out in Part B-1 of this response that **Program No 7** has no applicability in the present investigation as the the SEZ Division, Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods as defined) which

makes the alleged incentive scheme not applicable for the purpose of present investigation.

5. Provide translated copies in English of the decrees, laws and regulations relating to the program and any reports published since 1 January 2011 pertaining to **Programs 7, 29, 35, 37 and 51**.

✓ **Response:** The Commission may refer to the copies of the decrees, laws and regulations relating to the programs and any reports published since 1 January 2011 pertaining to **Programs 7, 29, 35, 37 and 51** in English provided in Part B-1 of this response as annexures/URLs for reference and the same is not reproduced here once again for the sake of brevity.

6. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

✓ **Response:** The Commission may note in this respect that as submitted herein above in Part B-1, questions pertaining to Program No 51 is not applicable.

With regard to Program No 37, it can be seen from the scheme details provided in Part B-1 that Power Tariff Subsidy pertains to MSMEs and the exporters of subject goods do not fall in the category of MSMEs and, thus, would not have availed any benefit under this scheme. Hence, the Commission may treat replies to this question as not applicable.

With regard to Program No 35, individual files of the units for grant of Eligibility Certificate for incentives and sanction of incentives during the eligibility period are maintained. Registers of Eligibility Certificates granted and incentive sanction of the eligible units are maintained.

Program No 7 is also not applicable as the SEZ Division, Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods as defined). Please refer to Part B.1.29 for position of program no 29 which shows the above question is not applicable and are not being answered.

7. Identify which of the companies in your response to Section A - Question 4 applied for, accrued or received benefits under **programs 7, 29, 35, 37 and 51** during the investigation period (Complete_spreadsheet **B-7**).

✓ **Response:** With regard **Program No 7**, it is pointed that this program has no applicability in the present investigation the SEZ Division, Department of Commerce, Govt. of India has not issued any Letter of

Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods as defined) which makes the alleged incentive scheme not applicable for the purpose of present investigation.

With regard **Program No 29**, it is already pointed out in Part B-1 that the mines are allotted based on auction and there are not any possibility of iron ores being supplied at less than fair market value by an of the State owned enterprises.

With regard to Program No 37, it can be seen from the scheme details provided in Part B-1 that Power Tariff Subsidy pertains to MSMEs and the exporters of subject goods do not fall in the category of MSMEs and, thus, would not have availed any benefit under this scheme. Hence, the Commission may treat replies to this question as not applicable.

With regard to Program No 35, Industrial Promotion Subsidy for Financial Year 2015-16 (April-March) is still not sanctioned to Posco Maharashtra Steel Pvt Ltd. During FY2015-16 electricity duty exemption of Rs ***⁵ Lac has been availed by the company. Relevant information in **spread sheet B-7**⁶ is also enclosed as **Annexure- 6**. Apart from Posco, incentives were availed by Uttam Galva Steel also though the Gol is not in a position to confirm whether Uttam Galva Steel exported the subject goods produced by them to Australia during the IP or not. Information pertaining to Uttam Galva also is enclosed in the enclosed **spread sheet B-7** as annexure 6.

8. Provide, on an annual basis, the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under **programs 7, 29, 35, 37 and 51**.

- ✓ **Response:** With regard **Program No 7**, it is pointed that this program has no applicability in the present investigation since the SEZ Division, Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods as defined) which makes the alleged incentive scheme not applicable for the purpose of present investigation.

⁵ The information shown in *** in this response denotes confidentiality claimed on such information. The information provided is by nature confidential and providing any summary of the information provided on confidential basis would not be possible without revealing substantial part of the information which is otherwise held confidential.

⁶ The Gol is not aware whether Uttam Galva has exported the subject goods to Australia during the IP. The information provided is concerning the company and not specifically for the subject goods exported to Australia

With regard **Program No 29**, it is already pointed out in Part B-1 that the mines are allotted based on auction and there are not any possibility of iron ores being supplied at less than fair market value by an of the State owned enterprises.

With regard to Program No 37, it can be seen from the scheme details provided in Part B-1 that Power Tariff Subsidy pertains to MSMEs and the exporters of subject goods do not fall in the category of MSMEs and, thus, would not have availed any benefit under this scheme. Hence, the Commission may treat replies to this question as not applicable.

The Commission may also note as submitted herein above in Part B-1 that questions pertaining to Program No 51 is not applicable as the exporters of the subject goods have no units in Chhattisgarh.

With regard to Program No 35, Industrial Promotion Subsidy for Financial Year 2015-16 (April-March) is still not sanctioned to Posco Maharashtra Steel Pvt Ltd. During FY2015-16 electricity duty exemption of Rs *** Lac has been availed by the company. Relevant information in this respect is available in spread sheet B-7 enclosed with this response. Also, the Table below would give details of incentives provided to Posco Maharashtra Steel Pvt Ltd and Uttam Galva Steel.

Amt.Rs In Lacs ⁷				
Name of Unit	Financial Year	Industrial Promotion Incentives Sanctioned	Electricity Duty Exemption Availed	Total
POSCO Maharashtra Steel Pvt Ltd	2012-13	***	***	***
	2013-14	***	***	***
	2014-15	***	***	***
Uttam Galva ⁸ Steel	2014-15	***	***	***
	2015-16	***	***	***

PART B-3 OTHER SUBSIDY PROGRAMS

The questions in this part relate to **Programs 1-6, 8-28, 30-34,36-50 and 52 -55** as listed in **Table 1**.

⁷ Note: The information is not specific to the subject goods and pertains to the Company as a whole.

⁸ Producer of subject goods in India

9. Provide full details of the each of the above programs including the following:

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

✓ **Response:** Without prejudice, the relevant information for all programs as identified herein above as applicable are as follows;

1. **Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

2. **Export Income Tax Exemptions in SEZs**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

3. **Exemption in SEZs from Minimum Alternate Tax**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

4. **Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

5. **Exemption in SEZs from Service Tax**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

6. **Discounted Land Fees and Leases in SEZs**

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

8. Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

9. Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

10. Reimbursement to EOUs of Central Sales Tax

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

11. Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

12. Credit for Service Tax paid by EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

13. Exemptions from Income Tax for EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

14. Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

15. Assistance to States for Developing Export Infrastructure and Allied Activities

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.

- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** As submitted in part B-1 of this response Assistance to States for Developing Export Infrastructure and Allied Activities is restricted to Central Agencies for creation of infrastructures from 2015-16. This means no individual company could have claimed any benefits under this scheme. Hence, the above sub question (a) to (i) pertaining to the program are not being answered. Nevertheless, it may be noted that the scheme documents as submitted in Part B-1 inter alia provides information on the above questions which may be relied upon for information purposes.

16. Market Access Initiative

- (a) policy objective and/or purpose of the program.

- ✓ **Response:** The scheme aims to provide financial assistance for export promotion activities on country/ product basis. The following activities are eligible for assistance under the Scheme:

Marketing Projects Abroad, Capacity Building, Support for certain Statutory Compliances, Studies, Foreign Trade Facilitation including web Portal etc

- (b) legislation under which the subsidy is granted.

- ✓ **Response:** MAI is an administrative scheme for market access facilitation and it's not legislation.

- (c) nature or form of the subsidy.

- ✓ **Response:** There is no subsidy provided under the Scheme. No funding is made for any infrastructure or expenses of recurring nature. The funding is meant for facilitating activities to eligible agencies indicated in the scheme. The program is provided for market development/access activities and no direct export promotion is facilitated to companies.

- (d) when the program was established.

- ✓ **Response:** MAI in effect as of now was established vide notification dated 4th August, 2014. The scheme was established in 2003.

(e) duration of the program.

- ✓ **Response:** The MAI scheme was launched in 2003 and is revised for time to time. The Scheme in vogue is valid till March, 2017.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** The scheme administered as indicated in the para No. 4, 5 and 6 of the Scheme which is enclosed in Part B-1 of this response.

(g) to whom and how is the program provided.

- ✓ **Response:** Following entities are eligible for assistance under this scheme-
 - Departments of Central Government and Organisation of Central/ State Governments including Indian Missions abroad,
 - Export Promotion Councils
 - Registered Trade Promotion Organisation
 - Commodity Boards
 - Apex Trade Bodies recognized under Foreign Trade Policy of Government of India
 - Recognized Industrial & Artisan Clusters
 - Individual Exporters (only for statutory compliance etc.)
 - National Level Institutions (e.g. Indian Institute of Technologies (IITs), Indian Institute of Management (IIMs), National Institute of Designs (NIDs), NIFT etc.) Research Institutions/ Universities/Recognized laboratories, etc.

(h) the GOI department or agency administering the program.

- ✓ **Response:** E&MDA Division will act as the Secretariat for the Scheme and do physical verification from time to time for proper utilisation of funds and implementation of the projects. A team of officers for this purpose would be constituted by E&MDA Division.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Following are the criteria for assistance under this scheme-

Market Access Initiatives (MAI) Scheme is based on Focus country-product approach and the eligible agencies should formulate a comprehensive project for market access on the basis of Focus-Country Focus – Product approach.

The project should be for a particular product for a particular market for the period of 2-3 years so as to get the maximum result.

The proposal should not duplicate the efforts of any existing activity or organization in the same field.

The assistance under the Scheme for activities under the project will not be provided for which assistance under MDA has already been sanctioned.

The funding for the project will be on cost-sharing basis. However, the Empowered Committee may consider for enhancement or curtailment of the level of assistance on the merit of the project.

17. Market Development Assistance

(a) policy objective and/or purpose of the program.

- ✓ **Response:** Market Development Assistance Scheme provides assistance for export promotion based on proposals received for event participation by eligible organisation in the annual programs. Funding is made to the organisations mobilising participation for events and related activities on notional basis. The objectives are laid down in paras of the Scheme

(b) legislation under which the subsidy is granted.

- ✓ **Response:** MDA Scheme is an administrative scheme for market Development facilitation and it's not legislation.

(c) nature or form of the subsidy.

- ✓ **Response:** No subsidy is provided. Grant is provided to number of eligible agencies for participating in events/ Meets and related activities.

(d) when the program was established.

- ✓ **Response:** MDA in effect as of now was established vide notification dated 1.6.2013. The MDA Scheme was established in 1966.

(e) duration of the program.

- ✓ **Response:** The MDA Scheme in vogue is valid upto March 2017.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** The utilization of scheme is administered by the E&MDA Division in the Department of Commerce, Government of India, Udyog Bhavan, New Delhi – 110 011. Recognized EPCs on product grouping basis, Commodity Boards and Export Development Authorities are eligible for MDA assistance for development and promotional activities to promote exports of their products and commodities from India.

MDA budget allocation to recognized EPCs and other export promotion organizations for export promotion activities including specific development and promotional projects are finalized in annual meeting with the respective EPCs, which is chaired, by the Additional Secretary and Financial Advisor (AS&FA), Department of Commerce. Proposals for adhoc grants for exclusive innovative export promotional activities, which are considered helpful to promote exports of Indian products and commodities are examined by the E&MDA Division and decided with the approval of the AS&FA.

Proposals of individual exporters for eligible MDA supported activities like participation in EPC led BSMs/Trade Fairs/Exhibitions for reimbursement of MDA assistance will be considered and approved by the Chief Executive Officer of the Export Promotion Councils/FIEO etc.

The approved claims shall be then disbursed by the concerned organization out of the funds allocated to them for this purpose. A monthly utilization report in the format at Annexure-VIII, duly signed by the Chief executive Officer of the concerned organization shall be sent to the E&MDA Division in Department of Commerce. A copy of the report shall also be sent electronically at moc_mda@nic.in by the 7 th day of every month.

The names of beneficiaries giving details viz. Name of the participant, Name of the company represented, fair attended, amount disbursed etc. shall also be hosted on the respective website by the concerned organisation. The MDA Committee in the Dept. of Commerce shall test check 10% of the cases approved by the EPCs etc. through a random selection method, based on the monthly progress reports to be send by the EPCs.

(g) to whom and how is the program provided.

- ✓ **Response:** (i) Assist exporters for export promotion activities abroad. (ii) Assist Export Promotion Councils (EPCs) to undertake export promotion activities for their product(s) and commodities. (iii) Assist approved organizations/trade bodies in undertaking exclusive

nonrecurring innovative activities connected with export promotion efforts for their members. (iv) Assist Focus export promotion programmes in specific regions abroad like FOCUS (LAC), Focus (Africa), Focus (CIS) and Focus (ASEAN + 2) programmes. (v) Residual essential activities connected with marketing promotion efforts abroad.

(h) the GOI department or agency administering the program.

- ✓ **Response:** The utilization of scheme is administered by the E&MDA Division in the Department of Commerce, Government of India, Udyog Bhavan, New Delhi – 110 011.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Recognized EPCs on product grouping basis, Commodity Boards and Export Development Authorities are eligible for MDA assistance for development and promotional activities to promote exports of their products and commodities from India. Activities mostly event participation, as indicated in the Scheme are eligible. The agencies eligible are listed in the Scheme.

18. Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters

(a) policy objective and/or purpose of the program.

- ✓ **Response:** As submitted in Part B-1 of this response, this scheme is part of (MAI) Scheme. Please refer to reply to point no (a) under MAI scheme herein above.

(b) legislation under which the subsidy is granted.

- ✓ **Response:** MAI is an administrative scheme for market access facilitation and it's not legislation.

(c) nature or form of the subsidy.

- ✓ **Response:** There is not any product specific subsidy assistance/provided under this scheme. Assistance is provided on reimbursement basis to individual exporters for charges/fees paid by an Indian exporter for fulfilling the statutory requirements in the buyer country e.g. registration charges paid in case of pharmaceuticals, bio-technology and agro-chemical products.

(d) when the program was established.

- ✓ **Response:** The program in effect as of now was established vide notification dated 4th August, 2014. The scheme was established in 2003.

(e) duration of the program.

- ✓ **Response:** The Scheme in vogue is valid till March, 2017.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** For getting assistance an exporter is required to send the request through concerned EPC along with a certificate from the said EPC and the Indian Mission concerned certifying the amount paid towards such charges. Expenses made for carrying out clinical trials; data validation etc. for pharmaceutical products, equipments, medical consumables/disposables etc. shall also be covered for assistance. Preference shall be given to the small and medium entrepreneurs. Empowered Committee decides other product groups, nature of compliance eligible for assistance under this provision.

(g) to whom and how is the program provided.

- ✓ **Response:** Exporters with necessary certificates as provided by EPCs/Indian Mission as provided in the scheme.

(h) the GOI department or agency administering the program.

- ✓ **Response:** E&MDA Division will act as the Secretariat for the Scheme and do physical verification from time to time for proper utilisation of funds and implementation of the projects. A team of officers for this purpose would be constituted by E&MDA Division.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Assistance to exporters is provided on reimbursement basis.

19. Brand Promotion and Quality

- ✓ **Response:** Please see the reply in Part B-1.

20. Test Houses

- ✓ **Response:** Please see the reply in Part B-1.

21. Focus Product Scheme

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** No such scheme was in effect during the IP, hence, the sub questions (a) to (i) are not being answered the scheme may be treated as not applicable.

22. Rupee/Foreign Currency Export Credit & Customer Service to Exporters

- ✓ **Response:** Please see the reply in Part B-1.

23. Export Promotion Capital Goods Scheme

- (a) policy objective and/or purpose of the program.

- ✓ **Response:** The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services to enhance India's export competitiveness.

- (b) legislation under which the subsidy is granted.

- ✓ **Response:** The exemption is given on the capital goods imported under EPCG Scheme based on the Customs Notification issued in exercise of the power under Section 25 of the Customs Act, 1962. Notification No. 16/2015-Cus. dated 01.04.2015, Notification No. 16/2015-Cus. dated 01.04.2015 and Notification No. 18/ 2015 – CE dated 01.04.2015 are issued pursuant to which exemption is available from import duty to EPCG authorization holder.

- (c) nature or form of the subsidy.

- ✓ **Response:** EPCG scheme allows imports of capital goods (including CKD/SKD thereof as well as computer software systems) at zero customs duty, subject to an export obligation equivalent to six times of

duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issue-date.

A person holding an EPCG authorization may source capital goods from a domestic manufacturer also.

(d) when the program was established.

- ✓ **Response:** The program was established in 1991 to make available capital goods at concessional rate of duty against commitment of export obligation. Manufacturer exporters, merchant exporters tied to a supporting manufacturer and service providers, can use the program. Eligibility is not limited to a particular sector or region. Any company that meets the eligibility criteria can use the program and the Regional Authority (erstwhile licensing authority) i.e. the Government exercises no discretion.

(e) duration of the program.

- ✓ **Response:** As per Foreign Trade Policy the scheme is valid for five years w.e.f. 01.04.2015.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** The Program is administered by the Director General of Foreign Trade (DGFT). It is an attached office of the Ministry of Commerce and Industry, Government of India and is headed by the Director General of Foreign Trade.

(g) to whom and how is the program provided.

- ✓ **Response:** The DGFT issues scrips/authorisation to exporters and monitors their corresponding obligations through a network of 36 regional offices known as Regional Authority (RA). The list of authorities is available at <http://dgft.gov.in/exim/2000/download/Appe&ANF/1.pdf>

(h) the GOI department or agency administering the program.

- ✓ **Response:** Directorate General of Foreign Trade ("DGFT"), Department of Commerce, Ministry of Commerce & Industry, Udyog Bhawan, H-wing, Gate No-02, Mauling Azad Road, New Delhi-110011.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Name of supporting manufacturer(s) is endorsed on the EPCG authorisation before installation of the capital goods in the factory / premises of the supporting manufacturer(s). In case of any change in supporting manufacturer(s) the RA intimates such change to jurisdictional Central Excise Authority of existing as well as changed supporting manufacturer(s) and the Customs at port of registration of Authorisation.

Export Promotion Capital Goods (EPCG) Scheme also covers a service provider who is designated / certified as a Common Service Provider (CSP) by the DGFT, Department of Commerce or State Industrial Infrastructural Corporation in a Town of Export Excellence subject to provisions of Foreign Trade Policy/Handbook of Procedures with the following conditions:-

Export by users of the common service, is counted towards fulfilment of EO of the CSP and contains the EPCG authorisation details of the CSP in the respective Shipping bills. The concerned RA is informed about the details of the Users prior to such export.

Such export will not count towards fulfilment of specific export obligations in respect of other EPCG authorisations (of the CSP/User); and Authorisation holder is required to submit Bank Guarantee (BG) which shall be equivalent to the duty saved. BG can be given by CSP or by any one of the users or a combination thereof, at the option of the CSP.

24. Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme

(a) policy objective and/or purpose of the program.

- ✓ **Response:** The scheme enables duty free import of inputs for export production, including replenishment of input or duty remission.

(b) legislation under which the subsidy is granted.

- ✓ **Response:** The scheme is governed by Chapter 4 of FTP 2015-2020 as provided herein above.

(c) nature or form of the subsidy.

- ✓ **Response:** DFIA is issued to allow duty free import of inputs. However, GOI reiterates that the DFIA Scheme is not countervailable

in terms of the ASCM. The GOI provides below the reasons for the same:

- i. It is well established that duty exemption and remission programs are not inconsistent with the ASCM. In this regard, reference is drawn to paragraphs (h) and (i) of Annex I and guidelines in Annex II of the ASCM. Specifically, paragraph 1 of Section I under Annex II states that the following schemes can allow for exemption, remission, deferral or refund of indirect taxes or import charges levied on inputs that are consumed in the production of the exported product: (a) indirect tax rebate schemes; and (b) substitution drawback schemes.
- ii. Further, as per paragraph 2 of Section I under Annex II, both indirect tax rebate schemes and substitution drawback schemes can constitute an export subsidy only to the extent that they result in exemption, remission, deferral or refund of indirect taxes or import charges in excess of the amount of such taxes or charges actually levied on inputs that are consumed in the production of the exported product. However, normal allowance for waste must be made in findings regarding consumption of inputs in the production of the exported product. (iii) Furthermore, Section II of Annex II provides guidelines for determining whether inputs are consumed in the production of the exported product.
- iii. Investigating authorities would proceed on the following basis:
 - i. The investigating authority would first determine whether the government of the exporting country has in place and applies a system or procedure to confirm which inputs are consumed in the production of the exported product and in what amounts.
 - ii. Where such system or procedure is determined to be applied, investigating authorities should then examine the system or procedure to see whether it is reasonable, effect for the purpose intended, and based on generally accepted commercial practices in the country of export.
 - iii. The investigating authorities may carry out certain practical tests in order to verify information or to satisfy themselves that the system or procedure is being effectively applied. In determining the amount of a particular input that is consumed in the production of the exported product, a normal allowance for waste should be taken into account, and such waste should be treated as consumed in the production of the exported product. The investigating authority's determination of whether the claimed allowance for waste is 'normal' should take into account the production process, the average experience of the

industry in the country of export, and other technical factors, as appropriate.

- iv. Therefore, it is clear that duty exemption and remission schemes are not countervailable as long as inputs that are consumed in the production of the exported product can be verified.
- v. In line with the ASCM, the FTP provides for the accounting of input under DFIA. In order to monitor the consumption of input in the production of the exported product, paragraph 4.12 of the current FTP states that: (a) The name/description of the input used (or to be used) in the Authorisation must match exactly with the name/description endorsed in the shipping bill; (b) Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in shipping bills; and (c) At the time of discharge of export obligation (issue of EODC) or at the time of redemption, RA shall allow only those inputs which have been specifically indicated in the shipping bill.
- vi. Moreover, Appendix 4H to the HBP, which is an account of consumption and utilization of duty free imported inputs against each authorisation, has to be filed with the RA. In light of the above, it is evident that the GOI has in place and applies a system to confirm which inputs are consumed in the production of the exported product and in what amounts. Therefore, the DFIA Scheme is not Countervailable as per the ASCM.

(d) when the program was established.

- ✓ **Response:** The current scheme which is part of FTP 2015-20 is in force since 1st of April, 2015.

(e) duration of the program.

- ✓ **Response:** As of date, the program is valid till 31st March 2020 as per the current FTP.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** Duty Free Import Authorisation shall be issued on post export basis for products for which Standard Input Output Norms have been notified. Minimum value addition of 20% shall be required to be achieved.

(g) to whom and how is the program provided.

- ✓ **Response:** Merchant Exporter shall be required to mention name and address of supporting manufacturer of the export product on the export document viz. Shipping Bill / Airway Bill / Bill of Export / ARE-1 / ARE-3. After completion of exports and realization of proceeds, request for issuance of transferable Duty Free Import Authorisation may be made to concerned Regional Authority within a period of twelve months from the date of export or six months (or additional time allowed by RBI for realization) from the date of realization of export proceeds, whichever is later.

(h) the GOI department or agency administering the program.

- ✓ **Response:** Directorate General of Foreign Trade (“DGFT”), Department of Commerce, Ministry of Commerce & Industry, Udyog Bhawan, H-wing, Gate No-02, Mauling Azad Road, New Delhi-110011.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Please refer to enclosed Chapter 4.27 of FTP 201-2020 along with Chapter 4 of HBP 2015-2020.

25. Duty Exemption/Remission Schemes – Advance Authorization Scheme

(a) policy objective and/or purpose of the program.

- ✓ **Response:** The scheme enables duty free import of inputs for export production, including replenishment of input or duty remission.

(b) legislation under which the subsidy is granted.

- ✓ **Response:** The scheme is governed by Chapter 4 of FTP 2015-2020 as provided herein above.

(c) nature or form of the subsidy.

- ✓ **Response:** Advance Authorisation is issued to allow duty free import of input, which is physically incorporated in export product (making normal allowance for wastage). Also, the GOI reiterates that the AAP is not Countervailable in terms of the WTO Agreement on Subsidies and Countervailing Measures (“ASCM”) for the reasons set out below:

(i) It is well established that duty exemption and remission programs are not inconsistent with the ASCM. In this regard reference is drawn to paragraphs (h) and (i) of Annex I read with Annex II of the ASCM. Specifically, paragraph 1 of Section I under Annex II states that the following schemes can allow for exemption, remission, deferral or refund of indirect taxes or import charges levied on inputs that are consumed in the production of the exported product: (a) indirect tax rebate schemes; and (b) substitution drawback schemes.

(ii) Further, as per paragraph 2 of Section I under Annex II, both indirect tax rebate schemes and substitution drawback schemes can constitute an export subsidy only to the extent that they result in exemption, remission, deferral or refund of indirect taxes or import charges in excess of the amount of such taxes or charges actually levied on inputs that are consumed in the production of the exported product. However, normal allowance for waste must be made in findings regarding consumption of inputs in the production of the exported product.

(iii) Furthermore, Section II of Annex II provides guidelines for determining whether inputs are consumed in the production of the exported product.

i. The investigating authority would first determine whether the government of the exporting country has in place and applies a system or procedure to confirm which inputs are consumed in the production of the exported product and in what amounts.

ii. Where such system or procedure is determined to be applied, investigating authorities should then examine the system or procedure to see whether it is reasonable, effect for the purpose intended, and based on generally accepted commercial practices in the country of export.

iii. The investigating authorities may carry out certain practical tests in order to verify information or to satisfy themselves that the system or procedure is being effectively applied. In determining the amount of a particular input that is consumed in the production of the exported product, a normal allowance for waste should be taken into account, and such waste should be treated as consumed in the production of the exported product. The investigating authority's determination of whether the claimed allowance for waste is 'normal' should take into account the production process, the average experience of the industry in the country of export, and other technical factors, as appropriate.

iv. Therefore, it is clear that duty exemption and remission schemes are not countervailable as long as inputs that are consumed in the production of the exported product can be verified. (v) In line with the ASCM, the Foreign Trade Policy 2015-2020 ("FTP") provides for the accounting of input under AAP. In order to monitor the consumption of input in the production of the exported product, paragraph 4.12 of the current FTP states that:

(a) The name/description of the input used (or to be used) in the Authorisation must match exactly with the name/description endorsed in the shipping bill;

(b) Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in shipping bills; and

(c) At the time of discharge of export obligation (issue of EODC) or at the time of redemption, Regional Authority ("RA") shall allow only those inputs which have been specifically indicated in the shipping bill. (vi) Moreover, Appendix 4H to the Handbook of Procedures 2015-2020 ("HBP"), which is an account of consumption and utilization of duty free imported inputs against each authorisation, has to be filed with the RA. In light of the above, it is evident that the GOI has in place and applies a system to confirm which inputs are consumed in the production of the exported product and in what amounts. Therefore, the AAP is not Countervailable as per the ASCM. Without prejudice to the above, pursuant to the first paragraph of instructions pertaining to the program-specific questions, the GOI is providing information limited to the explanation of the program and a detailed description of the records kept on the program.

(d) when the program was established.

- ✓ **Response:** The current scheme which is part of FTP 2015-20 is in force since 1st of April, 2015. Advance Authorization program or scheme was introduced in the year 1976

(e) duration of the program.

- ✓ **Response:** As of date, the program is valid till 31st March 2020 as per the current FTP.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** Please refer to enclosed Chapter 5 of FTP 201-2020 along with Chapter 5 of HBP 2015-2020.

(g) to whom and how is the program provided.

- ✓ **Response:** Please refer to enclosed Chapter 4 of FTP 201-2020 along with Chapter 4 of HBP 2015-2020.

(h) the GOI department or agency administering the program.

- ✓ **Response:** Directorate General of Foreign Trade (“DGFT”), Department of Commerce, Ministry of Commerce & Industry, Udyog Bhawan, H-wing, Gate No-02, Mauling Azad Road, New Delhi-110011.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Please refer to enclosed Chapter 4 of FTP 201-2020 along with Chapter 4 of HBP 2015-2020.

26. Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme

(a) policy objective and/or purpose of the program.

(b) legislation under which the subsidy is granted.

(c) nature or form of the subsidy.

(d) when the program was established.

(e) duration of the program.

(f) how the program is administered and explain how it operates.

(g) to whom and how is the program provided.

- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.
- ✓ **Response:** DEPS has been discontinued w.e.f. 1st October 2011 as provided in Part B-1 of this response. Hence, the sub questions (a) to (i) above are not being answered and the scheme may be treated as not applicable.

27. Duty Exemption/Remission Schemes – Duty Drawback Scheme

- (a) policy objective and/or purpose of the program.
 - ✓ **Response:** The scheme rebates duty or tax chargeable on any imported/excisable materials and input services used in the manufacture of export goods.
- (b) legislation under which the subsidy is granted.
 - ✓ **Response:** The legal framework is provided by Sections 75 and 76 of the Customs Act, 1962 and the Customs and Central Excise Duties and Service Tax Drawback Rules, 1995 (Drawback Rules, 1995) issued under the Customs Act, 1962, the Central Excise Act, 1944 and the Finance Act, 1994.

The rates of drawback applicable on various products are given in the form of a Drawback Schedule and are notified. The relevant notifications for POI are as follows;

Notification no. 110/2014-Customs (NT) dated 17.11.2014 (w.e.f 22.11.2014)
Notification no. 21/2015-Customs (NT) dated 10.2.2015 (w.e.f 13.2.2015)
Notification no. 110/2015-Customs (NT) dated 16.11.2015 (w.e.f 23.11.2015)
Notification no. 22/2016-Customs (NT) dated 8.2.2016 (w.e.f 11.2.2016)

The relevant notifications since 2011 are:

Notification no. 68/2011-Customs (NT) dated 22.09.2011 (w.e.f 1.10.2011)
Notification no. 92/2012-Customs (NT) dated 05.10.2012 (w.e.f 10.10.2012)
Notification no. 98/2013-Customs (NT) dated 14.09.2013 (w.e.f 21.9.2013)
Notification no. 5/2014-Customs (NT) dated 21.1.2014 (w.e.f 25.1.2014)

The above notifications can be accessed at the following URL:
<http://www.cbec.gov.in/Customs-Notifications>

(c) nature or form of the subsidy.

- ✓ **Response:** The duties and tax neutralized under the scheme are (i) Customs and Union Excise Duties in respect of inputs and (ii) Service Tax in respect of input services. There is not any subsidy as such provided under the scheme.

(d) when the program was established.

- ✓ **Response:** The scheme is in force since last many years.

(e) duration of the program.

- ✓ **Response:** Please refer to general scheme information provided in Part B-1.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** The Government determines the All Industry Rate of drawback based on taking essentially averages of values, duties /taxes on materials and input services used for a class of export goods produced or manufactured and taking into account extent to which these duties / tax may have not been paid or already rebated or refunded. The All Industry Rates are notified in the form of a Schedule every year after a Committee appointed for the purpose has reviewed the data and recommended the rates. The scheme design is such that use of any alternative mechanisms of rebating these duties/tax make the Duty Drawback inapplicable or it gets reduced to the appropriate extent.

(g) to whom and how is the program provided.

- ✓ **Response:** The determination of individual drawback rates based on the "actuals" is provided for in the case of products which are not eligible for All Industry Rate either because Govt. has not provided AIRs or where the AIRs prescribed are not applicable to the product exported on account of involvement of alternative mechanism of refund. Drawback based on actuals of duty incidence is also available to those who find that the AIR rebates less than 80% of the actual duty/tax incidence and wish to apply for such drawback.

(h) the GOI department or agency administering the program.

- ✓ **Response:** The program is administered by Central Government. The name and address of the authority is Drawback Division, Department of Revenue, Central Board of Excise and Customs (CBEC), 4th Floor, Jeevan Deep Building, Parliament Street, New Delhi-110001.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** 1). The scheme design is such that use of alternative mechanisms of rebating this particular duties/tax make the AIR Duty Drawback inapplicable or it gets reduced to the appropriate extent -

c) If CENVAT credit or facility of procurement of input free of central excise duty or rebate of duty on inputs is availed the AIR drawback gets restricted to a lower rate.

d) The export goods become ineligible for AIR drawback if manufactured in a warehouse under section 65 of the Customs Act or manufactured or exported in discharge of export obligation against an Advance License/Duty Free Import Authorization or by a unit licensed as hundred per cent. Export Oriented Unit or by a Unit situated in FTZ/EPZ/SEZ or by availing the benefit of job work notification 32/1997-Cus

2). As also brought out above, all AIRs amounts are restricted upto one third of market price of export goods as well as a substantial number of them are further subject to cap or ceiling amount expressed in Rupees /Unit above which no drawback is admissible.

3). Since averaging is in relation to manufacture of class of export goods, AIR drawback is also not available if value of export goods is not more than the value of imported material used in their manufacture.

4). Export performance as in having a threshold level of exports for being eligible for drawback is not relevant for determining eligibility to AIR drawback. The fact of export and the fact of timely realization of export proceeds is relevant.

5). Insofar as the question of eligibility being contingent upon the use of domestic over imported goods is concerned, AIR drawback neutralizes duties/tax paid calculated on average quantities of relevant inputs (imported and domestic) and input services that are observed as ordinarily used in the manufacture of the class of goods exported. The differing manner of sourcing of inputs by individual exporters gets factored and evened out in averages.

6). The eligibility of the program is not limited, by law, to any enterprises or industries located within designated regions. Duty drawback is a tax/duty rebate and not a subsidy.

7). The scheme is not specific to any sector or industries. However, All Industry Rates are not provided to sectors where averages across class of goods produced are assessed to be non-representative (eg. petroleum products).

8). An AIR is based on averages for the relevant class of export goods manufactured in India. Therefore, any firm which meets the eligibility criteria can apply to avail this rebate. Government does not discriminate amongst such firms.

28. Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

30. 80-IB Income Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

32. Steel Development Fund Loans

(a) policy objective and/or purpose of the program.

- ✓ **Response:** The steel development fund was created in 1978 for modernisation, rehabilitation and development of the steel industry.

(b) legislation under which the subsidy is granted.

- ✓ **Response:** The fund is not the creation of any legislation.

(c) nature or form of the subsidy.

- ✓ **Response:** As submitted in part B-1 of this response, WTO Appellate body in the matter US- CVD measures on HR Carbon Steel Flat Products from India (WT/DS436/AB/R dated 8.12.2014) found that SDF funds do not confer any benefits and hence not countervailable.

In view of the WTO Appellate Body decision, it is settled that SDF loans do not confer any benefit on steel producers and hence, there is no element of subsidy in such loans. For further clarity, it is re-iterated that the steel development fund is funded by Indian steel producers themselves. The GOI does not contribute any monetary amount to the SDF pool. Hence, the SDF loans do not constitute a countervailable benefit within the meaning of the ASCM.

(d) when the program was established.

✓ **Response:** The fund was formed in 1978.

(e) duration of the program.

✓ **Response:** Not applicable.

(f) how the program is administered and explain how it operates.

✓ **Response:** The fund is administered by the Joint Plant Committee under the chairmanship of the Cabinet Secretary of Steel.

(g) to whom and how is the program provided.

✓ **Response:** To obtain loans from the fund, Indian steel producers must first pay money into the fund. The money paid into the fund amounts to a borrowing cost.

(h) the GOI department or agency administering the program.

✓ **Response:** Not applicable

(i) the eligibility criteria in order to receive benefits under the program.

✓ **Response:** To obtain loans from the fund, Indian steel producers must first pay money into the fund. The money paid into the fund amounts to a borrowing cost.

33. Steel Development Fund R&D Grants

✓ **Response:** Please see the reply in Part B-1.

34. State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy

(a) policy objective and/or purpose of the program.

- ✓ **Response:** To encourage dispersal of industries to the less industrially developed areas of the State so as to achieve higher and sustainable economic development with emphasis on balance regional development.

(b) legislation under which the subsidy is granted.

- ✓ **Response:** No such legislation is laid down for this scheme. The scheme is announced vide Government Resolution dated 07.05.1993 originally.

(c) nature or form of the subsidy.

- ✓ **Response:** No subsidy as such. The scheme provides assistances to meet the above objective.

(d) when the program was established.

- ✓ **Response:** The package scheme of incentives was introduced in 1964 and has been amended from time to time. Present package scheme of Incentive was introduced in 2013.

(e) duration of the program.

- ✓ **Response:** Operative from 01.04.2013 to 31.03.2018.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** An eligibility Certificate under the scheme is issued by the implementing agency after ascertaining that the eligible units under the scheme has complied with the provisions of the scheme and has commenced commercial production. Incentives to the eligible unit are granted from date of commencement of commercial production. Copy of this EC is endorsed to the concerned agencies offering incentives, such as electricity duty exemption.

(g) to whom and how is the program provided.

- ✓ **Response:** Incentives are given to the eligible units approved by GOM under PSI 2007 & 20013. Units have to apply in the prescribed application form along with required documents. After fulfilment of eligibility criteria and commencement of commercial production by the unit, Eligibility Certificate (EC) is issued to the unit with entitlement of incentives for the eligible period under the scheme.

(h) the GOI department or agency administering the program.

- ✓ **Response:** The scheme is administered by Govt. of Maharashtra and no departments of GoI are involved in the administration of the scheme.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Industrial units satisfying minimum threshold limits are eligible to receive the benefits. Detailed eligibility conditions are provided in the enclosed policy at Part B-1 in this response.

36. SGOM – Waiver of Stamp Duty

(a) policy objective and/or purpose of the program.

- ✓ **Response:** To encourage dispersal of industries to the less industrially developed areas of the State so as to achieve higher and sustainable economic development with emphasis on balance regional development.

(b) legislation under which the subsidy is granted.

- ✓ **Response:** No such legislation is laid down for this scheme. The scheme is announced vide Government Resolution dated 07.05.1993 originally.

(c) nature or form of the subsidy.

- ✓ **Response:** No subsidy as such. The scheme provides assistances to meet the above objective.

(d) when the program was established.

- ✓ **Response:** The package scheme of incentives was introduced in 1964 and has been amended from time to time. Present package scheme of Incentive was introduced in 2013.

(e) duration of the program.

- ✓ **Response:** Operative from 01.04.2013 to 31.03.2018.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** An eligibility Certificate under the scheme is issued by the implementing agency after ascertaining that the eligible units under the scheme has complied with the provisions of the scheme and has commenced commercial production. Incentives to the eligible unit are granted from date of commencement of commercial production. Copy of this EC is endorsed to the concerned agencies offering incentives, such as electricity duty exemption.

(g) to whom and how is the program provided.

- ✓ **Response:** Incentives are given to the eligible units approved by GOM under PSI 2007 & 20013. Units have to apply in the prescribed application form along with required documents. After fulfilment of eligibility criteria and commencement of commercial production by the unit, Eligibility Certificate (EC) is issued to the unit with entitlement of incentives for the eligible period under the scheme.

(h) the GOI department or agency administering the program.

- ✓ **Response:** The scheme is administered by Govt. of Maharashtra and no departments of GoI are involved in the administration of the scheme.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Industrial units satisfying minimum threshold limits are eligible to receive the benefits. Detailed eligibility conditions are provided in the enclosed policy at Part B-1 in this response.

37. SGOM – Power Tariff Subsidy

(a) policy objective and/or purpose of the program.

- ✓ **Response:** To encourage dispersal of industries to the less industrially developed areas of the State so as to achieve higher and sustainable economic development with emphasis on balance regional development.

(b) legislation under which the subsidy is granted.

- ✓ **Response:** No such legislation is laid down for this scheme. The scheme is announced vide Government Resolution dated 07.05.1993 originally.

(c) nature or form of the subsidy.

- ✓ **Response:** No subsidy as such. The scheme provides assistances to meet the above objective.

(d) when the program was established.

- ✓ **Response:** The package scheme of incentives was introduced in 1964 and has been amended from time to time. Present package scheme of Incentive was introduced in 2013.

(e) duration of the program.

- ✓ **Response:** Operative from 01.04.2013 to 31.03.2018.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** An eligibility Certificate under the scheme is issued by the implementing agency after ascertaining that the eligible units under the scheme has complied with the provisions of the scheme and has commenced commercial production. Incentives to the eligible unit are granted from date of commencement of commercial production. Copy of this EC is endorsed to the concerned agencies offering incentives, such as electricity duty exemption.

(g) to whom and how is the program provided.

- ✓ **Response:** Incentives are given to the eligible units approved by GOM under PSI 2007 & 20013. Units have to apply in the prescribed application form along with required documents. After fulfilment of eligibility criteria and commencement of commercial production by the unit, Eligibility Certificate (EC) is issued to the unit with entitlement of incentives for the eligible period under the scheme.

(h) the GOI department or agency administering the program.

- ✓ **Response:** The scheme is administered by Govt. of Maharashtra and no departments of GoI are involved in the administration of the scheme.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Industrial units satisfying minimum threshold limits are eligible to receive the benefits. Detailed eligibility conditions are provided in the enclosed policy at Part B-1 in this response.

38. SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)

(a) policy objective and/or purpose of the program.

- ✓ **Response:** To encourage dispersal of industries to the less industrially developed areas of the State so as to achieve higher and sustainable economic development with emphasis on balance regional development.

(b) legislation under which the subsidy is granted.

- ✓ **Response:** No such legislation is laid down for this scheme. The scheme is announced vide Government Resolution dated 07.05.1993 originally.

(c) nature or form of the subsidy.

- ✓ **Response:** No subsidy as such. The scheme provides assistances to meet the above objective.

(d) when the program was established.

- ✓ **Response:** The package scheme of incentives was introduced in 1964 and has been amended from time to time. Present package scheme of Incentive was introduced in 2013.

(e) duration of the program.

- ✓ **Response:** Operative from 01.04.2013 to 31.03.2018.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** An eligibility Certificate under the scheme is issued by the implementing agency after ascertaining that the eligible units under the scheme has complied with the provisions of the scheme and has commenced commercial production. Incentives to the eligible unit are granted from date of commencement of commercial production. Copy of this EC is endorsed to the concerned agencies offering incentives, such as electricity duty exemption.

(g) to whom and how is the program provided.

- ✓ **Response:** Incentives are given to the eligible units approved by GOM under PSI 2007 & 20013. Units have to apply in the prescribed application form along with required documents. After fulfilment of eligibility criteria and commencement of commercial production by the unit, Eligibility Certificate (EC) is issued to the unit with entitlement of incentives for the eligible period under the scheme.

(h) the GOI department or agency administering the program.

- ✓ **Response:** The scheme is administered by Govt. of Maharashtra and no departments of GoI are involved in the administration of the scheme.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Industrial units satisfying minimum threshold limits are eligible to receive the benefits. Detailed eligibility conditions are provided in the enclosed policy at Part B-1 in this response.

39. SGOM – Special Incentives of the SGOM for Mega Projects

(a) policy objective and/or purpose of the program.

- ✓ **Response:** To encourage dispersal of industries to the less industrially developed areas of the State so as to achieve higher and sustainable economic development with emphasis on balance regional development.

(b) legislation under which the subsidy is granted.

- ✓ **Response:** No such legislation is laid down for this scheme. The scheme is announced vide Government Resolution dated 07.05.1993 originally.

(c) nature or form of the subsidy.

- ✓ **Response:** No subsidy as such. The scheme provides assistances to meet the above objective.

(d) when the program was established.

- ✓ **Response:** The package scheme of incentives was introduced in 1964 and has been amended from time to time. Present package scheme of Incentive was introduced in 2013.

(e) duration of the program.

- ✓ **Response:** Operative from 01.04.2013 to 31.03.2018.

(f) how the program is administered and explain how it operates.

- ✓ **Response:** An eligibility Certificate under the scheme is issued by the implementing agency after ascertaining that the eligible units under the scheme has complied with the provisions of the scheme and has commenced commercial production. Incentives to the eligible unit are granted from date of commencement of commercial production. Copy of this EC is endorsed to the concerned agencies offering incentives, such as electricity duty exemption.

(g) to whom and how is the program provided.

- ✓ **Response:** Incentives are given to the eligible units approved by GOM under PSI 2007 & 20013. Units have to apply in the prescribed application form along with required documents. After fulfilment of eligibility criteria and commencement of commercial production by the unit, Eligibility Certificate (EC) is issued to the unit with entitlement of incentives for the eligible period under the scheme.

(h) the GOI department or agency administering the program.

- ✓ **Response:** The scheme is administered by Govt. of Maharashtra and no departments of GoI are involved in the administration of the scheme.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** Industrial units satisfying minimum threshold limits are eligible to receive the benefits. Detailed eligibility conditions are provided in the enclosed policy at Part B-1 in this response.

40. State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy

(j) policy objective and/or purpose of the program.

(k) legislation under which the subsidy is granted.

- (l) nature or form of the subsidy.
- (m) when the program was established.
- (n) duration of the program.
- (o) how the program is administered and explain how it operates.
- (p) to whom and how is the program provided.
- (q) the GOI department or agency administering the program.
- (r) the eligibility criteria in order to receive benefits under the program.

✓ **Response:** The scheme is not applicable as the unit of Essar in Gujarat is not an MSME as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

41. SGOG – Assistance to MSMEs – Quality Certification

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

✓ **Response:** The scheme is not applicable as the unit of Essar in Gujarat is not an MSME as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

42. SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.

- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

✓ **Response:** The scheme is not applicable as the unit of Essar in Gujarat is not an MSME as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

43. SGOG – VAT Remission Scheme

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

✓ **Response:** The scheme is not applicable as the unit of Essar in Gujarat is not an MSME as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

44. SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.

(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** The scheme is not applicable as the unit of Essar in Gujarat is not an MSME as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

45. SGOG – Critical Infrastructure Projects

- (a) policy objective and/or purpose of the program.
(b) legislation under which the subsidy is granted.
(c) nature or form of the subsidy.
(d) when the program was established.
(e) duration of the program.
(f) how the program is administered and explain how it operates.
(g) to whom and how is the program provided.
(h) the GOI department or agency administering the program.
(i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** The scheme is not applicable as the unit of Essar in Gujarat is not an MSME as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

46. State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy

- (j) policy objective and/or purpose of the program.
(k) legislation under which the subsidy is granted.
(l) nature or form of the subsidy.
(m) when the program was established.
(n) duration of the program.
(o) how the program is administered and explain how it operates.
(p) to whom and how is the program provided.
(q) the GOI department or agency administering the program.
(r) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** The scheme is not applicable as there are no units of exporters of subject goods in Chhattisgarh as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

47. SGOC – Industrial Policy 2009-2014: Interest Subsidy

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** The scheme is not applicable as there are no units of exporters of subject goods in Chhattisgarh as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

48. SGOC – Industrial Policy 2009-2014: Quality Certification

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** The scheme is not applicable as there are no units of exporters of subject goods in Chhattisgarh as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter

alia contains information on above questions which may be relied upon for information purposes.

49. SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** The scheme is not applicable as there are no units of exporters of subject goods in Chhattisgarh as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

50. SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** The scheme is not applicable as there are no units of exporters of subject goods in Chhattisgarh as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

52. State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** The scheme is not applicable as there are no units of exporters of subject goods in Chhattisgarh as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

53. SGOJ – Stamp Duty and Registration

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

- ✓ **Response:** The scheme is not applicable as there are no units of exporters of subject goods in Chhattisgarh as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

54. SGOJ – Incentive for Quality Certification

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

✓ **Response:** The scheme is not applicable as there are no units of exporters of subject goods in Chhattisgarh as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

55. SGOJ – VAT and Tax Incentives

- (a) policy objective and/or purpose of the program.
- (b) legislation under which the subsidy is granted.
- (c) nature or form of the subsidy.
- (d) when the program was established.
- (e) duration of the program.
- (f) how the program is administered and explain how it operates.
- (g) to whom and how is the program provided.
- (h) the GOI department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

✓ **Response:** The scheme is not applicable as there are no units of exporters of subject goods in Chhattisgarh as submitted in Part B-1 of this response. Hence, the sub questions (a) to (i) are not being answered. However, the general information provided at Part B-1 inter alia contains information on above questions which may be relied upon for information purposes.

10. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

- ✓ **Response:** Please refer to general information on the Programs 1 to 55 provided in Part B-1 of this response for the decrees, laws and regulations relating to the applicable programs and any reports pertaining to the applicable programs. It may be noted that the said documents are provided either as a URL link or as an annexure and the same is not reproduced herein to avoid repetition and duplicity in the of submission.

11. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

- ✓ **Response:** The relevant information for all programs as identified herein above as applicable are as follows;

1. **Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)**

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

2. **Export Income Tax Exemptions in SEZs**

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

3. **Exemption in SEZs from Minimum Alternate Tax**

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

4. **Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material**

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

5. **Exemption in SEZs from Service Tax**

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

6. **Discounted Land Fees and Leases in SEZs**

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

8. Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

9. Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

10. Reimbursement to EOUs of Central Sales Tax

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

11. Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

12. Credit for Service Tax paid by EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

13. Exemptions from Income Tax for EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

14. Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

15. Assistance to States for Developing Export Infrastructure and Allied Activities

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However for information purposes it may be noted that each State/UT/Agency/Central Agency shall submit a quarterly report in the prescribed format as given at Annexure-VI through the web site of Department of Commerce. This report will be used to review the progress of utilisation of the funds released as also the basis for further release of funds

by the Ministry. The annual utilization of funds shall be submitted on Form GFR 19-A (Annexure VII) through the web site by using digital signatures.

16. Market Access Initiative

- ✓ **Response:** No company-specific files are maintained. Reports submitted by various agencies or proposals approved under the Scheme are reviewed in Department of Commerce and this also includes utilisation certificate of accounts. Funds availed are mostly for hosting/participating in events in India and abroad

17. Market Development Assistance

- ✓ **Response:** No company-specific files are maintained. Reports submitted by various agencies availing the Scheme reviewed in Department of Commerce. This also includes utilisation certificate of accounts. The activities supported are largely relating to events.

18. Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters

- ✓ **Response:** No company-specific files are maintained. Reports submitted by various agencies availing the Scheme reviewed in Department of Commerce. This also includes utilisation certificate of accounts. The activities supported are largely relating to events.

19. Brand Promotion and Quality

- ✓ **Response:** Please see the reply in Part B-1.

20. Test Houses

- ✓ **Response:** Please see the reply in Part B-1.

21. Focus Product Scheme

- ✓ **Response:** No such scheme was in effect during the IP, hence, the above question is not being answered.

22. Rupee/Foreign Currency Export Credit & Customer Service to Exporters

- ✓ **Response:** Please see the reply in Part B-1.

23. Export Promotion Capital Goods Scheme

- ✓ **Response:** Following are relevant in this respect;

Regional Authority keeps records of all EPCG authorization issued and monitors export obligation on a regular basis. Before importing, each

authorization holder is required to execute a Bank Guarantee or Legal Undertaking with the customs authority at the port of registration undertaking to fulfil the export obligation as provided under the application customs notification.

Authorization holder shall produce, within six months from date of completion of import, to the concerned RA, a certificate from the jurisdictional Central Excise Authority or an independent Chartered Engineer, at the option of the authorisation holder, confirming installation of capital goods at factory/premises of authorization holder or his supporting manufacturer(s). The RA may extend the said period for producing the certificate by a maximum period of another 12 months. Where a unit registered with Central Excise opts for independent Chartered Engineer's certificate, the authorisation holder shall send a copy of the certificate to the jurisdictional Central Excise Authority as intimation/record.

In the case of import of spares, the installation certificate shall be submitted by the Authorization holder within a period of three years from the date of import.

Authorisation holder shall submit to RA concerned by 30th April of every year, report on fulfilment of export obligation by secured electronic filing using digital signatures. RA concerned may issue partial EO fulfilment certificate, provided export performance is proportionately adequate for fulfilment of export obligation.

24. Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme

- ✓ **Response:** The records maintained by the GOI for the DFIA Scheme include:
- (i) An application in the form ANF 4G;
 - (ii) Copy of Shipping Bills containing details of the shipment effected;
 - (iii) Electronic Bank realisation certificate evidencing realization of export proceeds;
 - (iv) Statement of exports giving details of shipping bill wise exports indicating the shipping bill number, date, FOB value as per shipping bill and description of export product.
 - (v) Statement of imports indicating bill of entry wise item of imports, quantity of imports and its CIF value.

(vi) An account of consumption and utilization of duty free imported or domestically procured inputs against each authorisation in the form ANF 4H.

25. Duty Exemption/Remission Schemes – Advance Authorization Scheme

✓ **Response:** Following are relevant in this respect;

- (i) An application in the form ANF 4G;
- (ii) Copy of Shipping Bills containing details of the shipment effected;
- (iii) Electronic Bank realisation certificate evidencing realization of export proceeds;
- (iv) Statement of exports giving details of shipping bill wise exports indicating the shipping bill number, date, FOB value as per shipping bill and description of export product.
- (v) Statement of imports indicating bill of entry wise item of imports, quantity of imports and its CIF value.
- (vi) An account of consumption and utilization of duty free imported or domestically procured inputs against each authorisation in the form ANF 4H.

26. Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme

✓ **Response:** DEPS has been discontinued w.e.f. 1st October 2011 as provided in Part B-1 of this response. Hence, the above question is not being answered.

27. Duty Exemption/Remission Schemes – Duty Drawback Scheme

✓ **Response:** CBEC keeps records relating to fixation of AIRs. The Customs authorities at the ports of exports maintain the shipping bills (treated as claim) along with relevant documents. Exporters have to reply to any queries related to deficiencies. Details of payments made/claims rejected etc. are also maintained at port of export. Since duty drawback is rebate of tax/duty, no separate budget authorization is issued

28. Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal

✓ **Response:** Please see the reply in Part B-1.

30. 80-IB Income Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

32. Steel Development Fund Loans

- ✓ **Response:** Not applicable.

33. Steel Development Fund R&D Grants

- ✓ **Response:** Please see the reply in Part B-1.

34. State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy

- ✓ **Response:** Individual files of the units for grant of Eligibility Certificate for incentives and sanction of incentives, if any, during the eligibility period are maintained. Registers of Eligibility Certificates granted and incentives sanctioned, if any, of the eligible units are maintained.

36. SGOM – Waiver of Stamp Duty

- ✓ **Response:** Individual files of the units for grant of Eligibility Certificate for incentives and sanction of incentives, if any, during the eligibility period are maintained. Registers of Eligibility Certificates granted and incentives sanctioned, if any, of the eligible units are maintained.

37. SGOM – Power Tariff Subsidy

- ✓ **Response:** Individual files of the units for grant of Eligibility Certificate for incentives and sanction of incentives, if any, during the eligibility period are maintained. Registers of Eligibility Certificates granted and incentives sanctioned, if any, of the eligible units are maintained.

✓
38. SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)

- ✓ **Response:** Individual files of the units for grant of Eligibility Certificate for incentives and sanction of incentives, if any, during the eligibility period are maintained. Registers of Eligibility Certificates granted and incentives sanctioned, if any, of the eligible units are maintained.

✓
39. SGOM – Special Incentives of the SGOM for Mega Projects

- ✓ **Response:** Individual files of the units for grant of Eligibility Certificate for incentives and sanction of incentives, if any, during the eligibility period are

maintained. Registers of Eligibility Certificates granted and incentives sanctioned, if any, of the eligible units are maintained.

40. State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

41. SGOG – Assistance to MSMEs – Quality Certification

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

42. SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

43. SGOG – VAT Remission Scheme

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

44. SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

45. SGOG – Critical Infrastructure Projects

- ✓ **Response:** Scheme is not applicable as provided in Part B-1.

46. State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

47. SGOC – Industrial Policy 2009-2014: Interest Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

48. SGOC – Industrial Policy 2009-2014: Quality Certification

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

49. SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

50. SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

52. State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

53. SGOJ – Stamp Duty and Registration

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

54. SGOJ – Incentive for Quality Certification

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

55. SGOJ – VAT and Tax Incentives

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence, the above question is not being replied upon.

12. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-7** (or in a Microsoft Excel compatible format):

- (a) the business' address (including the city, province and region);
- (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
- (c) if the business is not an SIE, whether it is otherwise associated with the GOI;
- (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

- ✓ **Response:** Answering the above question requires comprehensive data from exporters of the subject goods to gauge the factual position of any such

benefits, if any, accrued to them specifically for the subject goods. Such data at an individual company level for the subject goods and country wise is not readily available with the GoI. Certain aggregate data maintained at the end of certain departments would include details of various companies and products other than subject goods and also countries other than Australia and any such aggregate data may not be reliable for the specific purposes of present investigation. Hence, it is pointed out that only the concerned exporters will be in a position to provide such specific data. However, the GoI shall be available for any corroboration of specific information supplied by the responding exporters, if any.

13. For each entity identified in your response to Question 12 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOI holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOI entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOI provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

✓ **Response:** There is no known exporter of subject goods which is an SIE or the GOI has any stake. Hence the above questions are not applicable.

14. For each entity identified in Question 13 above, answer the following questions regarding enterprise functions:

- (a) Provide a list of functions the enterprise performs.
- (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOI.
- (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
- (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
- (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

✓ **Response:** There are no companies identified as SIEs under Question 12. Hence, the above question is not being replied upon.

15. Describe the application process (including any application fees charged by the government agency or authority) for the program.

✓ **Response:** The relevant information for all programs as identified herein above as applicable are as follows;

1. Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

2. Export Income Tax Exemptions in SEZs

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

3. Exemption in SEZs from Minimum Alternate Tax

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

4. Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

5. Exemption in SEZs from Service Tax

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

6. Discounted Land Fees and Leases in SEZs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

8. Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

9. Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

10. Reimbursement to EOUs of Central Sales Tax

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

11. Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

12. Credit for Service Tax paid by EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

13. Exemptions from Income Tax for EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

14. Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

15. Assistance to States for Developing Export Infrastructure and Allied Activities

- ✓ **Response:** Application is initiated based on a proposal from the eligible party which can only be Central Agencies now and not individual exporters.

16. Market Access Initiative

- ✓ **Response:** The eligible agencies need to submit a proposal for market access activity for funding as per relevant provision annually in a prescribed format. No fee is prescribed.

17. Market Development Assistance

- ✓ **Response:** The eligible agencies need to submit a proposal for MDA funding as per relevant provisions. No fee is prescribed.

18. Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters

- ✓ **Response:** The eligible agencies need to submit a proposal for market access activity for funding as per relevant provision annually in a prescribed format. No fee is prescribed.

19. Brand Promotion and Quality

- ✓ **Response:** Please see the reply in Part B-1.

20. Test Houses

- ✓ **Response:** Please see the reply in Part B-1.

21. Focus Product Scheme

- ✓ **Response:** The scheme had been discontinued hence the above question is not applicable.

22. Rupee/Foreign Currency Export Credit & Customer Service to Exporters

- ✓ **Response:** Please see the reply in Part B-1.

23. Export Promotion Capital Goods Scheme

- ✓ **Response:** Application Process in prescribed under HBP Chapter 5. An application for grant of an authorization should be made to RA concerned in

ANF 5A. Along with the application following documents are required to be submitted;

- i. Two copies of the application must be submitted.
- ii. Each individual page of the application has to be signed by the applicant.
- iii. Back Receipt/Demand Draft/EFT details evidencing payment of application fee in terms of Appendix 2K of HBP
- iv. Certificate from Chartered Engineer in the format given in Appendix 5A to HBP certifying:
 - a. Name, Model Number and Technical Description of the Capital Good (s) to be imported
 - b. Quantity required with justification thereof
 - c. Export products /Services rendered to which Capital Good(s) is/are related
 - d. Stepwise Process/Flow Chart indicating the stages where the capital goods are to be used
- v. Statement of exports made/services rendered by the applicant firm during the preceding three licensing years duly certified by a Chartered Accountant/ [Cost Accountant] in the format given in ANF 5A.

In case of Import of spares, tools, refractories and catalyst for existing plant and machinery, a list of plant/machinery already installed in the factory/premises of the applicant firm/ supporting manufacturer for which the above items are required, duly certified by a Chartered Engineer or jurisdictional Central Excise authority.

In case of EPCG applications made by debonding EOU/SEZ units, a self-certified copy of the 'No Objection Certificate' from the Development Commissioner concerned showing the details of the capital goods imported/indigenously procured by the applicant firm, its value at the time of import/sourcing and the depreciated value for the purpose of assessment of duty under the Scheme is to be submitted.

Application fee under this program is calculated as per Appendix 2K to the HBP. It states that the application fee for an EPCG authorization is "one per thousand or part thereof subject to a minimum of Rs. Five Hundred and maximum of Rs. One lakh on CIF value or duty saved amount of the license.

24. Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme

- ✓ **Response:** (i) Application for grant of Advance Authorisation / Advance Authorisation for Annual Requirement / Duty Free Import Authorisation (DFIA) shall be filed online (digitally signed) by IEC holder to the concerned jurisdictional Regional Authority as per Appendix 1A. Applicant could be

either Registered office or Head office or a branch office or a manufacturing unit of the IEC holder.

(ii) Applicant shall upload documents as prescribed in ANF 4A, if any, at the time of online filing of application. No physical copy of application is required to be submitted to Regional Authority.

(iii) In case an applicant is not able to upload any document as given in Appendix 4E electronically for fixation of adhoc norms / standardization of norms, then only such documents may be submitted in physical form to the concerned Norms Committee in DGFT headquarters.

25. Duty Exemption/Remission Schemes – Advance Authorization Scheme

- ✓ **Response:** Applicant shall file application online in ANF 4A. Same form is applicable where Standard Input Output Norms (SION) have been notified or on the 89 basis of adhoc norms or on self- declaration basis as per paragraph 4.07 of Hand Book of Procedures.

26. Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme

- ✓ **Response:** The above question is not applicable as the scheme has been discontinued as provided in Part B-1.

27. Duty Exemption/Remission Schemes – Duty Drawback Scheme

- ✓ **Response:** No application fee is required. The Duty Drawback on export goods is claimed at the time of export and with details filled in the required format in the Shipping Bill/Bill of Export under Drawback. In case of exports under electronic Shipping Bill, the Shipping Bill itself is treated as the claim for Drawback. In case of manual shipping bill, triplicate copy of the Shipping Bill is treated as the claim for Drawback. The claim is to be accompanied by specified documents as laid down in the Drawback Rules 1995. If the requisite documents are not furnished or there is any deficiency, the claim may be returned for furnishing requisite information/documents.

28. Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

30. 80-IB Income Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

32. Steel Development Fund Loans

- ✓ **Response:** Not applicable.

33. Steel Development Fund R&D Grants

- ✓ **Response:** Please see the reply in Part B-1.

34. State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy

- ✓ **Response:** After obtaining offer letter issued by GOM, unit has to apply in prescribed application form along with the documents required to fulfil the eligibility criteria and other required documents. After fulfilling the eligibility criteria and commencement of production, EC is issued to the unit with entitlement of incentives for the eligible period as per the offer letter.

36. SGOM – Waiver of Stamp Duty

- ✓ **Response:** After obtaining offer letter issued by GOM, unit has to apply in prescribed application form along with the documents required to fulfil the eligibility criteria and other required documents. After fulfilling the eligibility criteria and commencement of production, EC is issued to the unit with entitlement of incentives for the eligible period as per the offer letter.

37. SGOM – Power Tariff Subsidy

- ✓ **Response:** After obtaining offer letter issued by GOM, unit has to apply in prescribed application form along with the documents required to fulfil the eligibility criteria and other required documents. After fulfilling the eligibility criteria and commencement of production, EC is issued to the unit with entitlement of incentives for the eligible period as per the offer letter.

38. SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)

- ✓ **Response:** After obtaining offer letter issued by GOM, unit has to apply in prescribed application form along with the documents required to fulfil the eligibility criteria and other required documents. After fulfilling the eligibility criteria and commencement of production, EC is issued to the unit with entitlement of incentives for the eligible period as per the offer letter.

39. SGOM – Special Incentives of the SGOM for Mega Projects

- ✓ **Response:** After obtaining offer letter issued by GOM, unit has to apply in prescribed application form along with the documents required to fulfil the eligibility criteria and other required documents. After fulfilling the eligibility

criteria and commencement of production, EC is issued to the unit with entitlement of incentives for the eligible period as per the offer letter.

40. State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

41. SGOG – Assistance to MSMEs – Quality Certification

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

42. SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

43. SGOG – VAT Remission Scheme

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

44. SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

45. SGOG – Critical Infrastructure Projects

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

46. State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

47. SGOC – Industrial Policy 2009-2014: Interest Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

48. SGOC – Industrial Policy 2009-2014: Quality Certification

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

49. SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

50. SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

52. State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

53. SGOJ – Stamp Duty and Registration

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

54. SGOJ – Incentive for Quality Certification

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

55. SGOJ – VAT and Tax Incentives

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

16. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

- ✓ **Response:** The relevant information for all programs as identified herein above as applicable are as follows;

1. Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

2. Export Income Tax Exemptions in SEZs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

3. Exemption in SEZs from Minimum Alternate Tax

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

4. Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

5. Exemption in SEZs from Service Tax

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

6. Discounted Land Fees and Leases in SEZs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

8. Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

9. Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

10. Reimbursement to EOUs of Central Sales Tax

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

11. Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

12. Credit for Service Tax paid by EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

13. Exemptions from Income Tax for EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

14. Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above questions are not being answered.

15. Assistance to States for Developing Export Infrastructure and Allied Activities

- ✓ **Response:** The proposals must show a direct linkage with the exports. The proposed investments should also not duplicate the efforts of any existing organisation in the same field. The funding for the project should generally be on cost -sharing basis, if the assistance is being provided to a non-government agency. However, the SLEPC/Empowered Committee may consider full funding of the project on merits.

16. Market Access Initiative

- ✓ **Response:** Para 5 and 6 of the MAI scheme describe the procedures by which an application is analysed.

17. Market Development Assistance

- ✓ **Response:** Para 2 and 3 of MDA scheme describe the procedures by which an application is considered/approved.

18. Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters

- ✓ **Response:** As provided in MAI scheme.

19. Brand Promotion and Quality

- ✓ **Response:** Please see the reply in Part B-1.

20. Test Houses

- ✓ **Response:** Please see the reply in Part B-1.

21. Focus Product Scheme

- ✓ **Response:** The scheme has been discontinued hence the above question is not applicable and not being answered.

22. Rupee/Foreign Currency Export Credit & Customer Service to Exporters

- ✓ **Response:** Please see the reply in Part B-1.

23. Export Promotion Capital Goods Scheme

- ✓ **Response:** RA concerned shall, on the basis of nexus certificate from an Independent Chartered Engineer (CEC) submitted by the applicant in Appendix 5A, issue EPCG authorisation. Reasonable wastage, if any, anticipated at the time of installation of capital goods will also be certified by the Chartered Engineer in the nexus certificate and the same would be mentioned in the condition sheet of the EPCG authorisation at the time of issue.

RA shall thereafter forward a copy of the EPCG authorisation to the concerned Jurisdictional Central Excise Authority. The wastage so permitted at the time of issuance of authorisation would be allowed to be sold as scrap/waste on payment of applicable duty.

EPCG Authorisation shall be issued with a single port of registration as per paragraph 4.37 of HBP, for imports. However, exports can be made from any port specified in paragraph 4.37 of HBP.

24. Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme

- ✓ **Response:** (a) Application for grant of Advance Authorisation or DFIA for Intermediate supply may be made on the basis of a tie-up arrangement with an ultimate exporter (physical / deemed) holding an Advance Authorisation or DFIA. Regional Authority concerned shall consider such requests.

(b) Advance Authorisation or DFIA for Intermediate supply shall be issued after making Authorisation of ultimate exporter invalid for direct import of item, to be supplied by intermediate manufacturer. In such case, a copy of the invalidation letter will be given to ultimate exporter holding Authorisation and copy thereof will be sent to intermediate supplier as well as Regional Authority of intermediate supplier. Intermediate Authorisation holder in such case has an option either to supply intermediate product to the holder of Advance Authorisation (i.e ultimate exporter) or DFIA or to export (physical / deemed) directly. Intermediate supplier can also supply the product(s) directly to the port for export by the ultimate exporter (holder of Advance Authorisation or DFIA). In such cases, shipping bill shall be in the name of the ultimate exporter with the name of intermediate supplier endorsed on it.

(c) Facility of Advance Authorisation shall be available even in cases where intermediate supplier has supplied or intend to supply material subsequent to fulfilment of EO by exporter holding Advance Authorisation / DFIA from where invalidation letter was issued.

25. Duty Exemption/Remission Schemes – Advance Authorization Scheme

- ✓ **Response:** (i) An application for grant of an advance authorisation under paragraph 4.18 shall be filed online in ANF 4E to concerned Regional Authority along with the documents uploaded therein.

(ii) Input combination permitted under NI process for manufacturing the product shall be certified by the Chartered Engineer (Chemical) after due verification of the details of each input and its quantity as given in Abbreviated New Drug Application (ANDA) / Drug Master File (DMF) of the applicant. The Chartered Engineer (Chemical) will certify the details as per Appendix 4L prescribed in Hand Book of Procedures. Regional Authority shall cross verify the requirement of inputs as per the details given in the application and with Chartered Engineer Certificate accompanying the application and issue the authorization. Regional Authority shall not forward such application to Norms Committee and the inputs and export product so allowed by Regional Authority, shall be treated as input combinations permitted under NI Process.

26. Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme

- ✓ **Response:** The above question is not applicable and not being answered as the scheme has been discontinued as provided in Part B-1.

27. Duty Exemption/Remission Schemes – Duty Drawback Scheme

- ✓ **Response:** The Duty Drawback on export goods is claimed at the time of export and with details filled in the required format in the Shipping Bill/Bill of Export under Drawback. In case of exports under electronic Shipping Bill, the Shipping Bill itself is treated as the claim for Drawback. In case of manual shipping bill, triplicate copy of the Shipping Bill is treated as the claim for Drawback. The claim is to be accompanied by specified documents as laid down in the Drawback Rules 1995. If the requisite documents are not furnished or there is any deficiency, the claim may be returned for furnishing requisite information/documents.

Once the EGM has been filed by respective airlines / shipping lines and the export is confirmed, the Drawback claim is automatically processed through the EDI system by the officers of Drawback Branch on first-come first-served basis. The status of the Shipping Bills and sanction of Drawback claim can be ascertained from the query counter set up at the Service Centre. If any query is raised or deficiency noticed, the exporters are required to reply to such queries through the Service Centre. If any query is raised or deficiency

noticed, the exporters are required to reply to such queries through the Service Centre. All the claims sanctioned on a particular day are enumerated in a scroll and transferred to the Bank through the system. The bank credits the drawback amount in the respective accounts of the exporters.

28. Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

30. 80-IB Income Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

32. Steel Development Fund Loans

- ✓ **Response:** Not applicable.

33. Steel Development Fund R&D Grants

- ✓ **Response:** Please see the reply in Part B-1.

34. State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy

- ✓ **Response:** The deputed technical staffs of the implementing agency scrutinizes the application and if the unit fulfils all the criteria of the schemes and commences commercial production then the eligible incentives are recommended to the final approving authority and with the approval of authority Eligibility Certificate is issued to the unit, wherever applicable.

36. SGOM – Waiver of Stamp Duty

- ✓ **Response:** The deputed technical staffs of the implementing agency scrutinizes the application and if the unit fulfils all the criteria of the schemes and commences commercial production then the eligible incentives are recommended to the final approving authority and with the approval of authority Eligibility Certificate is issued to the unit, wherever applicable.

37. SGOM – Power Tariff Subsidy

- ✓ **Response:** The deputed technical staffs of the implementing agency scrutinizes the application and if the unit fulfils all the criteria of the schemes and commences commercial production then the eligible incentives are

recommended to the final approving authority and with the approval of authority Eligibility Certificate is issued to the unit, wherever applicable.

38. SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)

- ✓ **Response:** The deputed technical staffs of the implementing agency scrutinizes the application and if the unit fulfils all the criteria of the schemes ad commences commercial production then the eligible incentives are recommended to the final approving authority and with the approval of authority Eligibility Certificate is issued to the unit, wherever applicable.

39. SGOM – Special Incentives of the SGOM for Mega Projects

- ✓ **Response:** The deputed technical staffs of the implementing agency scrutinizes the application and if the unit fulfils all the criteria of the schemes ad commences commercial production then the eligible incentives are recommended to the final approving authority and with the approval of authority Eligibility Certificate is issued to the unit, wherever applicable.

40. State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

41. SGOG – Assistance to MSMEs – Quality Certification

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

42. SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

43. SGOG – VAT Remission Scheme

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

44. SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

45. SGOG – Critical Infrastructure Projects

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

46. State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

47. SGOC – Industrial Policy 2009-2014: Interest Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

48. SGOC – Industrial Policy 2009-2014: Quality Certification

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

49. SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

50. SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

52. State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

53. SGOJ – Stamp Duty and Registration

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

54. SGOJ – Incentive for Quality Certification

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

55. SGOJ – VAT and Tax Incentives

- ✓ **Response:** Scheme is not applicable as provided in Part B-1. Hence the above question is not being answered.

17. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** Without prejudice, the relevant information for all programs as identified herein above as applicable are as follows;

1. **Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

2. **Export Income Tax Exemptions in SEZs**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

3. **Exemption in SEZs from Minimum Alternate Tax**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

4. **Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

5. **Exemption in SEZs from Service Tax**

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

6. Discounted Land Fees and Leases in SEZs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

8. Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

9. Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

10. Reimbursement to EOUs of Central Sales Tax

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

11. Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

12. Credit for Service Tax paid by EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

13. Exemptions from Income Tax for EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

14. Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

15. Assistance to States for Developing Export Infrastructure and Allied Activities

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- ✓ **Response:** The scheme is restricted to providing infrastructure only by the Central Agencies. Hence the above questions are not being answered.

16. Market Access Initiative

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

- ✓ **Response:** The program is provided for general market development/access/market access studies by eligible Trade organization/agencies EPCs/ TBs. Thus, export performance is not a condition for assistance under the Scheme.

- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

- ✓ **Response:** Not contingent on any such conditions.

- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

- ✓ **Response:** The scheme does not envisage any subsidy limited to enterprises or industries located within designated regions. The program is provided for general market development/access activities by eligible Trade organization/agencies EPCs/ TBs.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

✓ **Response:** The scheme has identified the eligible category as provided hereinabove which shows any such limitation as pointed out above is applicable.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** None.

17. Market Development Assistance

(a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

✓ **Response:** The Scheme is provided for general market development activities by eligible Trade organisation/agencies. Export performance is not a condition for assistance under the scheme.

(b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

✓ **Response:** Not contingent on any such conditions.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

✓ **Response:** The scheme does not envisage any subsidy limited to enterprises or industries located within designated regions. The program is provided for general market development/access activities by eligible Trade organization/agencies.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

✓ **Response:** No such limitation is prescribed. However, the scheme is meant to be availed by exporter with an f.o.b value of exports of upto Rs 30 Crore.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** None.

18. Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters

(a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

✓ **Response:** The program is provided for general market development/access/market access studies by eligible Trade organization/agencies EPCs/ TBs. Thus, export performance is not a condition for assistance under the Scheme.

(b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

✓ **Response:** Not contingent on any such conditions.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

✓ **Response:** The scheme does not envisage any subsidy limited to enterprises or industries located within designated regions. The program is provided for general market development/access activities by eligible Trade organization/agencies EPCs/ TBs.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

✓ **Response:** The scheme has identified the eligible category as provided hereinabove which shows any such limitation as pointed out above is applicable.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** None.

19. Brand Promotion and Quality

- ✓ **Response:** Please see the reply in Part B-1.

20. Test Houses

- ✓ **Response:** Please see the reply in Part B-1.

21. Focus Product Scheme

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).
- ✓ **Response:** The scheme has been discontinued. Hence, the above questions are not being answered.

22. Rupee/Foreign Currency Export Credit & Customer Service to Exporters

- ✓ **Response:** Please see the reply in Part B-1.

23. Export Promotion Capital Goods Scheme

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- ✓ **Response:** EPCG scheme allows import of capital goods (including CKD/SKD thereof as well as computer software systems) at zero customs duty for pre-production, production and post- production, subject to an export obligation equivalent to 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issue-date.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

- ✓ **Response:** No, the program is not contingent on use of domestic goods over imported goods.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- ✓ **Response:** No the eligibility of the program is not limited to enterprise or industries located under designated regions. The scheme has pan India coverage.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- ✓ **Response:** No the eligibility of the program is not limited to any enterprise or industries or to any industry or group of industries.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).
- ✓ **Response:** Bank LUT is filed by the applicant at the time of import.

24. Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- ✓ **Response:** Pre-export DFIA is issued with actual user condition. Goods imported against such DFIA are exempt from payment of basic customs duty, additional customs duty, education cess, secondary and higher education cess, antidumping duty and safeguard duty, if any. Exemption from anti-dumping duties and safeguard duty has been withdrawn with effect from 18th April, 2013 vide DGFT Notification No. 02 (RE-2013)/2009-14 dated 18th April, 2013.

Eligibility is not strictly contingent upon export performance; in certain circumstances of deemed exports in Chapter 8 of the FTP, it is available for inputs even if the final products are not exported as mentioned above.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- ✓ **Response:** DFIA is not contingent upon use of domestic goods.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

- ✓ **Response:** DFIA is not limited to enterprise or industries located within designated area.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

- ✓ **Response:** DFIA is not limited by law to any enterprise or group of enterprise, or to any industries or group of industries.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., **loan contracts, grant contracts, etc.**).

- ✓ **Response:** There is no specific contractual agreement between the GOI and the companies that receive authorisation under DFIA. The authorization is issued only for products for which standard Input Output Norms have been notified. DFIA will be issued in accordance with Policy and procedure in force on date of issue of authorisation. In case of a post export DFIA, a merchant exporter shall be required to mention only names and address of manufactures of the export product. Applicant is required to file application to concerned RA before effecting exports under DFIA. Pre Export is issued under actual user conditions and shall be exempted from payment of basic customs duty/ excise duty, education cess, anti-dumping duty and safeguard duty, if any. Further details may be seen in provision 4.2.2, 4.4.3 and 4.2.5 of chapter 4 of FTP.

25. Duty Exemption/Remission Schemes – Advance Authorization Scheme

(a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

- ✓ **Response:** No, it is not contingent upon actual export performance or export potential of an applicant or recipient. Advance Authorization can be issued either to a manufacturer exporter or merchant exporter tied to supporting manufacturer(s) for:

i) Physical exports (including exports to SEZ); and / or

ii) Intermediate supplies; and /or

iii) Supply of 'stores' on board of foreign going vessel / aircraft subject to condition that there is specific SION in respect of item(s) supplied.

iv) Advance Authorizations are exempted from payment of basic customs duty, additional customs duty, education, anti-dumping duty and safeguard duty, if any. However, imports for supplies covered under paragraph 8.2 (h) & (i) will not be exempted from payment of applicable anti-dumping and safeguard duty, if any

(b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

✓ **Response:** The program is not contingent upon use of domestic goods over imported goods.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

✓ **Response:** The program is not limited to enterprise or industries located within the designated area or region.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

✓ **Response:** The program is not limited by law to any enterprise or group of enterprise or to any industry or group of industries.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** The program is administered as per the provisions of FTP 2015-20 and HBP.

26. Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme

(a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

(b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** The scheme was discontinued as provided herein above. Hence, the above questions are not being answered.

27. Duty Exemption/Remission Schemes – Duty Drawback Scheme

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** Please see the reply in Part B-1.

28. Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above sub questions are not being answered.

30. 80-IB Income Deduction Program

✓ **Response:** Please see the reply in Part B-1.

31. 80-IA Income Tax Deduction Program

✓ **Response:** Please see the reply in Part B-1.

32. Steel Development Fund Loans

✓ **Response:** Not applicable.

33. Steel Development Fund R&D Grants

- ✓ **Response:** Please see the reply in Part B-1.

34. State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy

(a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

- ✓ **Response:** No, eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, is not considered on export.

(b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

- ✓ **Response:** Not applicable as per 'a' above.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

- ✓ **Response:** Not applicable as per 'a' above.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

- ✓ **Response:** Not applicable as per 'a' above.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- ✓ **Response:** None.

36. SGOM – Waiver of Stamp Duty

(a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

- ✓ **Response:** No, eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, is not considered on export.

(b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

✓ **Response:** Not applicable as per 'a' above.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

✓ **Response:** Not applicable as per 'a' above.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

✓ **Response:** Not applicable as per 'a' above.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** None.

37. SGOM – Power Tariff Subsidy

(a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

✓ **Response:** No, eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, is not considered on export.

(b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

✓ **Response:** Not applicable as per 'a' above.

(c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

✓ **Response:** Not applicable as per 'a' above.

(d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

- ✓ **Response:** Not applicable as per 'a' above.
 - (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- ✓ **Response:** None.

38. SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

- ✓ **Response:** No, eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, is not considered on export.

- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

- ✓ **Response:** Not applicable as per 'a' above.

- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

- ✓ **Response:** Not applicable as per 'a' above.

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

- ✓ **Response:** Not applicable as per 'a' above.

- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- ✓ **Response:** None

39. SGOM – Special Incentives of the SGOM for Mega Projects

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

- ✓ **Response:** No, eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, is not considered on export.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- ✓ **Response:** Not applicable as per 'a' above.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- ✓ **Response:** Not applicable as per 'a' above.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- ✓ **Response:** Not applicable as per 'a' above.
 - (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).
- ✓ **Response:** None.

40. State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- ✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

41. SGOG – Assistance to MSMEs – Quality Certification

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).
- ✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

42. SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).
- ✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

43. SGOG – VAT Remission Scheme

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

44. SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

45. SGOG – Critical Infrastructure Projects

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

46. State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

47. SGOC – Industrial Policy 2009-2014: Interest Subsidy

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).
- ✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

48. SGOC – Industrial Policy 2009-2014: Quality Certification

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).
- ✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

49. SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

50. SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

52. State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

(e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- ✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

53. SGOJ – Stamp Duty and Registration

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- ✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

54. SGOJ – Incentive for Quality Certification

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- ✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

55. SGOJ – VAT and Tax Incentives

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOI and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

- ✓ **Response:** The scheme is not applicable in the present investigation as presented in Part B-1. Hence, the above questions are not being answered.

18. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

- ✓ **Response:** Gol understands that the purpose of the present questionnaire is to collate data with respect to alleged benefits, if any, received by the exporters who have exported the subject goods to Australia during the IP. However, it appears that this question, inter alia, seeks information about various companies, industry sectors, etc which may include companies who are not exporters of the subject goods. In any case, no such data is centrally maintained by the Gol nor there is any centralised mechanism to disburse any such benefits. Nevertheless, the responding exporters may be providing the relevant information depending on the factual position of any benefits received by them under any of the alleged subsidy scheme and the Gol remains available to respond to any specific questions concerning Gol.

19. For all programs listed in **Table 1 (Programs 1 to 55)**, describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

✓ **Response:** Without prejudice, the relevant information for all programs as identified herein above as applicable are as follows;

1. **Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

2. **Export Income Tax Exemptions in SEZs**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

3. **Exemption in SEZs from Minimum Alternate Tax**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

4. **Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

5. **Exemption in SEZs from Service Tax**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

6. **Discounted Land Fees and Leases in SEZs**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

7. **Discounted Electricity Rates in SEZs**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

8. **Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments**

✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

9. Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

10. Reimbursement to EOUs of Central Sales Tax

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

11. Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

12. Credit for Service Tax paid by EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

13. Exemptions from Income Tax for EOUs

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

14. Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

15. Assistance to States for Developing Export Infrastructure and Allied Activities

- ✓ **Response:** No such change is foreseen.

16. Market Access Initiative

- ✓ **Response:** The present Scheme is in vogue till March, 2017. A review is being considered.

17. Market Development Assistance

- ✓ **Response:** The present Scheme is valid till March, 2017 and is under review.

18. Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters

- ✓ **Response:** The present Scheme is in vogue till March, 2017. A review is being considered.

19. Brand Promotion and Quality

- ✓ **Response:** Please see the reply in Part B-1.

20. Test Houses

- ✓ **Response:** Please see the reply in Part B-1.

21. Focus Product Scheme

- ✓ **Response:** Scheme has been discontinued as submitted herein above.

22. Rupee/Foreign Currency Export Credit & Customer Service to Exporters

- ✓ **Response:** Please see the reply in Part B-1.

23. Export Promotion Capital Goods Scheme

- ✓ **Response:** As submitted herein above, the EPCG scheme comes under Chapter 5 of FTP 1st April 2015- 31st March 2020 which shows the scheme may remain till 31st March, 2020 in normal course if not discontinued earlier.

24. Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme

- ✓ **Response:** As submitted herein above, the DFIA scheme comes under Chapter 4 of FTP 1st April 2015- 31st March 2020 which shows the scheme may remain till 31st March, 2020 in normal course if not discontinued earlier.

25. Duty Exemption/Remission Schemes – Advance Authorization Scheme

- ✓ **Response:** As submitted herein above, the DFIA scheme comes under Chapter 4 of FTP 1st April 2015- 31st March 2020 which shows the scheme may remain till 31st March, 2020 in normal course if not discontinued earlier.

26. Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme

- ✓ **Response:** The scheme was discontinued as provided herein above. Hence, the Commission may treat these questions as not applicable.

27. Duty Exemption/Remission Schemes – Duty Drawback Scheme

- ✓ **Response:** None

28. Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

29. Purchase of Iron Ore From State-owned Enterprises for Less Than Fair Market Value

- ✓ **Response:** Please see the reply in Part B-1. The program is not applicable. Hence, the above question is not being answered.

30. 80-IB Income Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** Please see the reply in Part B-1.

32. Steel Development Fund Loans

- ✓ **Response:** Not applicable

33. Steel Development Fund R&D Grants

- ✓ **Response:** Please see the reply in Part B-1.

34. State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy

- ✓ **Response:** No any change is anticipated at this juncture.

35. SGOM – Exemption from Electricity Duty

- ✓ **Response:** No any change is anticipated at this juncture.

36. SGOM – Waiver of Stamp Duty

- ✓ **Response:** No any change is anticipated at this juncture.

37. SGOM – Power Tariff Subsidy

✓ **Response:** No any change is anticipated at this juncture.

38. SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)

✓ **Response:** No any change is anticipated at this juncture.

39. SGOM – Special Incentives of the SGOM for Mega Projects

✓ **Response:** No any change is anticipated at this juncture.

40. State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy

✓ **Response:** The scheme came into force on 1.1.2015 and will remain in operation for a period of 5 years. However, as submitted hereinabove the scheme is not applicable in the present investigation.

41. SGOG – Assistance to MSMEs – Quality Certification

✓ **Response:** The scheme came into force on 1.1.2015 and will remain in operation for a period of 5 years. However, as submitted hereinabove the scheme is not applicable in the present investigation.

42. SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods

✓ **Response:** The scheme has been discontinued vide Government Resolution dated 29/4/2000 which is enclosed at Part B-1 replies hereinabove.

43. SGOG – VAT Remission Scheme

✓ **Response:** The scheme has been discontinued vide Government Resolution dated 29/4/2000 which is enclosed at Part B-1 replies hereinabove.

44. SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions

✓ **Response:** The scheme came into force on 1.1.2015 and will remain in operation for a period of 5 years. However, as submitted hereinabove the scheme is not applicable in the present investigation.

45. SGOG – Critical Infrastructure Projects

✓ **Response:** The scheme came into force on 1.1.2015 and will remain in operation for a period of 5 years. However, as submitted hereinabove the scheme is not applicable in the present investigation.

46. State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

47. SGOC – Industrial Policy 2009-2014: Interest Subsidy

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

48. SGOC – Industrial Policy 2009-2014: Quality Certification

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

49. SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

50. SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

51. SGOC – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

52. State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

53. SGOJ – Stamp Duty and Registration

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

54. SGOJ – Incentive for Quality Certification

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

55. SGOJ – VAT and Tax Incentives

- ✓ **Response:** The scheme is not applicable as submitted in Part B-1 of this response. However, no change in the scheme is foreseen as of now.

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Ministry of Commerce & Industry
Department of Commerce
Jeevan Tara Building, New Delhi-110001

23rd November, 2016

DECLARATION

I, K. K. Srivastava, Deputy Director, currently employed by GOVERNMENT OF INDIA certify that that all information supplied herein in response to the questionnaire (including any data supplied in an electronic format) is complete and correct to the best of my knowledge and belief.

(K. K. Srivastava)

के. के. श्रीवास्तव/K.K. SRIVASTAVA
उप-निदेशक/Deputy Director
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Glossary of terms

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Associated Persons and/or Companies

Persons shall be deemed to be associates of each other if:

(a) both being natural persons:

- (i) they are connected by a blood relationship or by marriage or adoption; or
- (ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;

(b) both being bodies corporate:

- (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
- (ii) both of them together control, directly or indirectly, a third body corporate; or
- (iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or

(c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or

(d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or

(e) they are members of the same partnership.

Enterprise

"Enterprise" includes a group of enterprises, an industry and a group of industries.

Financial Contribution

There is a "financial contribution" by a government where:

(a) a government practice involves a direct transfer of funds (grants, loans, and equity infusion), potential direct transfer of funds or liabilities (e.g. loan guarantees);

(b) government revenue that is otherwise foregone or not collected (e.g. fiscal incentives such as tax credits);

(c) the government provides goods or services, other than general governmental infrastructure, or purchases goods; or

(d) a government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions illustrated in (a) to (c) above which would normally be vested in the government and the practice, in no real sense, differs from practices normally followed by the government.

Government of India (GOI)

For the purposes of this questionnaire, GOI refers to all levels of government, i.e., central, provincial, regional, city, special economic zone, municipal, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed.

It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by, the government of that country or that provincial, state or municipal or other local or regional government.

Special Economic Zone (SEZ)

Refers to a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the GOI (including central, state, municipal or county government) accrue to a company because of being located in such an area.

State Invested Enterprises (SIE)

For the purposes of this questionnaire, SIE refers to any company or enterprise that is wholly or partially owned by the GOI as defined above (either through direct ownership or through association) including.

- 'enterprises with state investment'
- 'state-owned assets'
- 'state-invested enterprises'

For the purposes of this questionnaire, SIE refers to any and all of the above types of enterprises.

Subsidy

In relation to goods that are exported to Australia, means:

(a) a financial contribution:

- (i) by a government of the country or export or country of origin of those goods; or
- (ii) by a public body of that country or of which government is a member; or
- (iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that is made in connection with the production, manufacture or export of those goods and that involves:

- (iv) a direct transfer of funds from that government or body to the enterprise by whom the goods are produced, manufactured or exported; or
 - (v) a direct transfer of funds from that government or body to that enterprise contingent upon particular circumstances occurring; or
 - (vi) the acceptance of liabilities, whether actual or potential, of that enterprise by that government body; or
 - (vii) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body by that enterprise; or
 - (viii) the provision by that government or body of goods or services to that enterprise otherwise than in the course of providing normal infrastructure; or
 - (ix) the purchase by that government or body of goods provided by that enterprise; or
- (b) any form of income or price support as referred to in Article XVI of the General Agreement Tariffs and Trade 1994, that is received from such a government or body;

if that financial contribution or income or price support confers a benefit in relation to those goods.