



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

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**Supplementary Information to the
Government Questionnaire on behalf of**

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: NA

Case manager: Sanjay Sharma
Phone: +61 26276 1462
Fax: +61 3 8539 2499

E-mail: operations5@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

RETURN OF QUESTIONNAIRE DETAILS

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

Or by mail
(CD-ROM or USB): Director Operations 5
Anti-Dumping Commission
SAP House, Level 4, 224 Bunda Street
Canberra ACT 2600
Australia

[It is requested that the following supplementary information may be read as incorporated at the relevant places in the original responses filed by GOI and the information filed earlier is not reproduced for the sake of brevity. This supplementary information pertains to Program Numbers 19, 20, 30, 31 and certain statistical data on Program 25]

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

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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
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

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41	SGOG – Assistance to MSMEs – Quality Certification
42	SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods
43	SGOG – VAT Remission Scheme
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'.

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.

19. Brand Promotion and Quality

- ✓ **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.

20. Test Houses

- ✓ **Response:** It is pointed here that there is no such scheme called Test Houses the Gol. However, there is an organisation called "National Test House" under Ministry of Consumer Affairs.

Customer who requires getting his sample/samples tested in the NTH will enquire at the Reception Counter/Facilitation Center for the concerned Scientist of the relevant area of technology under which the category of the sample falls. The customer will accordingly be intimated by the Receptionist/Facilitation Center about the name of the In-charge of the concerned Laboratory with whom he should meet for the purpose and will also be issued a slip by the Receptionist incorporating therein the name of the concerned Scientist and the name of the customer for meeting the Scientist. Subsequently the customer will meet the Scientist for obtaining the information in details regarding availability of required facilities for the sample he desires to test, **necessary test fee**, probable time required for completion of the test, etc. If facilities are available the customer will be asked to submit a forwarding letter, in triplicate, addressing the Director/Scientist-in-Charge of the concerned region as under. Thus, it is clear that the tests conducted at the NTH are subject to payment of fees and there is not even any assistance per se apparent. The details of the organisation may be seen at the URL: <http://www.nth.gov.in/nth/>. Accordingly, the Commission may treat all questions pertaining to this alleged scheme as not applicable and any allegation of subsidy as unfound.

30. 80-IB Income Deduction Program

- ✓ **Response:** Tax policies are framed taking into account the economic situation and development of trade and commerce etc. Accordingly, with a view to give a boost to the manufacturing sector, especially in industrially backward region and also to encourage private participation in setting up conventional centers, hospitals etc. and to promote agro-industries etc. entitlements under section 80-IB of the Income Tax Act has been provided as those are general in application and not specific to any industry. It would be very apparent that such benefits would not fall under the category of subsidy countervailable as per the ASCM. The details of the scheme can be seen at the URL: <http://www.incometaxindia.gov.in/pages/acts/income-tax-act.aspx> (Income Tax Act) and <http://www.incometaxindia.gov.in/pages/rules/income-tax-rules-1962.aspx> (Income Tax Rules) and the same are not reproduced here for the sake of brevity.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** Tax policies are framed taking into account the economic situation and development of trade and commerce etc. Accordingly, with a view to give a boost to the manufacturing sector, especially in industrially backward region and also to encourage private participation in setting up conventional centers, hospitals etc. and to promote agro-industries etc., tax benefit under section 80-IB of the Income Tax Act has been provided. It would be very apparent that the scheme would not qualify as subsidy under the category of subsidy countervailable as per the ASCM as these are neither export subsidies nor specific to quality as

subsidy. They are general in application. The details of the scheme can be seen at the URL: <http://www.incometaxindia.gov.in/pages/acts/income-tax-act.aspx> (Income Tax Act) and <http://www.incometaxindia.gov.in/pages/rules/income-tax-rules-1962.aspx> (Income Tax Rules) and the same are not reproduced here for the sake of brevity.

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**.

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; [Please note that details of Programs other than the below has been provided]

19. Brand Promotion and Quality

- (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 no such scheme was in effect during the IP or thereafter, hence, the sub questions (a) to (i) are not being answered and the scheme may be treated as not applicable.

20. Test Houses

- (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 no such scheme was in effect during the IP or thereafter, the sub questions (a) to (i) are not being answered and the scheme may be treated as not applicable.

30. 80-IB Income Deduction Program

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

- ✓ **Response:** Tax policies are framed taking into account the economic situation and development of trade and commerce etc. Accordingly, with a view to give a boost to the manufacturing sector, especially in industrially backward region and also to encourage private participation in setting up conventional centers, hospitals etc., tax benefit under section 80-IB of the Income Tax Act has been provided. Since the scheme is neither specific nor our export incentive and is horizontal in application, it cannot be considered as subsidy under ASCM.

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

- ✓ **Response:** The tax deduction under section 80-IB of the Income-tax Act is governed by the provisions of the Income -tax Act, 1961.

- (c) nature or form of the subsidy.

- ✓ **Response:** It is not a subsidy under ASCM. It is a deduction from taxable income which is available on fulfillment of conditions specified under section 80-IB of the Income-tax Act and is neither specific nor restricted to exports.

(d) when the program was established.

- ✓ **Response:** Section 80-IB was introduced by the Finance Act, 1999 to give a boost to setting up of manufacturing units in industrially backward regions, and setting up of hotels in specified areas for the purpose of development of infrastructure for tourism in those areas etc.

(e) duration of the program.

- ✓ **Response:** An eligible taxpayer can claim the entitlement for a period not exceeding ten years subject to fulfilment of conditions specified in section 80-IB.

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

- ✓ **Response:** For claiming tax deduction under the section 80IB, the taxpayer has to make a claim in its Income tax Return along with an audit report in form 10CCB or form 10CCBA or form 10CCBB or form 10CCBC or form 10CCBD, as the case may be, duly verified by a Chartered Accountant. The entitlement is subject to fulfilment of conditions specified in section 80 IB.

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

- ✓ **Response:** The tax deduction under section 80-IB is available to the eligible units for carrying on an eligible business/activity. The eligible activity inter alia, includes, (i) manufacture or production of any article or thing in a specified backward region; (ii) setting up of hotels in specified areas for development for infrastructure for tourism; (iii) setting up of convention centres; (iv) production of mineral oil or natural gas, (v) Setting up of hospital in rural areas, and (vi) processing, preservation and packaging of fruits or vegetable or dairy or meat products etc.

The deduction is available subject to fulfilment of conditions specified in section 80IB of the Income-tax Act, 1961. The deduction does not exceed ten years beginning from the year in which the eligible business commences its operations. However, in certain cases, such as, creation of convention Centre or hospital in rural areas etc. the facility is available for five years.

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

- ✓ **Response:** Income Tax Department (under Central Board of Direct Taxes) in the Government of India.

- (i) the eligibility criteria in order to receive benefits under the program.
- ✓ **Response:** The tax benefit is available subject to fulfillment of conditions specified in section 80IB. For claiming the deduction under the said section, the taxpayer has to make a claim in its income tax return along with an audit report duly verified by a chartered accountant.

31. 80-IA Income Tax Deduction Program

- (a) policy objective and/or purpose of the program.
 - ✓ **Response:** Tax policies are framed taking into account the economic situation and development of trade and commerce etc. Accordingly, with a view to encourage private participation in making available public goods such as telecommunication services, power and infrastructure facilities etc., the facility u/s 80IA has been provided. Since it is neither specific nor an export subsidy and more as general provision, the entitlement under the scheme cannot be treated as subsidy under ASCM. Hence, it is not a subsidy.
- (b) legislation under which the subsidy is granted.
 - ✓ **Response:** Tax deduction available under Section 80IA is governed by the provisions of Income-tax Act, 1961.
- (c) nature or form of the subsidy.
 - ✓ **Response:** It is not a subsidy under ASCM. It is a deduction from taxable income which is available on fulfilment of conditions specified under section 80-IA of the Income-tax Act.
- (d) when the program was established.
 - ✓ **Response:** The Section 80IA was inserted in the Income-tax Act by the Finance Act, 1999 with a view to encourage private participation in making available public goods such as telecommunication services, power and infrastructure facilities etc. The facility under the scheme was given taking into account the long gestation period and huge capital investment in these sectors.
- (e) duration of the program.

- ✓ **Response:** The tax deduction under section 80-IA of the Income-tax Act can be availed for any ten consecutive assessment years out of fifteen years beginning from the year in which the undertaking or the enterprise develops and begins to operate any infrastructure facility or starts providing telecommunication services or generates power or commences transmission or distribution of power or undertakes substantial renovation and modernisation of the existing transmission or distribution lines.

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

- ✓ **Response:** For claiming tax deduction under the section 80IA of the Income-tax Act, the taxpayer has to make a claim in its Income tax Return along with an audit report duly verified from a Chartered Accountant. The Tax benefit is subject to fulfilment of conditions specified in section 80-IA.

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

- ✓ **Response:** The tax deduction for development, operation and maintenance of any infrastructure facility as defined in section 80-IA is available to an undertaking owned by an Indian company or consortium of such companies or an authority or body or corporation constituted under any Central or State Act provided it enters into an agreement with Central or State Government for developing, operating and maintaining a new infrastructure facility.

Tax deduction for telecommunication service is available to an undertaking which starts providing such services during the period 1.4.1995 to 31.03.2005. An undertaking engaged in generation, distribution and transmission of power is required to commence the eligible activity during the period 1.4.1993 to 31.3.2017.

The deduction can be claimed for 10 consecutive assessment years out of 15 years beginning from the year in which the eligible activity commences.

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

- ✓ **Response:** Income Tax Department (under the Central Board of Direct Taxes) in the Ministry of Finance, Government of India.

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

- ✓ **Response:** The tax deduction can be claimed by a tax payer which develops and begins to operate any infrastructure facility or starts providing telecommunication services or commences transmission or distribution of power or undertakes substantial renovation and

modernisation of the existing transmission or distribution lines, subject to fulfilment of conditions specified in section 80-IA.

For claiming tax deduction under the section 80IA, the taxpayer has to make a claim in its Income tax Return along with an audit report duly verified by a Chartered Accountant.

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; [Please note details of Programs other than the below has been provided]

19. Brand Promotion and Quality

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

20. Test Houses

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

30. 80-IB Income Deduction Program

- ✓ **Response:** The Income-tax return whereby the deduction u/s 80IB is claimed is E-filed along with relevant audit reports.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** The Income-tax return whereby the deduction u/s 80IB is claimed is E-filed along with relevant audit reports.

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; [[Please note details of Programs other than the below has been provided]

19. Brand Promotion and Quality

- ✓ **Response:** As submitted in Part B-1, there was not any such scheme in force during the IP. Hence, this question is not being answered.

20. Test Houses

- ✓ **Response:** As submitted in Part B-1, there was no such scheme in force during the IP or thereafter. Hence, this question is not being answered.

30. 80-IB Income Deduction Program

- ✓ **Response:** It is a facility provided under the statute. I.e. Income-tax Act, 1961 to eligible tax payers. Hence, the question of application and its processing does not arise. Accordingly, an assessee claiming benefit under Section 80IB submits its return of income along with the audit report in form mentioned in reply to point (f) duly verified by a Chartered Accountant, by the due date.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** It is a facility provided under the statute. i.e Income-tax Act, 1961 to eligible tax payers. Hence, the question of application and its processing does not arise. Accordingly, an assessee claiming benefit under Section 80IA submits its return of income along with the audit report in form 10CCB duly verified by a Chartered Accountant, by the due date.

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; [Please note details of Programs other than the below has been provided]

19. Brand Promotion and Quality

- ✓ **Response:** As submitted in Part B-1, the scheme is not applicable. Hence, this question is not being answered.

20. Test Houses

- ✓ **Response:** As submitted in Part B-1, the scheme is ~~not applicable~~. Hence, this question is not being answered.

30. 80-IB Income Deduction Program

- ✓ **Response:** The Tax benefit is subject to fulfilment of conditions specified therein. Further, the claim made in the return of income is also subject to verification by the Assessing Officer.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** The Tax benefit is subject to fulfilment of conditions specified therein. Further, the claim made in the return of income is also subject to verification by the Assessing Officer.

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; [Please note details of Programs other than the below has been provided]

19. Brand Promotion and Quality

- (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:** As submitted in Part B-1, the scheme is not applicable. Hence, the above questions are not being answered.

20. Test Houses

- (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:** As submitted in Part B-1, the scheme is covered under the provisions of ASCM, and hence, the above questions are not being answered.

30. 80-IB Income Deduction 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.
- ✓ **Response:** Section 80IB of the IT Act provides for deduction form taxable income of an eligible taxpayer, in respect of profits derived from an eligible business.
- Further, it is not a deduction for export projects. It is for promoting certain sectors of economy and not for promotion of exports nor promotion of any specific industry/industries. In other words, eligibility of this deduction is neither dependent on export performance nor has any linkage with it.
- (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 facility claimed u/s 80 IB is subject to the fulfilment of the conditions specified, therein. Eligibility is not contingent upon use of domestic 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 facility under section 80-IB of the Income-tax Act, 1961 is not a subsidy program. It, inter alia, contains tax benefits for setting up of manufacturing units in industrially backward regions. The tax benefits / holiday are reviewed periodically and they are either withdrawn or sunset based on their impact on economy. Accordingly, units setup in backward regions up to 31.3.2004 and engaged in manufacture or production were eligible for ten years entitlement. Out of ten years, only for first five years 100% deduction of profits was available and for the remaining five years 25% deduction of profits was available.

(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:** Eligibility to an undertaking is subject to fulfilment of conditions specified in section 80-IB of the Act.

(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 entitlement under Section 80IB is available subject to the fulfilment of the conditions specified, therein.

31. 80-IA Income Tax Deduction 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.

- ✓ **Response:** The Section 80IA was inserted by the Finance Act, 1999 with a view to encourage private participation in making available public goods such as telecommunication services, power and infrastructure facilities etc. With a view to encourage private participation and taking into account the long gestation period and huge capital investment in these sectors the tax break under section 80-IA was given.

Further, it is not a deduction for export profits. It is for making available certain utilities and facilities in the country and not for promotion of exports. In other words, eligibility of this deduction is neither dependent on export performance nor has any linkage with it. These are primarily for general infrastructure development.

(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 facility claimed under section 80-IA is subject to the fulfilment of the specified conditions, therein. Eligibility is not contingent upon use of domestic 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 tax deduction can be claimed by a tax payer who develops and begins to operate any infrastructure facility or starts providing telecommunication services or commences transmission or distribution of power or undertakes substantial renovation and modernisation of the existing transmission or distribution lines etc., anywhere in the country. It is not limited to any designated 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:** Eligibility is limited to enterprises or undertakings which fulfil the conditions specified in Section 80-IA of the IT Act.

(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 entitlement under Section 80IA is available subject to the fulfilment of the conditions specified, therein.

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.

- ✓ Notwithstanding the above, the information available pertaining to Advance Authorisation (Program No 25) is enclosed as **Annexure-7** with this submission.

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; [Please note details of Programs other than the below has been provided]

19. Brand Promotion and Quality

- ✓ **Response:** Scheme not applicable as provided Part B-1.

20. Test Houses

- ✓ **Response:** Scheme not applicable as provided Part B-1.

30. 80-IB Income Deduction Program

- ✓ **Response:** Tax policies are reviewed periodically taking into account the impact of tax concessions on economy and the sector which require fiscal stimulus for balanced growth of various sectors. Accordingly, section 80IB of the Income-tax Act, 1961, which initially provided for tax benefits for manufacturing units in the backward regions, setting up of hotels in specified areas and shipping business etc., have been reviewed from time to time and the tax benefits mentioned above have been sunset. Further, having considered the importance of agro industry in the Indian economy, tax benefit for processing, preservation and packaging of fruits or vegetables or dairy products etc. and for the integrated business of handling, storage and transportation of food grains has been provided in section 80-IB.

31. 80-IA Income Tax Deduction Program

- ✓ **Response:** Tax policies are reviewed periodically taking into account the impact of tax concessions on economy and the sector which require fiscal stimulus for balanced growth of various sectors. Accordingly, section 80IA of the Income-tax Act, 1961, which provided for encouraging private participation in making available public goods such as telecommunication services, power and infrastructure facilities etc. The tax benefits were given taking into account the long gestation period and huge capital investment in these sectors.

CERTIFICATE



DONA GHOSH
Deputy Director
Ph. No. 011-23348653
E-mail: dona.ghosh@nic.in

भारत सरकार
पाटन रोधी एवं सम्बन्ध शुल्क निदेशालय
वाणिज्य एवं उद्योग मंत्रालय
वाणिज्य विभाग
जीवन तारा बिल्डिंग, नई दिल्ली-110001
Government of India
Directorate General of Anti-Dumping & Allied Duties
Ministry of Commerce & Industry
Department of Commerce
Jeevan Tara Building, New Delhi-110001

21st December, 2016

Alternative Government Certification

I, Dona Ghosh, Deputy Director, currently employed by GOVERNMENT OF INDIA certify that all information supplied herein in response to the questionnaire (including the data supplied an electronic format) is complete to the best of my knowledge and belief.


21.12.16
(Dona Ghosh)