I. Appendix 2 – Indian Countervailable Subsidies

1. The Complainant has identified 41 Indian subsidy programs that may benefit Indian PET Resin producers.[1] A complete list of these programs along with their source is available in Public Attachment "1 to Appendix 2".

2. 25 of the subsidy programs listed in Public Attachment 1 to Appendix 2 and described below were included in the United States Department of Commerce ("**DOC**") recent final determination with respect to certain polyethylene terephthalate resin from India ("**US PET Resin from India**").[2] In light of the recent finding of the DOC that the programs described below constituted countervailable subsidies, the Complainant underlines the importance of these programs to the present complaint. The DOC period of inquiry ("**POI**") was January 1, 2014 to December 31, 2014, a mere 10 months prior to the commencement of the present period of inquiry. As such, it is reasonable to assert that the programs investigated by the DOC would be in place up to and through October 1, 2015. The remaining 16 programs which may ostensibly provide a benefit to Indian PET Resin producers are listed, in conjunction with their source Decision, in the aforementioned Public Attachment 1 to Appendix 2.

A. Background

1. India's PET Resin Industry

3. The Government of India (the "**GOI**") plays an active role in India's rapidly expanding PET Resin Industry. The GOI's *National Capital Goods Policy* sets out a strategy for the development of India's PET Resin industry.[3] This strategy seeks to make Indian producers globally competitive in cost, efficiency and productivity. It is the mandate of a variety of

[1] Public Attachment 1: List of Indian Programs Potentially Conferring Actionable or Prohibited Subsidies.

[2] Public Attachment 2: US DOC, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Polyethylene Terephthalate from the People's Republic of India* (March 4, 2016)

[3] Public Attachment 3: Government of India "National Capital Goods Policy" at 25 and 47.

central and state government to pursue these objectives through institutional arrangements and regulatory schemes.[4]

4. According to the GOI Press Information Bureau, the Indian Ministry of Chemicals and Fertilizers has set up "Centres of Excellence" which aims at improving existing petrochemical technology and promotes the development of new applications of polymers and plastics.[5]

5. Furthermore, under the direction and financial support of State government, up to five centres of "Central Institute of Plastics and Engineering Technology" were created in 2015-2016 in Dharampur (Gujarat), Baddi (HP), Bhopal (MP), Vijayawada (AP) and Hyderabad/Medak (Telangana) to facilitate technological and financial contributions between industry and government.[6]

B. Indian Subsidy Programs Found to be countervailable by the US

6. The US Department of Commerce has found 25 Indian subsidy programs to be countervailable in their Final Determination of the countervailing duty investigation of certain polyethylene terephthalate resin from India.[7]

1. Export Promotion of Capital Goods Scheme (EPCG)

7. The EPCG program permits a reduction or exemption from customs duties and excise taxes on imports of capital goods used in the production of exported product. According to the Directorate General of Foreign Trade ("**DGFT**"), the entity which administers the program, producers pay reduced duty rates on imported capital equipment by committing to earn convertible foreign currency for certain period of time.[8] The GOI will waive the exempted

[4] Public Attachment 3: Government of India "National Capital Goods Policy" at 51.

[5] Public Attachment 4: Government of India Press Release "Central Institute of Plastics".

[6] [6] Public Attachment 4: Government of India Press Release "Central Institute of Plastics".

[7] Public Attachment 2: US DOC, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Polyethylene Terephthalate from the People's Republic of India* (March 4, 2016) page 14.

[8] Public Attachment 5: Directorate General of Foreign Trade, "EPCG".

duties on the imported goods when a company has met its import obligations. During the course of the DOC inquiry Indian PET Resin producers reported receiving benefits under this program in the form of reduced import rates on imported capital goods used for the production of PET Resin and other non-subject goods. [9]

8. The Complainant submits that the EPCG provides a financial contribution within the meaning of s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected, and a corresponding benefit within the meaning of s. 35.01(1) of the SIMR in the amount of duties saved. It is a specific subsidy under s. 2(7.2)(b) because it is contingent upon export performance. In other words, where export obligations are not met, exempted duties would have to be paid to GOI.

2. Duty Drawback (DDB)

9. The DDB program provides significant rebates for duty or tax chargeable on any 1) imported or excisable material and, 2) input services used in the manufacture of export goods. The scheme is administered by Department of Revenue. Under this scheme products made out of duty paid inputs are first exported and thereafter a refund of duty is claimed either pursuant to the industry rate or the brand rate.[10] The industry rate for Pet Resin appears to be 3%.[11] The Complainant recognizes that duty exemptions on inputs for exported products are not countervailable where the exemption extends only to inputs consumed in the production of the exported product. According to the US DOC inquiry regarding PET resin, as well as *Shrimp from India*, the GOI does not have a reasonable process in place to ensure that the Duty Drawback Scheme is not resulting in excessive rebates to producers.[12] As such, where the Duty Drawback in not applied effectively to

[9] Public Attachment 2: US DOC, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Polyethylene Terephthalate from the People's Republic of India* (March 4, 2016) page. 15.

[10] Public Attachment 6: Federation of Indian Export Organizations "Export Benefits".

[11] Public Attachment 7: Online Exim Encyclopedia, India Export Data Search, accessed May 15, 2017.

[12] Public Attachment 2: US DOC, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Polyethylene Terephthalate from the People's Republic of India* (March 4, 2016), page 17.

confirm which inputs are used in production, the program may result in excessive rebates which are countervailable.

10. According to the European Commission's *Electrode Graphite System*, the DDB's predecessor scheme is the Duty Entitlement Passbook Scheme, which was countervailed in the CBSA's *Hot-Rolled Carbon Steel Plate and High Strength Alloy Steel Plate*, and *Hot-Rolled Steel She*et Decisions.[13]

11. The Complainant submits that the DDB provides a financial contribution within the meaning of s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected, and a corresponding benefit within the meaning of s. 35.01(1) of the SIMR in the amount of duties saved. It is a specific subsidy under s. 2(7.2)(a) because it is only available to exporters.

3. Focus Product Scheme (FPS)

12. FPS came into operation with effect from April 1, 2006, and ran through financial years 2013-2014 and 2014-2015. It is administered by the DGFT within the Ministry of Commerce and Industry and details of the scheme are set out in paragraph 3.14 of the *Foreign Trade Policy*. FPS was a duty exemption which provided Duty Credit Scrips to exports of all products (with exception of a few ineligible products, of which PET Resin is not), to all countries equivalent 2%/5%/7% of FOB value of exports (in free foreign exchange).[14]

13. This subsidy program was replaced with the Merchandise Exports from India Scheme "**MEIS**" in mid-2015.[15] According to the 2015-2020 *Foreign Trade Policy* of India, the MEIS does not merely replace the FPS, but also aims to rationalize its incentives and

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[13] Public Attachment 8: Commission Implementing Regulation (EU) 2017-421 of 9 March 2017 imposing a definitive countervailing duty on imports of certain graphite electrode systems originating in India following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of European Union and of the Council (March 9, 2017) para 29.

[14] Public Attachment: 9: WTO Committee on Subsidies and Countervailing Measures"India" (October 27, 2016).

[15] Public Attachment 10: Government of India, Department of Commerce, Ministry of Commerce and Industry "Highlights of the Foreign Trade Policy 2015-2020" page 19-24.

enlarge its scope by removing various restrictions. [16] During the course of the DOC inquiry PET Rein producers in India reported receiving benefits from the Focus Product Scheme, as such they may have received similar benefits under the successor MEIS scheme.

14. The Complainants submit that the MEIS provides a financial contribution within the meaning of s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected, and a corresponding benefit within the meaning of s. 35.01(1) of the SIMR in the amount of duties saved. It is a specific subsidy under s. 2(7.2)(a) because it only applies to certain products, and it is only available to exporters.

4. Incentive Under the West Bengal State Support for Industries Scheme (IWBSSIS)

15. The purpose of this scheme is to contribute to the growth of large and medium scale units through industrial projects and development. The amount of financial assistance an industrial unit is eligible to receive is determined by its location in West Bengal; Group A is classified as developed while groups B through D are deemed the least developed.[17] Dhunseri, an Indian PET resin Producer is located in Group A, in Kolkata.[18] Other PET Resin producers may be located in other Groups in West Bengal. Industrial units located in the least developed units receive more monetary assistance than those in the more developed areas.

16. The Complainants submit that the IWBSSIS provides a financial contribution pursuant to s. 2(1.6)(a) of SIMA in the form of a direct transfer of funds. A benefit is conferred in the amount of the grant under s. 27 of the SIMR It is a specific subsidy under s. 2(7.2)(a) because it is limited to companies located in specific areas of West Bengal.

[16] Public Attachment 11: Indian Engineering, “About MEIS Scheme” accessed May 15, 2017.

[17] Public Attachment 12: West Bengal Industrial Development Corporation Ltd. “The West Bengal State Support for Industries Scheme, 2013” page 6.

[18] Public Attachment 13: Dhunseri Petrochem Ltd. “Contact Us” page accessed May 15, 2017.

5. Pre-and Post Shipment Export Financing

17. This program provides export-contingent loans to eligible companies at interest rates lower than the interest rates on comparable commercial loans.[19] This program was found to be countervailable by the US DOC in US PET Resin from India. The Complainant submits that this programs constitutes a financial contribution under s. 2(1.6)(a) of SIMA as a direct transfer of funds. A benefit under s. 28 of SIMR is conferred is the difference between the interest actually paid and the interest on a comparable non-guaranteed commercial loan. The program is specific under s. 2(7.2)(b) of SIMA as it is export-contingent.

6. Status Holder Incentive Scrip Scheme

18. The purpose of this program is to promote export-orientation in specific industries.[20] This program was found to be countervailable by the US DOC in US PET Resin from India. The Complainant submits that this program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the duties saved under s. 32. of the SIMR. The program is specific under s. 2(7.2)(b) of SIMA because it is export-contingent.

7. Advance Licenses Program (appears to have been replaced by the Advanced Authorization Scheme)

19. This program was found to be countervailable by the US DOC in US PET Resin from India, as well as the CBSA's *Carbon Steel Welded Pipe* 2012 and *Hot-Rolled Sheet* 2011. Under this program, pursuant to Section 4.1.3 of the GOC's *Duty Exemption and Remission Schemes*, advance licenses permit licensees to import inputs duty free.[21] In addition, fuel, oil, energy, catalysts etc. which are consumed in the course of their use to obtain the export product, may also be allowed under the scheme. According to the 2016 *Hot Rolled Steel*

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[19] Public Attachment 2: US DOC, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Polyethylene Terephthalate from the People's Republic of India* (March 4, 2016), page 20.

[20] Public Attachment 14: Highlights of the Foreign Trade policy 2015-2020, Government of India, Department of Commerce, Ministry of Commerce and Industry, page 4-5.

[21] Public Attachment 15: Government of India, Ministry of Commerce and Industry, Directorate of Foreign Trade, Foreign Trade Policy 2015-2020, Chapter 4.

expiry review this program is still in existence but is presently entitled *the Advance Authorization Scheme*.[22] The benefits available to PET resin producers in India appear to be the same, as reported by producers in the US inquiry, despite the change in program name.

20. The Complainant submits that this program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the duties saved under s. 32. of the SIMR. The program is specific under s. 2(7.2)(b) of SIMA because it is export-contingent.

Special Economic Zones ("SEZs")

21. The *Special Economic Zone Act of 2005* ("**SEZ Act**") is administered by the Indian Ministry of Commerce & Industry and came into effect on February 10, 2006. The main objectives of the SEZ Act are to:

- generate additional economic activity;
- promote exports of goods and services;
- promote investment from domestic and foreign sources;
- create employment opportunities; and
- develop infrastructure facilities.[23]

22. As discussed below, various programs under the SEZ scheme provide countervailable benefits and have previously been found countervailable by the CBSA.

23. The list of active SEZs is lengthy and continuously updated. A list prepared by the GOI's Department of Commerce indicates that 411 formal approvals have been granted for setting

[22] Statement of Reasons, CBSA, *Concerning an Expiry Review Determination regarding Certain Hot-Rolled Steel Sheet* (April 21, 2016) para 366 and 387.

[23] Public Attachment 16: Formal India Ministry of Commerce & Industry "List of Formal Approvals".

up of SEZs, out of which 330 SEZs have been notified and are in various stages of operation.

24. The evidence available to the Complainant indicates that there is a reasonable indication that one or more PET Resin producers or exporters receive benefits under the SEZ scheme. PET Resin producers are located in Maharashtra, West Bengal, Delhi, Gujarat, Punjab and Dadra Nagar Haveli. There are currently SEZ schemes operating in all these provinces with the exception of Dadra Nagar.[24]

25. The Complainant therefore requests that CBSA request from the GOI the most current list of SEZs, and from respondent Indian producers and exporters, information regarding their operations in SEZs.

26. According to the Ministry of Commerce and Industry, the government entity responsible for the SEZ schemes, there are variety incentives and facilities offered through the schemes. Those incentives ostensibly available to PET Resin producers are discussed below.

8. SEZ A) Duty Free Importation of Capital Goods and Raw Materials

27. This program provides for the duty-free importation of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material in exchange for committing to export all of the products it produces, excluding rejects and certain domestic sales.[25] Additionally, such companies have to achieve a net foreign exchange ("**NFE**") calculated cumulatively for a period of five years from the commencement of production.[26]

28. The program provides a financial contribution within the meaning of s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected, and a corresponding benefit within the

[24] Public Attachment 17: India Ministry of Commerce & Industry "List of Operational SEZ of India".

[25] Public Attachment 18: US DOC, *Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty (CVD) Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2012*, Investigation No. C-533-825 (August 18, 2014) at 15.

[26] *Ibid.*

meaning of s. 35.01(1) of the SIMR in the amount of duties saved. The program is specific under s. 2(7.2)(a) and (b) of SIMA because it is geographically specific to SEZs in India and export-contingent.

29. The CBSA found this program to be countervailable in *Carbon Steel Welded Pipe* 2012 and *Oil Country Tubular Goods* 2015. The US DOC also found this program to be countervailable in *Circular Welded Carbon-Quality Steel Pipes* 2012. Furthermore, the Australian Anti-Dumping Commission has identified this program as a countervailable program in a case regarding galvanized steel in 2016.[27]

9. SEZ B) Exemption of Payment of Central Tax on Purchase of Capital Goods and Raw Materials

30. Firms operating in a SEZ benefit from an exemption from Central Sales Tax which is currently 2%.[28]

31. The program provides a financial contribution under s. 2(1.6)(b) of SIMA in the form of amounts otherwise owing are not collected and provides a benefit in the amount of tax saved within the meaning of s. 27.1(2) of SIMR. The program is specific under s. 2(7.2)(a) of SIMA because it is regionally specific to SEZs. The US DOC found this program to be countervailable in *Circular Welded Carbon-Quality Steel Pipes* 2012 and *PET film* 2014. The CBSA determined in program to be countervailable *in Carbon Steel Welded Pipe* 2012.

10. SEZ C) Waiver of Duty Stamp/Exemption from Stamp Duty

32. This program was found to be countervailable by the US DOC in US PET Resin from India. The Complainant submits that this program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a

[27] Public Attachment: 19: Australian Anti-Dumping Commission “Summary of Countervailable Programs Identified for India and Vietnam”.

[28] Public Attachment 20: India Department of Commerce, “Incentives and facilities offered to the SEZs”; Public Attachment 21: Deloitte, “International Tax: India Highlights 2016” page 4.

benefit in the amount of the duty saved under s. 32. of the SIMR. The program is specific under s. 2(7.2)(a) of SIMA because it is regionally specific to SEZs.

11. SEZ D) Exemption from Electricity Duty

33. This program permits an exemption of electricity duty for firms operating in a SEZ. The Complainant submits that this program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the duty saved under s. 32. of the SIMR. The program is specific under s. 2(7.2)(a) of SIMA because it is regionally specific to SEZs.

12. SEZ E) ITA Exemptions s. 10A and ITA Exemption Scheme s.80-IA

34. Pursuant to section 10AA of the *Income Tax Act*, companies operating in a SEZ are exempt from income tax for a set number of years. The income tax exemptions are as follows: 100% for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years.[29] In 2016, the corporate income tax rate in India was 30% for domestic companies and 40% for foreign companies.[30]

35. The program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of income tax saved under s. 32. of the SIMR. The program is specific under s. 2(7.2) (a) and (b) of SIMA because the benefits are contingent upon export performance, and also because it is regionally specific to SEZs.

36. The CBSA found this program to be countervailable in *Carbon Steel Welded Pipe* 2012. The US DOC also found this program to be countervailable in *Circular Welded Carbon-Quality Steel Pipes* 2012 and the 2016 partial rescission regarding PET Film from India.[31]

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[29] Public Attachment 22: India Department of Commerce, "The Special Economic Zones Act" page 49.

[30] Public Attachment: 23: Deloitte, "Corporate Tax Rates 2016".

[31] Public Attachment 24: US DOC, *Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty (CVD) Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2014*, Investigation No. C-533-825 (July 26, 2016) at 14.

13. Sez F) Discounted Land Fees in an SEZ

37. This program was found to be countervailable by the US DOC in US PET Resin from India. The Complainant submits that this program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the land fees saved under s. 32. of the SIMR. The program is specific under s. 2(7.2)(a) of SIMA because it is regionally specific to SEZs.

Export Oriented Units (EOUs)

38. The EOUs scheme, which was introduced in early 1981, is complementary to the SEZ scheme. It adopts the same productions regime but offers a wide option in locations with reference to factors like source of raw materials, ports of export, hinterland facilities, availability of technological skills, existence of an industrial base and the need for a larger area of land for the project. Section 6.1 of India's *Foreign Trade Policy* (also known as the *EXIM Policy* or *Export Import Policy*) provides that EOUs must export their entire production of goods and services, except for certain permissible domestic sales.[32]

39. As at March 31, 2014, there were 17 "Functional EOUs" in Orissa (Odisha), 211 in Gujarat, 1 in Chhattisgarh, 279 in Maharashtra, 451 in Karnataka, and 2 in Jharkhand.[33] The DOC found one EUO to be providing countervailable subsidies to Indian PET resin producers during is investigation, discussed below. Other EUOs which may ostensibly have provided a benefit to Indian PET Resin producers are noted in Public Attachment 1 to Appendix 2.

14. Export Oriented Units Program: Duty Drawback on Furnace Oil Procured from Domestic Oil Companies

40. This program appears to have been implemented by the Ministry of Commerce and Industry's Export Promotion Council for EOUs and SEZ's.[34]

[32] Public Attachment: 25: Government of India, "Foreign Trade Policy 27th August 2009 - 31st March 2014, s. 6.2(b),

[33] Public Attachment:26: India Department of Commerce, "Annual Report 2013-2014", Chapter 7: Centres of Export oriented production: Special Economic Zones (SEZs) and Export Oriented Unit (EOUs), at 175.

[34] Public Attachment 27: Government of India, Ministry of Commerce and Industry, EPCES Circular No. 28.

41. The Complainants submit that the this EUO program provides a financial contribution within the meaning of s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected, and a corresponding benefit within the meaning of s. 35.01(1) of the SIMR in the amount of duties saved. It is a specific subsidy under s. 2(7.2)(a) because it is only available to exporters.

15. Government of India Loan Guarantees

42. This program was found to be countervailable by the US DOC in US PET Resin from India.[35] The Complainant submits that this programs constitutes a financial contribution under s. 2(1.6)(a) of SIMA as a direct transfer of funds. A benefit under s. 28 of SIMR is conferred being the difference between the interest actually paid and the interest on a comparable non-guaranteed commercial loan. The program is specific under s. 2(7.2)(A) of SIMA as it available to prescribed industries.

16. Market Development Assistance Program

43. This program is operated by India's Department of Commerce to support prescribed activities, including to:

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 programs in specific regions abroad like FOCUS (LAC), Focus (Africa), Focus (CIS) and Focus (ASEAN + 2) programs; and

v. Residual essential activities connected with marketing promotion efforts abroad.[36]

[35] Public Attachment 2: US DOC, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Polyethylene Terephthalate from the People's Republic of India* (March 4, 2016), page 26.

[36] Public Attachment 28: Government of India, Ministry of Commerce and Industry, MDAS, REVISED GUIDELINES W.E.F. (April 1, 2006).

44. Pursuant to this program, "Plastics" are prescribed on the list of grantee organizations.[37] The Complainant submits that the *Market Development Assistance Program* provides a financial contribution pursuant to s. 2(1.6)(a) of SIMA in the form of a direct transfer of funds. A benefit is conferred in the amount of the grant under s. 27 of the SIMR It is a specific subsidy under s. 2(7.2)(a) because it is limited to prescribed industries.

17. State and Union Territory Sales Tax Incentive

45. State and Union Territory Sales Tax Incentives are granted by regional governments depending on the scale of investment and the need for economic development of specific industries. Theses incentives are available for specified periods and are subject to compliance with prescribed conditions, including employment of local people of the specified region. [38]

46. The program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the sales tax saved under s. 32. of the SIMR. The program is specific under s. 2(7.2) (a) of SIMA because the benefits are regionally specific.

18. State Government of Maharashtra Industrial Promotion Subsidy

47. This program is linked to the payment of VAT/Central Sales Tax, and is available under the Package Scheme of Incentives, 2013.[39]

48. The program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the sales tax saved under s. 32. of the SIMR. The program is specific under s. 2(7.2) (a) of SIMA because the benefits are regionally specific.

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[37] *Ibid.*

[38] Public Attachment 29: Deloitte, Taxation and Investment in India, 2015, page 3-4.

[39] *Ibid.*

19. State Government of Maharashtra- Electricity Duty Exemption

49. Pursuant to s. 5A of the *Maharashtra Electricity Duty Act*, the state government has the authority to exempt any part of the state from the payment of an electricity duty, as it deems considers necessary or in the public interest to do so.[40]

50. The Complainant submits that this program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the duty saved under s. 32. of the SIMR. The program is specific under s. 2(7.2)(a) of SIMA because it is regionally specific.

20. State Government of Maharashtra- Waiver of Stamp duty

51. This program is administered by the Ministry of Micro, Small and Medium Enterprises, pursuant to the *Industrial Policy of Maharashtra*. S. 5.2 of the *Industrial Policy of Maharashtra* stipulates that certain industrial units shall be exempted from the payment of stamp duty and registration fees.[41] In certain industries, only 50% of the stamp duty will be waived. [42]

52. The Complainant submits that this program provides a financial contribution under s. 2(1.6) (b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the duty saved under s. 32. of the SIMR. The program is specific under s. 2(7.2) (a) of SIMA because it is regionally specific.

21. State Government of Maharashtra – Incentives to Strengthen Micro, Small, and Medium Manufacturing Enterprises

53. The State Government of Maharashtra, through the Ministry of Micro, Small and Medium Enterprises supports manufacturing enterprises through a variety of incentives, including, the establishment of specific funds for the promotion, development and enhancing

[40] Public Attachment 30: *The Maharashtra Electricity Duty Act*, Government of Maharashtra, Bombay Act No. XL of 1958, as modified up to November 23, 2012.

[41] Public Attachment 31: The Ministry of Micro, Small and Medium Enterprises Website, *Industrial Policy of Maharashtra* 2001.

[42] *Ibid.*

competitiveness of these enterprises, notification of schemes/programmes for this purpose, progressive credit policies and practices, preference in Government procurements, etc.[43] These programs are enacted through the *Micro, Small and Medium Enterprises Development Act*. [44]

54. The Complainants submit that this program provides a financial contribution pursuant to s. 2(1.6) (a) of SIMA in the form of a direct transfer of funds. A benefit is conferred in the amount of the incentive under s. 27 of the SIMR It is a specific subsidy under s. 2(7.2) (a) because it is regionally specific.

22. Subsidy Programs in the State of Gujarat

55. The Government of Gujarat, Industries Commissionerate's mandate is to "work[s] towards removal of hindrances in the Industrial development of Gujarat. As part of industrial promotions, the office offers various incentive schemes and subsidies to the entrepreneurs for development and upgradation of manufacturing facilities." [45]

56. Subsidy programs offered by the State of Gujarat to the PET Resin industry provide a financial contribution pursuant to s. 2(1.6)(a) of SIMA in the form of a direct transfer of funds. A benefit is conferred in the amount of the incentive under s. 27 of the SIMR These subsidies are specific under s. 2(7.2)(a) because they are regionally specific.

23. Duty Free Import Authorization Scheme

57. Pursuant to this GOI program, exporters are permitted the duty-free imports of certain inputs, including fuel, oil, energy sources and catalysts which are required for the production of PET Resin.[46] In the US DOC investigation, the GOI indicated that the

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[43] Public Attachment 32: Government of India, Ministry of Micro, Small and Medium Enterprises, MSME at a Glance 2016.

[44] *Ibid.*

[45] Public Attachment 33: The Government of Gujarat, Industries Commissionerate Website, accessed on April 22, 2017.

[46] Public Attachment 24: US DOC, *Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty (CVD) Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2014*, Investigation No. C-533-825 (July 26, 2016) at 22.

scheme is applicable to a manufacturer exporter as well as the merchant exporter tied up with supporting manufacturer. [47]

58. This program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the import duty saved under s. 32. of the SIMR. The program is specific under s. 2(7.2) (b) of SIMA because it is export contingent.

24. SGOG's provision of land for less than adequate remuneration

59. Pursuant to this program, the State Government of Gujarat provides certain promoted industries with land at discounted rates. This program appears to be made pursuant to the *Gujarat Industrial Policy* 2015.[48]According to the DOC, PET Resin facilities located in the Sarigam Gujarat Industrial Development Corporation ("**GIDC**") are eligible for a variety of incentives through their location in a GIDC industrial estate, including "reasonable allotment price with soft repayment options" and concessional rates" land and industrial sites and that the GIDC has developed a special economic zone for "Chemicals and Petrochemicals."[49]

60. This program was found to be countervailable by the US DOC in US PET Resin from India. The Complainant submits that this program provides a financial contribution under s. 2(1.6)(b) of SIMA in that amounts otherwise owing are not collected and provides a benefit in the amount of the land fees saved under s. 32. of the SIMR. The program is specific under s. 2(7.2)(a) of SIMA because it is regionally and industry specific.

[47] *Ibid.*

[48] Public Attachment: 34: Government of Gujarat, Industries and Mines Development, Snapshot of Industrial Policy 2015, at 17-18.

[49] Public Attachment 24: US DOC, *Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty (CVD) Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2014*, Investigation No. C-533-825 (July 26, 2016) at 22.

25. State Government of Gujarat's Financial Assistance to Industrial Parks

61. The State Government of Gujarat's *Industrial Policy* outlines a number of manners in which it provides financial and infrastructure support to entities located in Industrial Parks. This includes the provision of roads, electricity and related connectivity.[50] PET Resin producers located in the Sarigam GIDC Industrial Area, being JBF industries, were likely eligible for this assistance. [51]

62. The program provides a financial contribution within the meaning of s. 2(1.6)(b) of SIMA in the form of foregone revenue to the Government of Gujarat and provides a benefit in the amount saved by the enterprise under s. 27.1(2) of SIMR. The benefit is specific under s. 2(7.2)(a) of SIMA because it is regionally specific.

63. The Complainant submits that the 25 programs described above have conferred contributions to the Indian PET resin producers in the form of countervailable subsidies. In light of the DOC's finding that the aforementioned programs are countervailable, the CBSA may similarly determine that Indian PET resin producers have received financial benefits pursuant to this complaint.

64. The Complainant has identified a further 16 Indian subsidy programs that may benefit Indian PET Resin Producers.[52] A complete list of these programs along with their source is available in Public Attachment 1 to Appendix 2.

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[50] Public Attachment 35: Government of Gujarat, Industries and Mines Development, Snapshot of Industrial Policy 2015, at 5, 17, 24.

[51] Public Attachment 5: US DOC, *Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty (CVD) Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2014*, Investigation No. C-533-825 (July 26, 2016) at 23.

[52] See Public Attachment 1: List of Indian Programs Potentially Conferring Actionable or Prohibited Subsidies.

List of Attachments

Tab #	Description
Public Attachment 1	List of Indian Programs Potentially Conferring Actionable or Prohibited Subsidies.
Public Attachment 2	US DOC, Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Polyethylene Terephthalate from the People's Republic of India (March 4, 2016)
Public Attachment 3	Government of India "National Capital Goods Policy"
Public Attachment 4	Government of India Press Release "Central Institute of Plastics"
Public Attachment 5	Directorate General of Foreign Trade, "EPCG"
Public Attachment 6	Federation of Indian Export Organizations "Export Benefits"
Public Attachment 7	Online Exim Encyclopedia, India Export Data Search, accessed May 15, 2017
Public Attachment 8	Commission Implementing Regulation (EU) 2017-421 of 9 March 2017 imposing a definitive countervailing duty on imports of certain graphite electrode systems originating in India following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of European Union and of the Council (March 9, 2017)
Public Attachment 9	WTO Committee on Subsidies and Countervailing Measures India" (October 27, 2016)
Public Attachment 10	Government of India, Department of Commerce, Ministry of Commerce and Industry "Highlights of the Foreign Trade Policy 2015-2020
Public Attachment 11	Indian Engineering, "About MEIS Scheme" accessed May 15, 2017.
Public Attachment 12	West Bengal Industrial Development Corporation Ltd. "The West Bengal State Support for Industries Scheme, 2013"

Tab #	Description
Public Attachment 13	Dhunseri Petrochem Ltd. “Contact Us” page accessed May 15, 2017.
Public Attachment 14	Highlights of the Foreign Trade policy 2015-2020, Government of India, Department of Commerce, Ministry of Commerce and Industry
Public Attachment 15	Government of India, Ministry of Commerce and Industry, Directorate of Foreign Trade, Foreign Trade Policy 2015-2020, Chapter 4
Public Attachment 16	Formal India Ministry of Commerce & Industry “List of Formal Approvals”
Public Attachment 17	India Ministry of Commerce & Industry “List of Operational SEZ of India”
Public Attachment 18	US DOC, *Decision Memorandum for the Preliminary Results and* Partial *Rescission of the Countervailing Duty (CVD) Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2012*, Investigation No. C-533-825 (August 18, 2014)
Public Attachment 19	Australian Anti-Dumping Commission “Summary of Countervailable Programs Identified for India and Vietnam”
Public Attachment 20	India Department of Commerce, “Incentives and facilities offered to the SEZs”
Public Attachment 21	Deloitte, “International Tax: India Highlights 2016”
Public Attachment 22	India Department of Commerce, “The Special Economic Zones Act”
Public Attachment 23	Deloitte, “Corporate Tax Rates 2016”
Public Attachment 24	US DOC, *Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty (CVD)* Administrative *Review of Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2014*, Investigation No. C-533-825 (July 26, 2016)

Tab #	**Description**
Public Attachment 25	Government of India, “Foreign Trade Policy 27th August 2009 - 31st March 2014, s. 6.2(b)
Public Attachment 26	India Department of Commerce, “Annual Report 2013-2014”, Chapter 7: Centres of Export oriented production: Special Economic Zones (SEZs) and Export Oriented Unit (EOUs)
Public Attachment 27	Government of India, Ministry of Commerce and Industry, EPCES Circular No. 28.
Public Attachment 28	Government of India, Ministry of Commerce and Industry, MDAS, REVISED GUIDELINES W.E.F. 01.04.2006
Public Attachment 29	Deloitte, Taxation and Investment in India, 2015
Public Attachment 30	*The Maharashtra Electricity Duty Act*, Government of Maharashtra, Bombay Act No. XL of 1958, as modified up to November 23, 2012
Public Attachment 31	The Ministry of Micro, Small and Medium Enterprises Website, *Industrial Policy of Maharashtra* 2001
Public Attachment 32	Government of India, Ministry of Micro, Small and Medium Enterprises, MSME at a Glance 2016.
Public Attachment 33	The Government of Gujarat, Industries Commissionerate Website, accessed on April 22, 2017
Public Attachment 34	Government of Gujarat, Industries and Mines Development, Snapshot of Industrial Policy 2015
Public Attachment 35	Government of Gujarat, Industries and Mines Development, Snapshot of Industrial Policy 2015

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range
Market Development Assistance program	This program is operated by India's Department of Commerce to support prescribed activities	The subsidy is specific under s. 2(7.2)(b) of SIMA as it is limited to exporting enterprises.	CBSA (Carbon steel welded pipe), CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)((Hot-rolled steel sheet), CBSA (CBSA (OCTG),US DOC (Hot-rolled Carbon Steel Flat Products),US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes), US DOC (Polyethylene Terephthalate - AFA used)	16.63 (US PET resin)
SGOG Scheme for Financial Assistance to Industrial Parks	The State Government of Gujarat's Industrial Policy outlines a number of manners in which it provides financial and infrastructure support to entities located in Industrial Parks. This includes the provision of roads, electricity and related connectivity.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to the State Government of Gujarat's Industrial Policy, and limited to enterprises in a certain geographic area.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)CBSA (OCTG), US DOC (OCTG), US DOC (Polyethylene Terephthalate - AFA used)	6.06 (US PET Resin)
Assitance to states developing export infrastructure and allied activities	This program is administered by India's Department of Commerce under the Foreign Trade Policy. The purpose of the program is ''to establish a mechanism for the State Governments to participate in funding of infrastructure critical for growth of exports by providing export performance linked financial assistance to them." To be eligible, the infrastructure project must have "overwhelming export content".	The subsidy is specific under s. 2(7.2)(b) of SIMA as it is limited to exporting enterprises.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)CBSA (Carbon steel welded pipe), CBSA (Hot-rolled steel sheet), CBSA (OCTG), US DOC (Hot-rolled Carbon Steel Flat Products), US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes)	
Market Acess Initiative Scheme	Pursuant to Article 3.2 of the Foreign Trade Policy, the GOI provides financial assistance for export promotion activities on a focus country and focus product basis	The subsidy is specific under s. 2(7.2)(b) of SIMA as it is limited to exporting enterprises.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (Carbon steel welded pipe), CBSA (Hot-rolled steel sheet), CBSA (OCTG),US DOC (Hot-rolled Carbon Steel Flat Products),US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes)	

Direct Transfer of Funds - Grant

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range
Meeting expenses for statutory compliances in buyer country for trade related matters	India's Department of Commerce may reimburse expenses/charges for fulfilling statutory requirements in the buyer's country, including registration charges for product registration for pharmaceuticals, bio-technology and agro-chemicals products. Financial assistance is also provided for litigation, for example in regards to dumping cases.	The subsidy is specific under s. 2(7.2)(b) of SIMA as it is limited to exporting enterprises.	CBSA (Carbon steel) CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)	
Brand promotion and quality	Under Article 3.6 of the Foreign Trade Policy, the GOI provides funds to national level Institutions and EPCs for capacity building, up-gradation of quality, organizing training programs for skill improvement of exporters for quality up-gradation, reduction in rejection and product improvement	The subsidy is specific under s. 2(7.2)(b) of SIMA as it is limited to exporting enterprises, as well as under s. 2(7.2)(a) as it is pursuant to article 3.6 of the Foreign Trade Policy and to specific national level institutions and EPCs.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)CBSA (Carbon steel) CBSA (Hot-rolled steel sheet) CBSA (OCTG)	
Town of export excellence	Pursuant to the Towns of Export Excellence ("TEE") program set out in the Foreign Trade Policy, the GOI will designate municipalities that produce a threshold value of exports as a TEE. TEEs and the enterprises located within them are entitled to certain advantages and benefits, including, priority financial assistance under the Market Access Initiative scheme; access to the Export Promotion Capital Goods scheme, and priority financial assistance under the ASIDE scheme.	The subsidy is specific under s. 2(7.2)(b) of SIMA as it is limited to exporting enterprises, as well as under s. 2(7.2)(a) as it is pursuant the Towns of Export Excellence ("TEE") program set out in the Foreign Trade Policy and municipalities that produce a threshold value of exports as a TEE.	CBSA (Carbon steel) CBSA (Hot-rolled steel sheet)	
Test houses	Article 3.7 of the Foreign Trade Policy provides that the GOI will provide financial assistance to upgrade and modernize Test Houses and Laboratories so that they meet international standards	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to article 3.7 of the Foreign Trade Policy, and limited to industries in the technology sector.	CBSA (Carbon steel) CBSA (Hot-rolled steel sheet) CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)	
SGOM Power Tariff Subsidy	New MSMEs can receive a power tariff subsidy ranging from Rs 0.5 toRs 1 per unit depending on the location of the MSME.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is conditional on enterprises operating in a designated area of the State of Maharashtra.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)	
SGOM Incentives for Strenghening and MSMEs and LSI'a	New projects and expansions of existing projects by MSMEs and LSis are eligible for the following incentives to promote quality competitiveness, R&F, technology upgradation, water and energy conservation, cleaner production measures and credit rating.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is limted to large scale projects, or MSMEs.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (Carbon steel welded pipe), US DOC (Hot-rolled Carbon Steel Flat Products), US DOC (Circular Welded Carbon- Quality Steel Pipes)	

Direct Transfer of Funds - Grant

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range
Pre and Post Shipment Export Financing	This program provides export-contingent loans to eligible companies at interest rates lower than the interest rates on comparable commercial loans	The subsidy is specific under s. 2(7.2)(b) of SIMA as it is contingent on export performance.	CBSA (Hot-rolled steel sheet), CBSA (Plate IV) US DOC (Carbon Steel Plate), US DOC (Hot-rolled Carbon Steel Flat Products) ,US DOC (Steel Threaded Rod), US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes) US DOC (Polyethylene Terephthalate)	2.90 (US PET resin)
GOI Loan gurantee	This program was found to be countervailable by the US DOC in US PET Resin from India	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is limited to certain industries.	US DOC (Polyethylene Terephthalate - AFA used)	2.9 (US PET resin)

Direct Transfer of Loans - Loan

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range
Incentive under the West Bengal State Support for Industies Scheme	The purpose of this scheme is to contribute to the growth of large and medium scale units through industrial projects and development. The amount of financial assistance an industrial unit is eligible to receive is determined by its location in West Bengal; Group A is classified as developed and groups B through D are deemed the least developed	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is limited to enterprises located in the specific areas of West Bengal	US DOC (Polyethylene Terephthalate)	0.02 (US PET Resin)
Status Holder Incentive Scrip	The purpose of this program is to promote export-orientation in specific industries	The subsidy is specific under s. 2(7.2)(b) of SIMA as it is contingent on export performance.	US DOC (Polyethylene Terephthalate - AFA used)	0.23 (US PET resin)
SGOGS Provision of Land for Less than Adequate Remuneration	Pursuant to this program, the State Government of Gujarat provides certain promoted industries with land at discounted rates. This program appears to be made pursuant to the Gujarat Industrial Policy 2015	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to the Gujarat Industrial Policy 2015, and limited to enterprises located in a specific geographic area.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)US DOC (Polyethylene Terephthalate - AFA used)	18.08 (US PET Resin)

Government provides goods or services or purchases goods

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range %
Export Promotion of Capital Goods Scheme	The EPCG program permits a reduction or exemption from customs duties and excise taxes on imports of capital goods used in the production of exported product. According to the Directorate General of Foreign Trade (DGFT), the entity which administers the program, producers pay reduced duty rates on imported capital equipment by committing to earn convertible foreign currency for certain period of time	The program is specific under s. 2(7.2)(b) of SIMA as it is contingent upon export performance, as well as s. 2(7.2)(a) as it is limited pursuant to the Directorate General of Foreign Trade.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (Carbon steel welded pipe), CBSA (Hot-rolled steel sheet), CBSA (Plate IV), CBSA (OCTG) ,US DOC (Carbon Steel Plate), US DOC (Hot-rolled Carbon Steel Flat Products) ,US DOC (Steel Threaded Rod), US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes) US DOC (Polyethylene Terephthalate), EC (Graphite Electrode Systems); EC (Certain Stainless Steel Bars)	
Duty Drawback (DDB)	The DDB program provides rebates for duty or tax chargeable on any 1) imported or excisable material and 2) input services used in the manufacture of export goods. The scheme is administered by Department of Revenue. Under this scheme products made out of duty paid inputs are first exported and thereafter refund of duty is claimed either pursuant to the industry rate or the brand rate. This program replaced the "Duty Entitlement Passbook Scheme".	The program is specific under ss. 2(7.2)(a) and (b) of SIMA as it is contingent upon export performance and is specific to exporters.	US DOC (Polyethylene Terephthalate); EC (Graphite Electrode Systems)	2.95 (US PET Resin) 2.02% (EC Graphite Electrode Systems)

Government Revenue Foregone

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range %
Focus product scheme; Merchandise Export Incentive Scheme (MEIS)	FPS came into operation with effect from 1 April 2006 and ran through financial years 2013-2014 and 2014-2015. It is administered by the Directorate General of Foreign Trade (DGFT) in the Ministry of Commerce and Industry and details of the scheme are set out in paragraph 3.14 of the Foreign Trade Policy. MEIS replaced FPS on April 1st 2015. This came into effect when FTP 15-20 came into force. MEIS replaced 5 different schemes: Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip, and VKGUY. The benefits from the previous schemes were found to be simply have been merged and renamed, by the European Commission in Graphit Electrode Systems. The benefit takes the form of a duty credit equivalent to a percentage of the FOB value of the export. The duty credits under MEIS are freely transferable and valid for a period of 18 months from the date of issue. They can be used for: (i) payment of custom duties on imports of inputs or goods including capital goods, (ii) payment of excise duties on domestic procurement of inputs or goods including capital goods and payment, (iii) payment of service tax on procurement of services.	**FPS:** The scheme is specific under s. 2(7.2)(a) of SIMA as it applies only to notified products. **MEIS:** The program is specific under s. 2(7.2)(a) of SIMA as it is specific to manufacturer-exporters and merchant-exporters. The scheme is also specific under s 2(7.2)(b) of SIMA as it is contingent on export performance. Eligible companies can benefit from MEIS by exporting specific products to specific countries which are categorised into Group A ('Traditional Markets' including all EU Member States), Group B ('Emerging and Focus Markets') and Group C ('Other Markets'). The countries falling under each group and the list of products with corresponding reward rates are specified in Table 1 and Table 2 respectively of Appendix 3B of FTP 15-20.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)CBSA (Carbon steel welded pipe), CBSA (OCTG) US DOC (Steel Threaded Rod), US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes) US DOC (Polyethylene Terephthalate); EC (Graphite Electrode Systems)	0,30 (EC (Graphite Electrode Systems) - 1.99 (US PET Resin)
Advanced Licenses Scheme (may have been replaced by the Advanced authorization scheme)	Under this program, pursuant to Section 4.1.3 of the GOC's Duty Exemption and Remission Schemes, advance licenses permit licensees to import inputs duty free. The Advanced Authorization Scheme was found to be countervailable in EC (Graphite Electrody Systems). It is a scheme that consists of six sub schemes, all directed at exporters, that provide differing levels of benefits depending on the goods exported.	The program is specific under s. 2(7.2)(a) of SIMA as it is contingent upon export performance and applies only to certain machinery/equipment.	CBSA (Hot-rolled steel sheet), CBSA (Plate IV), CBSA) ,US DOC (Carbon Steel Plate), US DOC (Hot-rolled Carbon Steel Flat Products) ,US DOC (Steel Threaded Rod), US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes)US DOC (Polyethylene Terephthalate - AFA used), EC (Graphite Electrode Systems)	6.82 (US PET resin)

Government Revenue Foregone

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range %
SEZ A) Duty Free importation of capital goods and raw materials	This program provides for the duty-free importation of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material in exchange for committing to export all of the products it produces, excluding rejects and certain domestic sales.	The program is specific under s. 2(7.2)(b) of SIMA as it is contingent on export performance.	US DOC (Polyethylene Terephthalate - AFA used)	1.23 (US PET Resin)
SEZ B) Exemption of Payment on Central Tax on Purchase of Capital Goods and Raw Materials	Firms operating in a SEZ benefit from an exemption from Central Sales Tax on which is currently 2%.	The program is specific under s. 2(7.2)(b) of SIMA as it is a subsidy that is contingent on the use of goods that are produced or that originate in India, limited to certain raw materials and goods.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) US DOC (Polyethylene Terephthalate - AFA used)	0.53(US PET Resin)
SEZ C) Exemption from Stamp Duty	This program was found to be countervailable by the US DOC in US PET Resin from India	The program is specific under s. 2(7.2)(a) of SIMA as it is limited to certain enterprises within certain regions.	US DOC (Polyethylene Terephthalate - AFA used)	3.09(US PET Resin)
SEZ D) Exemption from Electricity Duty and Cess	This program was found to be countervailable by the US DOC in US PET Resin from India.	The program is specific under s. 2(7.2)(a) of SIMA as it is limited to certain enterprises within certain regions.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (OCTG) US DOC (Polyethylene Terephthalate - AFA used)	0.21(US PET Resin)
SEZ E) ITA Exemptions s. 10A and ITA Exemption Scheme 2.80-Ia	Pursuant to section 10AA of the Income Tax Act, companies operating in a SEZ are exempt from income tax for a set number of years. The income tax exemptions are as follows: 100% for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years	The program is specific under s. 2(7.2)(a) of SIMA as it is limited to certain enterprises within certain regions, as well as s. 2(7.2)(b) of SIMA as it is an export subsidy.	US DOC (Polyethylene Terephthalate - AFA used)	30
SEZ F) Discounted land fees in a SEZ	This program was found to be countervailable by the US DOC in US PET Resin from India	The program is specific under s. 2(7.2)(a) of SIMA as it is limited to certain enterprises within certain regions.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (OCTG) US DOC (Polyethylene Terephthalate - AFA used)	0.04 (US PET Resin)
Export Oriented Units Program : Duty Drawback on Furnance Oil Procured domestically	This program appears to have been implemented by the Ministry of Commerce and Industry's Export Promotion Council for EOUs and SEZ's	The program is specific under s. 2(7.2)(a) of SIMA as it is limited to certain enterprises within certain regions, as well as s. 2(7.2)(b) of SIMA as it is an export subsidy.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (Carbon steel welded pipe),CBSA (OCTG) US DOC (Steel Threaded Rod), US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes) US DOC (Polyethylene Terephthalate -AFA used)	0.34 (US PET Resin)

Government Revenue Foregone

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range %
State and Union Territory Sales Tax Incentive	State and Union Territory Sales Tax Incentives are granted by regional governments depending on the scale of investment and the need for economic development of specific industries.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is limited to certain enterprises within certain geographic regions.	(Polyethylene Terephthalate -AFA used)	3.99 (US PET Resin)
State Government of Maharashtra Industrial Promotion Subsidy	This program is linked to the payment of VAT/Central Sales Tax, and is available under the Package Scheme of Incentives, 2013	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is limited to certain enterprises within certain geographic region.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes) US DOC (Polyethylene Terephthalate -AFA used)	6.06 (US PET Resin)
State Government of Maharashtra Electricity Duty Exemption	Pursuant to s. 5A of the the Maharashtra Electricity Duty Act, the state government has the authority to exempt any part of the state, as it considers necessary or in the public interest to do so	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to s. 5A of the the Maharashtra Electricity Duty Act, and limited to certain enterprises within certain geographic region.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (OCTG) CBSA (Carbon steel welded pipe) CBSA (Hot-rolled steel sheet)US DOC (OCTG), US DOC (Circular Welded Carbon- Quality Steel Pipes) US DOC (Polyethylene Terephthalate -AFA used)	3.09 (US PET resin)
State Government of Maharashtra Waiver of Duty Stamp	This program is administered by the Ministry of Micro, Small and Medium Enterprises, pursuant to the Industrial Policy of Maharashtra.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to s. 5A of the the Industrial Policy of Maharashtra, and limited to certain enterprises within certain geographic region.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) US DOC (Steel Threaded Rod), US DOC (OCTG), US DOC (Polyethylene Terephthalate -AFA used)	3.09 (US PET resin)
State Government of Maharashtra Incentives to Strengthen Micro, Small and Medium Sized Manufacturing Enterprises	The State Government of Maharashtra, through the Ministry of Micro, Small and Medium Enterprises supports manufacturing enterprises through a variety of incentives, including, the establishment of specific funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes/programmes for this purpose, progressive credit policies and practices, preference in Government procurements, etc.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is limited to manufacturing enterprises.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) US DOC S(teel Threaded Rod),US DOC (Polyethylene Terephthalate -AFA used)	6.06 (US PET Resin)

Government Revenue Foregone

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range %
Subsidy programs in the State of Gujarat	The Government of Gujarat, Industries Commissionerate's mandate is to "work[s] towards removal of hindrances in the Industrial development of Gujarat. As part of industrial promotions, the office offers various incentive schemes and subsidies to the entrepreneurs for development and upgradation of manufacturing facilities."	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is limited to enterprises within a certain geographic region.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (OCTG) US DOC (Polyethylene Terephthalate -AFA used)	6.06 (US PET Resin)
Duty Free Import Authorization Scheme	Pursuant to this GOI program, exporters are permitted the duty-free imports of certain inputs, including fuel, oil, energy sources and catalysts which are required for the production of PET resin	The subsidy is specific under s. 2(7.2)(b) of SIMA as it is an export subsidy.	US DOC (Polyethylene Terephthalate -AFA used)	14.61 (US PET Resin)
Exemption from Minimum Alternate tax under 115JB of the Income Tax Act	Pursuant to section 115JB of the Income Tax Act, companies operating in a SEZ are exempt from India's minimum alternate tax. This tax is calculated on "book profits", defined as net profit from the previous year, as increased by and decreased by multiple factors. The Minimum Alternate Tax was 18.5% in 2016.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to section 115JB of the Income Tax Act, and limited to companies operating in a SEZ.	CBSA (Carbon steel welded pipe), CBSA (OCTG)	
Exemption in SEZ from service tax including educational cesses	This program exempts SEZ units from paying service tax. It applies to 125 different categories of services. As of July 1, 2012, the service tax applies in respect of all services unless a service is specified in a negative list, which currently stands at 17 services.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is limited to companies operating in a SEZ.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (Carbon steel welded pipe), DOC (Circular Welded Carbon- Quality Steel Pipes)	

Government Revenue Foregone

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range %
Exemption in SEZ from state sales tax and other levies as extended by state state governments	Companies operating in SEZ enjoy "exemptions from State sales tax and other levis as extended by the respective State Governments". For example, Maharashtra's "State Government Policy Regarding Setting Up of Special Economic Zones in Maharashtra" states that: Developers of SEZs, and industrial units and other establishments within the SEZs will be exempted from all State and local taxes and levies, including Sales Tax, Purchase Tax, Octroi (a duty levied on goods entering a town or city), Cess (a type of tax/levy), etc. in respect of all transactions made between units/establishments within the SEZs, and in respect of the supply of goods and services from the Domestic Tariff Area to units/establishments. If due to tax system constraints, it is not advisable to grant direct exemption to the transactions, the State taxes paid would be fully reimbursed.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is limited to companies operating in a SEZ.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate)CBSA (Carbon steel welded pipe), CBSA (OCTG) US DOC (Hot-rolled Carbon Steel Flat Products) US DOC (OCTG)	
Duty Free Importation of Capital Goods and other materials for companies designated as EOUs	Section 6.2(b) of the Foreign Trade Policy provides that an EOU can import capital goods and other materials for its activities on a duty-free basis. However, an EOU can sell some goods domestically. It is therefore possible that the exemption from duties on inputs exceeds the respective amount of duty-free inputs used in the production of exports.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to section 6.2(b) of the Foreign Trade Policy, and limited to companies operating in an EOU.	CBSA (Carbon steel welded pipe), CBSA (OCTG)US DOC (Circular Welded Carbon- Quality Steel Pipes)	
Reimbursement to EOUs of CST on goods manufactured in India	Section 6.11(c)(i) of the Foreign Trade Policy provides that EOUs are reimbursed for central sales tax ("CST") on goods manufactured domestically	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to section 6.11(c)(i) of the Foreign Trade Policy, and limited to companies operating in an EOU.	CBSA (Carbon steel welded pipe),US DOC (Circular Welded Carbon- Quality Steel Pipes)	

Government Revenue Foregone

Listing of Indian PET Resin Programs

Program Name	Program Description (Source is Decisions in Column 4)	Reason for specificity	Decisions where program was countervailed	Subsidy Range %
Credit for service Tax paid by EOUs	Under section 6.11(c)(iii) of the Foreign Trade Policy, EOUs are entitled to a credit on service tax paid that was paid on input services received by a manufacturer	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to section 6.11(c)(iii) of the Foreign Trade Policy, and limited to companies operating in an EOU.	CBSA (Hot-rolled carbon steel plate and high strength alloy steel plate) CBSA (Carbon steel welded pipe), CBSA (OCTG)US DOC (Circular Welded Carbon- Quality Steel Pipes)	
Exemption from Income Tax for EOUs as per Section 10 A and 10B of the ITA	Section 6.12(a) of the Foreign Trade Policy provides that EOUs are exempt from income tax as per ss. 1 OA and IOB of the Income Tax Act	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to section 6.12(a) of the Foreign Trade Policy, and limited to companies operating in an EOU.	CBSA (Carbon steel welded pipe), CBSA (OCTG)US DOC (Circular Welded Carbon- Quality Steel Pipes)	
Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit	The Reserve Bank of India ('RBI') announced a new 'Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit' in Master Circular DBR.Dir.BC.No 62/04.02.001/2015-16 dated 4 December 2015.	The subsidy is specific under s. 2(7.2)(a) of SIMA as it is pursuant to Master Circular DBR.Dir.BC.No 62/04.02.001/2015-16, as well as s. 2(7.2)(b) of SIMA as it is export contingent.	EC (Graphite Electrode Systems)	

Government Revenue Foregone

UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

C-533-862
POI: 01/01/2014-12/31/2014
Public Document
E&C AD/CVD OVI: JC

March 4, 2016

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh CM
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

RE: Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin from India

I. SUMMARY

The Department of Commerce (Department) determines that countervailable subsidies are being provided to producers and exporters of certain polyethylene terephthalate (PET) resin in India, as provided in section 705 of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

A. Case History

On August 14, 2015, the Department published the *Preliminary Determination* in this investigation.[1] We preliminarily calculated a rate for Dhunseri Petrochem and Tea Ltd. (Dhunseri), a cooperative mandatory respondent.[2] The rate calculated for Dhunseri was applied to all-other producers/exporters. For JBF Industries Limited (JBF), a non-cooperative mandatory respondent, we preliminarily applied a rate based on adverse facts available (AFA).

[1] *See Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin From India: Preliminary Affirmative Determination, Preliminary Affirmative Critical Circumstances Determination, in Part, and Alignment of Final Determination With Final Antidumping Duty Determination*, 80 FR 48819 (August 14, 2015) (*Preliminary Determination*).

[2] As noted in the *Preliminary Determination*, we note that the company name Dhunseri Petrochem and Tea Ltd. was changed to Dhunseri Petrochem Ltd. after a structural reorganization that occurred during the POI. Thus, we refer to Dhunseri Petrochem Ltd. throughout this document and proceeding. *See* Preliminary Determination at 2.

INTERNATIONAL TRADE ADMINISTRATION

On June 29, 2015, Petitioners DAK Americas, LLC; M&G Chemicals; and Nan Ya Plastics Corporation, America (collectively, Petitioners) submitted new subsidy allegations regarding three additional programs. The Department initiated on these programs on July 24, 2015, and placed its Post-Preliminary Memorandum addressing them on the record on November 13, 2015.[3]

On October 22, 2015, Petitioners submitted pre-verification comments on the record of this investigation.[4] Between November 16, 2015, and November 21, 2015, we conducted verifications of the questionnaire responses submitted by the Government of India (GOI) and Dhunseri. We released verification reports for the GOI and Dhunseri on December 9, 2015, and December 14, 2015, respectively.[5]

On December 21, 2015, mandatory respondent Dhunseri submitted a case brief.[6] On December 28, 2015, Petitioners submitted a rebuttal brief to address certain issues raised in Dhunseri's case brief.[7]

B. Period of Investigation

The period of investigation (POI) is January 1, 2014, through December 31, 2014.

III. FINAL DETERMINATION OF CRITICAL CIRCUMSTANCES, IN PART

The Department preliminarily determined that critical circumstances existed for all exporters of PET resin from India, other than Dhunseri.[8] Based on examinations of monthly shipment data placed on the record by Dhunseri after the *Preliminary Determination*, as requested by the Department,[9] and of the most recent available monthly shipment data from Global Trade Atlas (GTA), we are not changing our critical circumstances determination. We continue to determine that critical circumstances do not exist for Dhunseri, but do exist for all-other producers/exporters of PET resin from India.

[3] *See* Memorandum to Scot Fullerton, Director, AD/CVD Operations, Office VI, "RE: Countervailing Duty Investigation: Certain Polyethylene Terephthalate Resin from India," date July 24, 2015 (New Subsidy Allegations Memorandum); *see also* Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "RE: Countervailing Duty (CVD) Investigation on Certain Polyethylene Terephthalate Resin from India – New Subsidy Allegations," dated November 13, 2015 (Post-Preliminary Memorandum).
[4] *See* submission from Petitioners dated October 22, 2015.
[5] *See* Memorandum to the File, "RE: Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin from India: Verification of Information Submitted by the Government of India," dated December 7, 2015 (GOI Verification Report); *see also* Memorandum to the File, "RE: Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin from India: Verification of Information Submitted by Dhunseri Petrochem Ltd.," dated December 14, 2015 (Dhunseri Verification Report).
[6] *See* Letter to the Secretary, "RE: Polyethylene Terephthalate Resin from India: Case Brief of Dhunseri Petrochem Ltd.," dated December 21, 2015 (Dhunseri's Case Brief).
[7] *See* submission from Petitioners dated December 28, 2015 (Petitioners' Rebuttal Brief).
[8] *See* Preliminary Determination at 10 – 13.
[9] *See* Letter from Dhunseri to the Secretary, "Polyethylene Terephthalate Resin from India: July 2015 Shipment Data," dated August 20, 2015 and Letter from Dhunseri to the Secretary, "Polyethylene Terephthalate Resin from India: August 2015 Shipment Data," dated September 15, 2015.

Consistent with the *Preliminary Determination*, we continue to find evidence of countervailable subsidies that are inconsistent with the World Trade Organization Agreement on Subsidies and Countervailing Measures (Subsidies Agreement). For this final determination, in accordance with 19 CFR 351.206(i), we analyzed monthly shipment data from Global Trade Atlas (GTA) for the period December 2014, through August 2015. We adjusted the data to reflect the additional three months of sales data provided by Dhunseri following the *Preliminary Determination*.[10] These data do not indicate a massive increase in exports existed for Dhunseri relative to the six-month period preceding the filing of the petition.[11] However, the data indicated there was a massive increase (*i.e.*, greater than 15 percent) in shipments, as defined by 19 CFR 351.206(h), for all-other producer/exporters.[12]

We, therefore, maintain our negative finding of critical circumstances with respect to Dhunseri. We continue to find that critical circumstances exist with respect to all-other producers/exporters. As discussed in the "Use of Facts Otherwise Available and Adverse Inferences" section below, JBF did not cooperate at any stage of this investigation. Thus, we continue to base our critical circumstances determination with respect to JBF on AFA, in accordance with sections 776(a) and (b) of the Act, and 19 CFR 351.308(c). We find that exports of subject merchandise from JBF were massive over a relatively short period of time and that JBF received subsidies that are inconsistent with the Subsidies Agreement. We therefore continue to find that critical circumstances exist with respect to JBF.

IV. SCOPE OF THE INVESTIGATION

The merchandise covered by this investigation is polyethylene terephthalate (PET) resin having an intrinsic viscosity of at least 0.70, but not more than 0.88, deciliters per gram. The scope includes blends of virgin PET resin and recycled PET resin containing 50 percent or more virgin PET resin content by weight, provided such blends meet the intrinsic viscosity requirements above. The scope includes all PET resin meeting the above specifications regardless of additives introduced in the manufacturing process.

The merchandise subject to this investigation is properly classified under subheading 3907.60.00.30 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

[10] *See*, *e.g.*, *Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Preliminary Affirmative Determination of Critical Circumstances*, 77 FR 73430, 73432 (December 10, 2012), unchanged in *Certain Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 77 FR 75973, 75974 (December 26, 2012); *see also Certain Oil Country Tubular Goods From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Negative Critical Circumstances Determination*, 74 FR 47210, 47212 (September 15, 2009), unchanged in *Certain Oil Country Tubular Goods From the People's Republic of China: Final Affirmative Countervailing Duty Determination: Final Negative Critical Circumstances Determination*, 74 FR 64045, 64047 (December 7, 2009).
[11] *See* Memorandum, "Critical Circumstances Shipment Data Analysis for Final Determination," dated concurrently with this memorandum (Final Critical Circumstances Memorandum).
[12] *See Preliminary Determination* at 10 – 13.

V. LIST OF ISSUES

The "Subsidies Valuation" and "Analysis of Programs" sections below describe the subsidy programs and the methodologies used to calculate the subsidy rates for our final determination. Additionally, we have analyzed the comments submitted by interested parties in their case briefs and rebuttal briefs in the "Analysis of Comments" section below, which contains the Department's responses to the issues raised in these briefs. Based on the comments received, and our verification findings, we have made certain modifications to the *Preliminary Determination*, which are discussed below under each relevant program. We recommend that you approve the positions we have described in this memorandum. Below is a complete list of the issues in this investigation for which we have received comments from the parties.

Income Tax Exemption Scheme

Comment 1: Whether Dhunseri Used the Income Tax Exemption Scheme Tax Credit
Comment 2: Whether the Department Improperly Calculated the Benefit Received Under the Income Tax Exemption Scheme

Focus Product Scheme

Comment 3: Whether There Was a Program-Wide Change in the Focus Product Scheme

VI. SUBSIDIES VALUATION

A. Allocation Period

The Department normally allocates the benefits from non-recurring subsidies over the average useful life (AUL) of renewable physical assets used in the production of subject merchandise. The Department finds the AUL in this proceeding to be 9.5 years, pursuant to 19 CFR 351.524(d)(2) and the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System.[13] The Department notified the respondents of the 9.5-year AUL in the initial questionnaire and requested data accordingly.[14] No party in this proceeding has disputed the allocation period.

Furthermore, for non-recurring subsidies, we have applied the "0.5 percent test," as described in 19 CFR 351.524(b)(2). Under this test, we divide the amount of subsidies approved under a given program in a particular year by the relevant sales value (*e.g.*, total sales or export sales) for the same year. If the amount of the subsidies is less than 0.5 percent of the relevant sales value, then the benefits are allocated to the year of receipt rather than across the AUL.

[13] *See* U.S. Internal Revenue Service Publication 946 (2008), "How to Depreciate Property," at Table B-2: Table of Class Lives and Recovery Periods.
[14] We note that consistent with past practice, in order to appropriately measure any allocated subsidies, the Department requested and used a 10-year AUL in this investigation. *See* CVD Questionnaire at II-2; *see also Final Results of Countervailing Duty Administrative Reviews: Low Enriched Uranium from Germany, the Netherlands, and the United Kingdom*, 70 FR 40000 (July 12, 2005) and accompanying Issues and Decision Memorandum at Comment 4. Although the POI is a recent period, we are investigating alleged subsidies received over a time period corresponding to the AUL.

B. Attribution of Subsidies

In accordance with 19 CFR 351.525(b)(6)(i), the Department normally attributes a subsidy to the products produced by the company that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) provides additional rules for the attribution of subsidies received by respondents with cross-owned affiliates. Subsidies to the following types of cross-owned affiliates are covered in these additional attribution rules: (ii) producers of the subject merchandise; (iii) holding companies or parent companies; (iv) producers of an input that is primarily dedicated to the production of the downstream product; or (v) an affiliate producing non-subject merchandise that otherwise transfers a subsidy to a respondent.

According to 19 CFR 351.525(b)(6)(vi), cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. This section of the Department's regulations states that this standard will normally be met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. The preamble to the Department's regulations further clarifies the Department's cross-ownership standard. According to the preamble, relationships captured by the cross-ownership definition include those where:

> the interests of two corporations have merged to such a degree that one corporation can use or direct the individual assets (or subsidy benefits) of the other corporation in essentially the same way it can use its own assets (or subsidy benefits) . . . Cross-ownership does not require one corporation to own 100 percent of the other corporation. Normally, cross-ownership will exist where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. In certain circumstances, a large minority voting interest (for example, 40 percent) or a "golden share" may also result in cross-ownership.[15]

Thus, the Department's regulations make clear that the agency must look at the facts presented in each case in determining whether cross-ownership exists. The U.S. Court of International Trade (CIT) has upheld the Department's authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits.[16]

To determine whether firms are cross-owned, we turn to the definition of cross-ownership as provided under 19 CFR 351.525(b)(6)(vi). The regulation states that cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. This regulation states that this standard will normally be met where there is a majority voting interest between two corporations or through common ownership of two (or more) corporations.

[15] *See Countervailing Duty Regulations*, 63 FR 65348, 65401 (November 25, 1998) (*Countervailing Duties*).
[16] *See Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600-604 (CIT 2001).

Dhunseri identified one cross-owned Indian company that produced subject merchandise during the AUL and received subsidies, through its shareholding (and later merger) of South Asian Petrochem Limited (SAPL).[17] Therefore, for purposes of this final determination, we are only examining subsides provided to Dhunseri and to SAPL.

C. Denominators

In accordance with 19 CFR 351.525(b)(1)-(5), the Department considers the basis for the respondent's receipt of benefits under each program when attributing subsidies, *e.g.*, to the respondent's export or total sales. The denominators we used to calculate the countervailable subsidy rates for the various subsidy programs described below are explained in the "Final Calculation Memorandum" prepared for this investigation.[18]

D. Benchmarks and Discount Rates

We investigated unfulfilled export obligations under the Export Promotion Capital Goods program that the Department treats as loans, and non-recurring, allocable duty waivers under the same program (*see* 19 CFR 351.524(b)(1)). In the section below, we discuss the derivation of the benchmarks and discount rates for measuring the benefit from the loans and non-recurring, allocable grants.

For programs requiring the application of a benchmark interest rate or a discount rate, 19 CFR 351.505(a)(1) states a preference for using an interest rate that the company could have obtained on a comparable loan in the commercial market. Also, 19 CFR 351.505(a)(3)(i) stipulates that when selecting a comparable commercial loan that the recipient could actually obtain on the market, the Department will normally rely on actual short-term and long-term loans obtained by the firm. However, when there are no comparable commercial loans, the Department may use a national average interest rate, pursuant to 19 CFR 351.505(a)(3)(ii).

In addition, 19 CFR 351.505(a)(2)(ii) states that the Department will not consider a loan provided by a government-owned special purpose bank for purposes of calculating benchmark rates.[19]

Short-Term and Long-Term Rupee Denominated Loans

Based on Dhunseri's responses, we determined that Dhunseri took out comparable rupee-denominated short-term or long-term loans from commercial banks in the years for which we must calculate benchmark and discount rates.[20] However, we did not use these long-term rates for loans, as such loans did not originate in the year the subsidy was provided. As such loan

[17] *See* Dhunseri Affiliates response at 3 to 4.
[18] *See* "Countervailing Duty Investigation of Certain Polyethylene Terephthalate from India: Dhunseri Petrochem Ltd. Final Calculation Memorandum," dated concurrently with this memorandum (Dhunseri Final Calculation Memorandum).
[19] *See, e.g., Certain Frozen Warmwater Shrimp from India: Final Affirmative Countervailing Duty Determination*, 78 FR 50385 (August 19, 2013) (*Shrimp from India*), and accompanying Issues and Decision Memorandum, at "Benchmark and Discount Rates" section.
[20] *See* Dhunseri's Second Supplemental Response dated July 21, 2015 at Revised Exhibit 8.

rates were not available, we used national average interest rates pursuant to 19 CFR 351.505(a)(3)(ii). Specifically, we used national average interest rates from the International Monetary Fund's International Financial Statistics (IFS) as benchmark rates for rupee-denominated short-term and long-term loans. We find that the IFS rates provide a reasonable representation of both short-term and long-term interest rates for rupee-denominated loans.

Discount Rates

For allocating the benefit from non-recurring grants under the Export Promotion Capital Goods program, we used the long-term rupee-denominated interest rates described above for the year in which the government agreed to provide the subsidy, consistent with 19 CFR 351.524(d)(3)(i)(A).[21]

VII. USE OF FACTS OTHERWISE AVAILABLE AND ADVERSE INFERENCES

Sections 776(a)(1) and (2) of the Act provide that the Department shall apply "facts otherwise available" if, *inter alia*, necessary information is not on the record or an interested party or any other person: (A) withholds information that has been requested; (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding; or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain the deficiency. If the party fails to remedy the deficiency within the applicable time limits and subject to section 782(e) of the Act, the Department may disregard all or part of the original and subsequent responses, as appropriate. Section 782(e) of the Act provides that the Department "shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all applicable requirements established by the administering authority" if the information is timely, can be verified, is not so incomplete that it cannot be used, and if the interested party acted to the best of its ability in providing the information. Where all of these conditions are met, the statute requires the Department to use the information if it can do so without undue difficulties.

On June 29, 2015, the President of the United States signed into law the Trade Preferences Extension Act of 2015 (TPEA), which made numerous amendments to the antidumping and CVD law, including amendments to section 776(b) and 776(c) of the Act and the addition of section 776(d) of the Act.[22] The amendments to the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to this investigation.[23]

[21] *See* "Countervailing Duty Investigation of Certain Polyethylene Terephthalate from India: Dhunseri Petrochem Ltd. Preliminary Calculation Memorandum," dated August 7,2015 (Dhunseri Preliminary Calculation Memorandum).
[22] *See* TPEA, Pub. L. No. 114-27, 129 Stat. 362 (2015). The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced applicability dates for each amendment to the Act, except for amendments contained to section 771(7) of the Act, which relate to determinations of material injury by the International Trade Commission. See Dates of Application

Section 776(b) of the Act further provides that the Department may use an adverse inference in relying on the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. In doing so, and under the TPEA, the Department is not required to determine, or make any adjustments to, a countervailable subsidy rate based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information.[24] Further, section 776(b)(2) of the Act states that an adverse inference may include reliance on information derived from the petition, the final determination from the countervailing duty investigation, a previous administrative review, or other information placed on the record.[25]

Section 776(c) of the Act provides that, in general, when the Department relies on secondary information rather than on information obtained in the course of a review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal.[26] Secondary information is defined as information derived from the petition that gave rise to the investigation, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.[27] Further, and under the TPEA, the Department is not required to corroborate any countervailing duty applied in a separate segment of the same proceeding.[28] Finally, under section 776(d) of the Act, when applying an adverse inference, the Department may use a countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country, or if there is no same or similar program, use a countervailable subsidy rate for a subsidy program from a proceeding that the Department considers reasonable to use.[29] The TPEA also makes clear that, when selecting facts available with an adverse inference, the Department is not required to estimate what the countervailable subsidy rate would have been if the interested party failing to cooperate had cooperated or to demonstrate that the countervailable subsidy rate reflects an "alleged commercial reality" of the interested party.[30]

For the reasons explained below, the Department determined in its preliminary and post-preliminary determinations that application of facts otherwise available with an adverse inference is warranted, pursuant to section776(b) of the Act, because, by not responding to our requests for information, JBF and the GOI failed to cooperate by not acting to the best of their ability. The Department makes no changes to these findings for the final determination.

of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015, 80 FR 46793 (August 6, 2015) (Applicability Notice). The text of the TPEA may be found at https://www.congress.gov/bill/114thcongress/house-bill/1295/text/pl.

[23] *See* Applicability Notice, 80 FR at 46794-95.

[24] *See* section 776(b)(1)(B) of the Act; TPEA, section 502(1)(B).

[25] *See* also 19 CFR 351.308(c).

[26] *See* also 19 CFR 351.308(d).

[27] *See* SAA, at 870 (1994).

[28] *See* section 776(c)(2) of the Act; TPEA, section 502(2).

[29] *See* section 776(d)(1) of the Act; TPEA, section 502(3).

[30] *See* section 776(d)(3) of the Act; TPEA, section 502(3).

JBF

JBF did not respond to the Department's April 28, 2015 CVD Questionnaire.[31] As a result, we had no information or the data necessary to calculate a subsidy rate for JBF. Accordingly, in reaching our preliminary determination, pursuant to sections 776(a)(2)(A) and (C) of the Act, we based JBF's CVD rate on facts otherwise available.

In its New Subsidy Questionnaire Response, the GOI claimed non-use of the three new subsidy programs on behalf of JBF Industries: the Duty Free Import Authorization Scheme, the State Government of Gujarat's Provision of Land for LTAR, and the State Government of Gujarat's Financial Assistance to Industrial Parks. In a supplemental questionnaire, we asked the GOI to provide copies of source documentation to support this assertion.[32] In its October 19, 2015 response, the GOI did not provide the requested evidence of program non-use by JBF Industries. Instead, the GOI reiterated that, "{t}he company has not applied for or availed any financial assistance/subsidy through the AUL period."[33]

The GOI did submit the following documents in regards to JBF Industries: JBF Industries' Audited Financial Statements for 2014-15; 2013-14; and 2012-13; JBF Industries' Quarterly Financial Statement for the period ending June 30, 2015; JBF Industries' Income Tax Return for 2013-14; Business Registration Certificates; Excise Registration Certificate; Factory License; and Certificate of Registration.[34] These documents, however, could not be verified by JBF Industries because JBF Industries is not participating in this investigation and, furthermore, they do not provide evidence of program non-use for the three subsidies alleged by Petitioners for JBF Industries and its cross-owned affiliates. Normally the lack of participation by the respondent company would be a sufficient basis for applying AFA to determine that the respondent company used a program. In exceptional instances where the government can demonstrate non-use for a non-cooperating mandatory respondent (including all facilities and cross-owned affiliates) definitively through its own complete and verifiable source documents, we will consider that evidence, but here the GOI did not provide such evidence.

As a result, the Department found that it did not have the information necessary to determine whether JBF Industries used these programs, or the information to calculate a subsidy rate for JBF Industries. Accordingly, pursuant to sections 776(a)(2)(A) and (C) of the Act, we based JBF Industries' CVD rate for the three additional subsidy programs, as with the other programs, on facts otherwise available.

[31] *See* Letter from the Department to the GOI, "Countervailing Duty Investigation of Polyethylene Terephthalate Resin From India: Countervailing Duty Questionnaire," dated April 28, 2015 (CVD Questionnaire). *See also* the Department's Memorandum to the File, "Countervailing Duty Questionnaire Delivery to Mandatory Respondent JBF Industries Limited," dated May 5, 2015 in which the Department placed record evidence showing that the questionnaire was delivered to and received by JBF.

[32] *See* Letter from the GOI, "Countervailing Duty Investigation of Polyethylene Terephthalate Resin from India: Response to New Subsidy Allegations Questionnaire by Government of India," dated August 17, 2015 (New Subsidy Questionnaire Response) at 3, 4, 7 and 8.

[33] *See* Letter from the GOI, "Countervailing Duty Investigation of Polyethylene Terephthalate Resin from India: Response to Third Supplemental Questionnaire by Government of India," dated October 19, 2015 (October 19 Supplemental Questionnaire Response) at question 9 (pages unnumbered).

[34] *Id*.

The Department also determined that an adverse inference is warranted for these three additional allegations, pursuant to section 776(b) of the Act, because by not responding to our CVD questionnaire, JBF failed to cooperate by not acting to the best of its ability.[35] Accordingly, our final determination for JBF is based on AFA, remains unchanged from the *Preliminary Determination*, and includes an adverse inference with respect to the three additional subsidy programs as discussed in the Post-Preliminary Memorandum.[36]

GOI

In its New Subsidy Questionnaire Response, the GOI failed to answer the questions posed by the Department and did not provide requested supporting documentation relating to program specificity, as follows:

For the State Government of Gujarat's (SGOG) Provision of Land for LTAR, the GOI's response was limited an assertion that this program is part of overall infrastructure development, "which cannot be considered as a subsidy under the ASCM."[37] The GOI also asserted that respondent JBF paid a standard rate charged by the SGOG to all enterprises leasing similar land and that, "the lease contained the same terms as all other similar lease agreements signed with enterprises in the Sarigam, Gujarat Industrial Development Corporation (GIDC) and hence no benefit in terms of Article 1.1. of the ASCM has accrued to the company."[38] The GOI provided no source documents to support these assertions.

In the October 9, 2015 Supplemental Questionnaire, the Department notified the GOI that these statements were not responsive to our request for program information. Specifically, we asked that the GOI provide a complete response to all of the questions asked for this program and to provide translated copies of source documentation as support. In its October 19, 2015 Supplemental Questionnaire Response, the GOI stated that JBF Industries had received a land allotment from the SGOG. However, for the second time, the GOI failed to provide the requested copies of the laws and regulations that govern the land allotment procedures by the SGOG.

For the SGOG's Financial Assistance to Industrial Parks program, the Department's New Subsidy Allegation Questionnaire requested that the GOI provide information pertaining to the possible specificity of this program. In its New Subsidy Questionnaire Response, the GOI did not provide complete information. For instance, instead of submitting translated copies of the laws and regulations relating to the program and any internal or external reports pertaining to the program that were applicable during the POI, the GOI provided an addendum to the regulation that governed the program.[39] Also, instead of providing the requested information regarding the number of recipient companies and industries and the amount of assistance approved under this program for the year in which any mandatory respondent company was approved for assistance,

[35] *See Steel Threaded Rod From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 78 FR 76815 (December 19, 2013) (*Steel Threaded Rod from India Prelim*) and accompanying Issues and Decision Memorandum at 8-11 (unchanged in Final).
[36] *See* Post-Preliminary Memorandum at 5.
[37] *See* New Subsidy Questionnaire Response at 9.
[38] *Id.*
[39] *See* New Subsidy Questionnaire Response at Exhibit-NSA-1.

as well as each of the preceding three years, the GOI stated, "The benefit under the scheme was available to the developer and not to the unit setting up production unit in the park. The scheme falls in the category of general infrastructure."[40]

In the October 9, 2015 Supplemental Questionnaire, the Department requested that the GOI answer fully the questions pertaining to the specificity of this program, including, but not limited to, the requested information about *de facto* specificity for this program. In its response, the GOI stated, "Kindly refer to earlier response, GOI has already provided all the information in respect of NSA questionnaire for the SGOG's Scheme for Financial Assistance to Industrial Parks program its earlier response" and "It is reiterated that the scheme of financial assistance to Industrial Park is not applicable to the company. The scheme definitely falls in the category of general infrastructure."[41] The Department also asked the GOI to submit a translated copy of the regulations for this program that were referenced by the program addendum submitted by the GOI in the NSA Questionnaire Response at Exhibit-NSA-1. In its October 19 Supplemental Questionnaire Response, the GOI stated, "Since the desired documents pertains to State Government of Gujarat are in Gujarati. The GOI does not have readily translation of documents from various languages to English. The document is required to be translated and vetted, which shall require some time."[42]

As described above and discussed in further detail below, the GOI failed to submit necessary information. As a result, the Department did not have the information or the data necessary to determine the countervailability of this program. In reaching our preliminary determination, pursuant to sections 776(a)(2)(A) and (C) of the Act, we based our determination on facts otherwise available. Further, the Department determined that an adverse inference is warranted, pursuant to section 776(b) of the Act because, by not responding to our requests for information with respect to these programs despite multiple requests, the GOI failed to cooperate by not acting to the best of its ability. Accordingly, as AFA, we determined that the SGOG's Provision of Land for LTAR and Financial Assistance to Industrial Parks programs were specific within the meaning of 771(5A) of the Act. For further details with respect to these programs, *see* the "Analysis of Programs" section, below.

Selection of the Adverse Facts Available Rate

In deciding on which facts to use as AFA, section 776(b) of the Act and 19 CFR 351.308(c)(1) authorize the Department to rely on information derived from (1) the petition, (2) a final determination in the investigation, (3) any previous review or determination, or (4) any information placed on the record. The Department's practice when selecting an adverse rate from among the possible sources of information is to ensure that the rate is sufficiently adverse "as to effectuate the purpose of the facts available role to induce respondents to provide the Department with complete and accurate information in a timely manner."[43] The Department's

[40] *See* New Subsidy Questionnaire Response at 16.
[41] *See* October 19 Supplemental Questionnaire Response at last page (unnumbered).
[42] *Id*.
[43] *See Notice of Final Determination of Sales at Less than Fair Value: Static Random Access Memory Semiconductors From Taiwan*, 63 FR 8909, 8932 (February 23, 1998).

practice also ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."[44]

Because JBF failed to act to the best of its ability in this investigation, as discussed above, we made an adverse inference with respect to the programs on which the Department initiated in this investigation, descriptions of which are contained in Attachment I.[45] A complete list of the programs we countervailed is included below at "D. Final AFA Rates Determined for Programs Used by JBF." In assigning net subsidy rates for each of the programs for which specific information was required from JBF, we were guided by the Department's approach in prior India CVD proceedings as well as recent CVD investigations involving the People's Republic of China.[46]

It is the Department's practice in CVD proceedings to select, as AFA, the highest calculated program-specific rates determined in the instant investigation, or if not available, rates calculated in prior CVD cases involving the same country.[47]

For the alleged income tax programs pertaining to either the reduction of the income tax rates or the payment of no income tax, we have applied an adverse inference that the respondents paid no income tax during the POI.[48] The standard income tax rate for corporations in India is 30 percent.[49] Therefore, the highest possible benefit for the income tax rate programs is 30 percent. We are applying the 30 percent AFA rate on a combined basis (*i.e.*, the income tax programs combined provided a 30 percent benefit).

For programs other than those involving income tax exemptions and reductions, the Department applies the highest calculated rate for the identical program in the investigation if a responding company used the identical program, and the rate is not zero. If there is no identical program within the investigation, or if the rate is zero, the Department uses the highest non-*de minimis* rate calculated for the same or similar program (based on treatment of the benefit) in another India CVD proceeding. Absent an above-*de minimis* subsidy rate calculated for the same or

[44] *See* Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 316, 103d Cong., 2d Session (1994) (SAA), at 870.
[45] *See* Attachment 1, *i.e.*, the Initiation Checklist and New Subsidy Allegations Memorandum.
[46] *See, e.g.*, *Circular Welded Carbon-Quality Steel Pipe From India: Final Affirmative Countervailing Duty Determination*, 77 FR 64468 (October 22, 2012), and accompanying Issues and Decision Memorandum at "Use of Facts Otherwise Available and Adverse Facts Available" section; *see also Certain Hot-Rolled Carbon Steel Flat Products from India: Final Results and Partial Rescission of Countervailing Duty Administrative Review*, 74 FR 20923 (May 6, 2009), and accompanying Issues and Decision Memorandum at "SGOC Industrial Policy 2004-2009" section; *see also Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 4936 (January 28, 2009), and accompanying Issues and Decision Memorandum at "Application of Facts Available and Use of Adverse Inferences" section.
[47] *See, e.g., Laminated Woven Sacks From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination, in Part, of Critical Circumstances*, 73 FR 35639 (June 24, 2008), and accompanying Issues and Decision Memorandum at "Selection of the Adverse Facts Available."
[48] *See Circular Welded Carbon-Quality Steel Pipe From India: Final Affirmative Countervailing Duty Determination*, 77 FR 64468, (October 22, 2012) and accompanying Issues and Decision Memorandum at 11
[49] *See* Letter from the GOI, "Countervailing Duty Investigation of Polyethylene Terephthalate Resin From India: Response to Supplemental Questionnaire by Government of India," dated July 14, 2015 and July 27, 2015 (GOI Sup Responses) at 15 and SQ-4.

similar program, the Department applies the highest calculated subsidy rate for any program otherwise listed that could conceivably be used by the non-cooperating companies.[50]

Corroboration of Secondary Information

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as "information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise."[51] The SAA provides that to "corroborate" secondary information, the Department will satisfy itself that the secondary information to be used has probative value.[52] The Department will, to the extent practicable, examine the reliability and relevance of the information to be used. The SAA emphasizes, however, that the Department need not prove that the selected facts available are the best alternative information.[53]

With regard to the reliability aspect of corroboration, unlike other types of information, such as publicly available data on the national inflation rate of a given country or national average interest rates, there typically are no independent sources for data on company-specific benefits resulting from countervailable subsidy programs. Moreover, as stated above, we are applying subsidy rates which were calculated in previous CVD investigations or reviews. Additionally, no information has been presented which calls into question the reliability of these previously calculated subsidy rates. With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal in considering the relevance of information used to calculate a countervailable subsidy benefit. The Department will not use information where circumstances indicate that the information is not appropriate as AFA.[54]

In the absence of record evidence concerning the alleged programs, the Department reviewed for the preliminary determination the information concerning Indian subsidy programs in other cases. Where we have a program-type match, we found that, because these are the same or similar programs, they are relevant to the programs in this case. Additionally, the relevance of these rates is that they are actual calculated CVD rates for Indian programs from which the non-cooperative respondent could actually receive a benefit. We affirm this analysis for the final determination. Thus, due to the lack of cooperation of JBF and the GOI described above, and the resulting lack of record information from the GOI concerning these programs, the Department has corroborated the rates it selected to use as AFA to the extent practicable for the final determination.

[50] *See, e.g., Lightweight Thermal Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination,*73 FR 57323 (October 2, 2008), and accompanying Issues and Decision Memorandum at "Selection of the Adverse Facts Available Rate."
[51] *See* SAA at 870.
[52] *Id*.
[53] *Id*., at 869-870.
[54] *See, e.g., Fresh Cut Flowers From Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812 (February 22, 1996).

VIII. ANALYSIS OF PROGRAMS

Based upon our analysis of the record, including parties' comments addressed below, we determine that certain revisions from our preliminary and post-preliminary determinations are required. Specifically, we determine that Dhunseri did not receive countervailable benefit under the Income Tax Exemption Scheme during the POI, and are revising the Duty Drawback and Focus Product Scheme rates applied to Dhunseri based on minor corrections submitted during verification.

A. Programs Determined to Be Countervailable

A. Export Promotion of Capital Goods Scheme (EPCG)

The EPCG program provides for a reduction of or exemption from customs duties and excise taxes on imports of capital goods used in the production of exported products. Under this program, producers pay reduced duty rates on imported capital equipment by committing to earn convertible foreign currency equal to six times the duty saved within a period of six years.[55] Once a company has met its export obligations, the GOI will formally waive the exempted duties on the imported goods.[56]

The Department has previously determined that import duty reductions or exemptions provided under the EPCG program are countervailable export subsidies because the scheme: (1) provides a financial contribution pursuant to section 771(5)(D)(ii) of the Act; (2) provides two different benefits under section 771(5)(E) of the Act; and (3) is specific pursuant to sections 771(5A)(A) and (B) of the Act because the program is contingent upon export performance.[57] Because the above-cited evidence with respect to this program is consistent with the findings in, *inter alia*, *PET Film Final Determination* and *Shrimp from India*, we determine that this program is countervailable.

Under the EPCG program, the exempted import duties would have to be paid to the GOI if the accompanying export obligations are not met. It is the Department's practice to treat any balance on an unpaid liability that may be waived in the future as a contingent-liability interest-free loan pursuant to 19 CFR 351.505(d)(1).[58] Since the unpaid duties are a liability contingent on subsequent events, these interest-free contingent-liability loans constitute the first benefit under the EPCG program. The second benefit arises when the GOI waives the duty on imports of capital equipment covered by those EPCG licenses for which the export requirement has already been met. For those licenses for which the GOI has acknowledged that the company has completed its export obligation, we treat the import duty savings as grants received in the year in

[55] *See* Letter from the GOI, "Countervailing Duty Investigation of Polyethylene Terephthalate Resin From India; Response to Questionnaire by Government of India," dated June 15, 2015 (GOI Response) at 22 – 25.
[56] *Id*.
[57] *See, e.g., Notice of Final Affirmative Countervailing Duty Determination: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) From India*, 67 FR 34905 (May 16, 2002) (*PET Film Final Determination*), and accompanying Issues and Decision Memorandum at "EPCGS" section; *see also Shrimp from India*, and accompanying Issues and Decision Memorandum at 14.
[58] *Id*.

which the GOI waived the contingent liability on the import duty exemption pursuant to 19 CFR 351.505(d)(2).

Import duty exemptions under this program are approved for the purchase of capital equipment. The preamble of the Department's regulations states that, if a government provides an import duty exemption tied to major equipment purchases, "it may be reasonable to conclude that, because these duty exemptions are tied to capital assets, the benefits from such duty exemptions should be considered non-recurring…"[59] In accordance with 19 CFR 351.524(c)(2)(iii) and past practice, we are treating these import duty exemptions on capital equipment as non-recurring benefits.[60]

Dhunseri reported that it imported capital goods at reduced import duty rates under the EPCG program. Information provided by Dhunseri indicates that their EPCG licenses were issued for the purchase of capital goods used for the production of subject and non-subject merchandise.[61] Therefore, we are attributing the EPCG benefits received by Dhunseri to its total exports consistent with 19 CFR 351.525(b)(5).

Dhunseri met the export requirements for certain EPCG licenses prior to December 31, 2014 (the last day of the POI), and the GOI has formally waived the relevant import duties. For a number of their licenses, however, Dhunseri had not yet met its export obligation as required under the program. Therefore, although Dhunseri received a deferral from paying import duties for the capital goods that were imported, the final waiver of the obligation to pay the duties was not demonstrated for a number of these imports.[62]

Dhunseri reported that although SAPL was originally established as an Export Oriented Unit (EOU), it "de-bonded" from being an EOU unit on October 15, 2009 and opted for conversion to the EPCG program. Dhunseri claims that all exempted import duty liability on capital goods from the EOU program (calculated after taking into account the rate of depreciation set by the Indian government) ended up being transferred and therefore exempted under the EPCG license. Dhunseri reported these exempted import duties under the EPCG section.[63] Dhunseri later confirmed that the export obligation for all imports of capital goods under this scheme was fulfilled.[64]

To calculate the benefit received from the GOI's formal waiver of import duties on Dhunseri's capital equipment where the export obligations were met prior to December 31, 2014 (the last

[59] *See Countervailing Duties*, 63 FR 65348, 65393 (November 25, 1998).
[60] *See, e.g., Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review*, 75 FR 6634 (February 10, 2010), and accompanying Issues and Decision Memorandum at Comment 9; *see also Shrimp from India Prelim* and accompanying Decision Memorandum at "Duty Incentives under the Export Promotion Capital Goods Program," unchanged in *Shrimp from India.*
[61] *See* Dhunseri 2nd Section III Response at 1.
[62] *Id.*, at 5-6.
[63] *See* Letter from Dhunseri, "Polyethylene Terephthalate Resin from India: Questionnaire Response to Section III," dated June 15, 2015 (Dhunseri Section III Response) at 35 to 35; *see also* Letter from Dhunseri, "Polyethylene Terephthalate Resin from India: Questionnaire Response to Section III Regarding the Export Promotion of Capital Goods and West Bengal Programs," dated June 22, 2015 (Dhunseri 2nd Section III Response) at 5-6.
[64] *See* Letter from Dhunseri, "Polyethylene Terephthalate Resin from India: Response to Supplemental Section III Questionnaire," dated July 14, 2015 (First Supplemental Response) at 6.

day of the POI), we used the total amounts of duties waived. We treated these amounts as grants pursuant to 19 CFR 351.504. Further, consistent with the approach followed in the *PET Film Final Determination*, we determined the year of receipt of the benefit to be the year in which the GOI formally waived the respondents' outstanding import duties.[65] Next, we performed the "0.5 percent" test," as prescribed under 19 CFR 351.524(b)(2), for the total value of duties waived, for each year in which the GOI granted Dhunseri an import duty waiver. For any years in which the value of the waived import duties was less than 0.5 percent of the respondent's total export sales, we expensed the amount of the waived duties to the year of receipt. For years in which the value of the waivers exceeded 0.5 percent of the respondent's total export sales in that year, we allocated the waived duty amount using the allocation period of 10 years for nonrecurring subsidies, in accordance with 19 CFR 351.524(d)(2). *See* the "Allocation Period" section, above. For purposes of allocating the value of the waived duties over time, we used the appropriate discount rate for the year in which the GOI officially waived the import duties. *See* "Benchmarks and Discount Rates" section, above.

As noted above, import duty reductions or exemptions that the respondents received on the imports of capital equipment for which they had not yet met export obligations may have to be repaid to the GOI if the obligations under the licenses are not met. Consistent with our practice and prior determinations, we are treating the unpaid import duty liability as an interest-free loan.[66]

The amount of the unpaid duty liabilities to be treated as an interest-free loan is the amount of the import duty reduction or exemption for which the respondent applied, but had not been officially waived by the GOI, as of the end of the POI. Accordingly, we find the benefit to be the interest that the respondent would have paid during the POI had it borrowed the full amount of the duty reduction or exemption at the time of importation.[67]

As stated above, the time period for fulfilling the export requirement expires six years after importation of the capital good. As such, pursuant to 19 CFR 351.505(d)(1), the benchmark for measuring the benefit is a long-term interest rate because the event upon which repayment of the duties depends (*i.e.*, the date of expiration of the time period to fulfill the export commitment), occurs at a point in time that is more than one year after the date of importation of the capital goods. As the benchmark interest rate, we used the long-term interest rates as discussed in the "Benchmarks and Discount Rates" section, above. We then multiplied the total amount of unpaid duties under each license by the long-term benchmark interest rate for the year in which the capital good was imported and summed these amounts to determine the total benefit from these contingent liability loans.

The benefit received under the EPCG program is the sum of: (1) the benefit attributable to the POI from the formally waived duties for imports of capital equipment for which the respondents met export requirements by the end of the POI; and (2) interest due on the contingent-liability loans for imports of capital equipment that have unmet export requirements during the POI. We

[65] *See PET Film Final Determination*, and accompanying Issues and Decision Memorandum at Comment 5.
[66] *See* 19 CFR 351.505(d)(1); *see also Shrimp India Prelim*, and accompanying Decision Memorandum at EPCG Program (unchanged in *Shrimp from India*).
[67] *Id*.

then divided the total benefit received by the respondent under the EPCG program by Dhunseri's total exports of subject merchandise during the POI.

On this basis, we determine a countervailable subsidy of 0.16 percent *ad valorem* for Dhunseri.

B. Duty Drawback (DDB)

Dhunseri reported receiving duty rebates under this program.[68] The GOI explained that the DDB program provides rebates for duty or tax chargeable on any (a) imported or excisable materials and (b) input services used in the manufacture of export goods.[69] Specifically, the duties and tax "neutralized" under the program are the (i) Customs and Union Excise Duties in respect of inputs and (ii) Service Tax in respect of input services.[70] The duty drawback is generally fixed as a percentage of the FOB price of the exported product.[71]

Import duty exemptions on inputs for exported products are not countervailable so long as the exemption extends only to inputs consumed in the production of the exported product, making normal allowances for waste.[72] However, the government in question must have in place and apply a system to confirm which inputs are consumed in the production of the exported products, and in what amounts.[73] This system must be reasonable, effective for the purposes intended, and based on generally accepted commercial practices in the country of export.[74] If such a system does not exist, or if it is not applied effectively, and the government in question does not carry out an examination of actual inputs involved to confirm which inputs are consumed in the production of the exported product, the entire amount of any exemption, deferral, remission or drawback is countervailable.[75]

Regarding its establishment of applicable duty drawback rates, the GOI stated the following:

> The rates are determined following a specified procedure that is undertaken by an independent committee by the GOI. The committee makes its recommendations after discussions with all stake holder{s} including Export Promotion Councils, Trade Associations, and individual exporters to solicit relevant data, which may include data on procurement prices of inputs, indigenous as well as imported, applicable duty rates, consumption ratios and FOB values of export products. Corroborating data may also be collected from Central Excise and Customs field formations. This data is analyzed and this information is used to form the basis for the rate of Duty Drawback.[76]

[68] *See* Dhunseri Section III Response at 20.
[69] *See* GOI Response at 35.
[70] *Id*., at 35 – 36.
[71] *Id*., at 36.
[72] *See* 19 CFR 351.519(a)(1)(ii).
[73] *See Shrimp from India*, and accompanying Issues and Decision Memorandum at "Duty Drawback (DDB)."
[74] *Id*.
[75] *See* 19 CFR 351.519(a)(4)(i)-(ii).
[76] *See* GOI Response at 51 – 52.

We requested that the GOI provide a copy of the recommendations and supporting documents for the drawback rates in effect during the POI;[77] the GOI did not provide the requested documentation.[78] Thus, consistent with *Shrimp from India*, based on the GOI's questionnaire response that lacks the documentation to support that the GOI has a system in place to confirm which inputs are consumed in the production of the exported products, and in what amounts, we conclude that the GOI has not supported its claim that its system is reasonable or effective for the purposes intended.[79]

Accordingly, we determine that the DDB confers a countervailable subsidy. Under the DDB, a financial contribution, as defined under section 771(5)(D)(ii) of the Act, is provided because rebated duties represent revenue forgone by the GOI. Moreover, as explained above, the GOI has not supported its claim that the DDB system is reasonable and effective in confirming which inputs, and in what amounts, are consumed in the production of the exported product. Therefore, under 19 CFR 351.519(a)(4), the entire amount of the import duty rebate earned during the POI constitutes a benefit. Finally, this program is only available to exporters; therefore, it is specific under sections 771(5A)(A) and (B) of the Act.

Pursuant to 19 CFR 351.519(b)(1), we find that benefits from the DDB program are conferred as of the date of exportation of the shipment for which the pertinent drawbacks are earned. We calculated the benefit on an as-earned basis upon export because drawback under the program is provided as a percentage of the value of the exported merchandise on a shipment-by-shipment basis. As such, it is at this point that recipients know the exact amount of the benefit (*i.e.*, the value of the drawback).

We calculated the subsidy rate using the value of all DDB duty rebates that Dhunseri earned on U.S. sales during the POI. We divided the total amount of the benefit received by Dhunseri by the company's total sales of U.S. exports during the POI.

On this basis, we determine a countervailable subsidy rate of 2.95 percent *ad valorem* for Dhunseri.[80]

C. *Focus Product Scheme (FPS)*

Dhunseri reported receiving an incentive from the GOI under the FPS.[81] The FPS is an incentive on select export of products.[82] The incentives are paid to offset infrastructure inefficiencies and other associated costs involved in the marketing of these products.[83] The FPS incentive rate for PET resin is two percent of the FOB value of the export and provides for duty-free imports of inputs and capital goods.

[77] *See* Letter from the Department to the GOI, "Countervailing Duty Investigation of Polyethylene Terephthalate Resin From India: Countervailing Duty Supplemental Questionnaire," dated July 1, 2015 (GOI Supplemental) at 2.
[78] *Id.*, at 3-10.
[79] *See Shrimp from India*, and accompanying Issues and Decision Memorandum at 12-14.
[80] This rate is changed from the *Preliminary Determination* based on minor corrections submitted during verification. *See* Dhunseri Final Calculation Memorandum at 3-4.
[81] *See* Dhunseri Section III Response at 30.
[82] *See* GOI Response at 88, and Exhibits 23, 24, and 27.
[83] *Id.*

We determine that this program provides a financial contribution in the form of revenue forgone under section 771(5)(D)(ii) of the Act. Further, we determine that the FPS program is specific under sections 771(5A)(A) and (B) of the Act because it is limited to exporters. Furthermore, the entire amount of the FPS constitutes a benefit under section 771(5)(E) of the Act.

Consistent with 19 CFR 351.519(b)(2), we find that the benefits from the FPS program are conferred as of the date of exportation of the shipment for which the FPS is earned. This is because the FPS credits are provided as a percentage of the value of the exported merchandise on a shipment-by-shipment basis. As such, the recipients know the exact amount of the benefit when exportation occurs. We calculated the subsidy rate thus by summing the reported benefit provided to Dhunseri and by dividing the total benefit incurred on U.S. sales by the total value of exports to the United States.

On this basis, we determine a countervailable subsidy rate of 1.99 percent *ad valorem* for Dhunseri for this program.[84]

D. Incentive Under The West Bengal State Support for Industries Scheme

The objective of this scheme is to assist in the growth of large and medium-scale units through Industrial Projects.[85] It came into effect on and from the April 1, 2008 in the whole West Bengal and remains valid for the period ending on March 31, 2013.[86] Dhunseri also reported earlier schemes such as the West Bengal Incentive Scheme, 1999, the Bengal Incentive Scheme, 2004 and the West Bengal State Support for Industries Scheme, 2008.

The programs offer various incentives and tax concessions to industrial units to assist them in the construction of new units or expansion of existing units, and the building of infrastructure in the least developed areas of West Bengal. The amount of financial assistance an industrial unit is eligible to receive is determined by its location in West Bengal. Under the scheme, West Bengal is divided into four regions: Group A, *i.e.*, Calcutta, is classified as developed, while Groups B through D are categorized as less developed, with Group D deemed the least developed. Industrial units located in the least developed areas receive greater monetary assistance than those units located in the more developed areas.

Dhunseri claims that upon a review of its participation in all three schemes, Dhunseri found it did not receive a benefit from almost all of the incentives provided by these "schemes."[87] In particular, Dhunseri claims that the only program it received a benefit from was remission of sales tax on the sale of finished goods. Dhunseri claims, and reported a benefit for, the program with regard to sales within West Bengal, for which Dhunseri collected VAT on its sales during the POI, but was not required to pay VAT to tax authorities under WBIS 1999.[88] Dhunseri claims it did not receive any benefit from any of the other programs.

[84] This rate is changed from the *Preliminary Determination* based on minor corrections submitted during verification. *See* Dhunseri Final Calculation Memorandum at 4.
[85] *See* GOI Response at 117.
[86] *Id*.
[87] *See* Dhunseri Response dated June 22, 2015 at 14.
[88] *Id*., at 15.

We find that the assistance granted to Dhunseri under Scheme 1993 is specific within the meaning of section 771(5A)(D)(iv) of the Act, because the benefits are limited to companies located in specific regions within West Bengal.[89] The sales tax exemption which Dhunseri received is revenue foregone, and therefore a financial contribution in accordance with section 771(5)(D)(ii) of the Act. Both forms of assistance provide benefits in accordance with section 771(5)(E) of the Act.

To calculate the countervailable subsidy for Dhunseri we divided the total sales (VAT) tax exemptions received by Dhunseri during the POI by Dhunseri's total sales.

On this basis, we determine the countervailable subsidy to be 0.02 percent *ad valorem* for Dhunseri.

B. Programs Determined To Be Not Used by Dhunseri or Not to Confer a Benefit During the POI

1. Pre- and Post-Shipment Export Financing

During the POI, the GOI provided pre- and post-export financing to make short-term working capital available to exporters at internationally comparable interest rates.[90] The financing was denominated in rupees and in foreign currencies.[91]

With respect to the rupee-denominated export financing, the Reserve Bank of India (RBI) previously capped the interest rate that commercial banks could charge on these loans. However, beginning on July 1, 2010, the RBI eliminated the interest rate cap and allowed participating commercial banks to set the interest rates for these export loans based on the bank's own operating and lending costs.[92] The RBI also instituted an interest subvention program for certain exporting sectors and companies, and for small and medium sized companies, valid up to March 31, 2014.[93] However, Dhunseri states that it did not qualify for these programs.[94] We determine that rupee-denominated pre- and post- shipment export loans that were eligible for the interest rate subvention confer countervailable subsidies on the subject merchandise because: (1) the provision of the export financing constitutes a financial contribution pursuant to section 771(5)(D)(i) of the Act, as a direct transfer of funds in the form of loans; (2) these loans would give rise to a benefit, as described further below, to the extent that the interest rates are lower than the interest rates on comparable commercial loans (*see* section 771(5)(E(ii) of the Act); and (3) these loans are specific under sections 771(5A)(A) and (B) of the Act because they are contingent upon export performance. However, because Dhunseri reported not utilizing this program, we determine that it was not used.

[89] *See* Dhunseri June 22, 2015 response at 14.
[90] *See* GOI Response at 5.
[91] *Id*., at 6 – 9 and Exhibit 1.
[92] *Id*., at 6.
[93] *Id*., at 8 – 9 and Exhibit 2.
[94] *See* First Supplemental Response at 4 to 5.

With respect to export financing denominated in foreign currencies, Dhunseri reported it did not receive any pre- and post-shipment export financing during the POI.[95] The GOI explained that the RBI required banks up to May 4, 2012, to fix the rates of interest with reference to ruling LIBOR, EURO LIBOR or EURIBOR, and these rates were subject to caps, with the size of the cap varying depending on the duration of the loan. However, the government changed the manner in which the foreign currency-denominated export loan program operated and effective May 5, 2012, banks were free to determine the interest rate on export loans provided in foreign currencies and now provide export credit to exporters at internationally competitive rates under the programs of "Pre-shipment Credit in Foreign Currency" and "Rediscounting of Export Bills Abroad."[96] As a result, we have previously found that the GOI terminated the foreign currency export financing program on May 5, 2012.[97]

In *Shrimp from India*, the GOI supported its claim with a copy of the "Master Circular - Rupee / Foreign Currency Export Credit & Customer Service To Exporters," issued by RBI, which was included also as part of Dhunseri's response in the instant investigation.[98]

As explained below, 19 CFR 351.526(a) permits the Department to take account of program-wide changes in setting the countervailing duty deposit rate in certain circumstances. When a subsidy program is terminated, 19 CFR 351.526(d) requires that there be no residual benefits under the program and that if a replacement program has been implemented the benefits under the replacement program be calculable.

In *Shrimp from India*, as well as the instant investigation, the GOI reported that the maximum term for pre-shipment credits in foreign currencies was 360 days prior to shipment, and the maximum term for post-shipment credits in foreign currencies was six months from the date of shipment. Thus, the last day on which the respondents could have paid reduced interest on their foreign currency export financing was April 30, 2013 (360 days after May 5, 2012). Therefore, no residual benefits exist beyond that date. Moreover, the GOI has not implemented a replacement program.[99] Therefore, consistent with the Department's determination in *Shrimp from India*, we are determining Dhunseri had no foreign currency denominated export loan benefit during the POI.

As noted above, Dhunseri reported that it also did not use this program during the POI or during the AUL period. Our examination of Dhunseri's records and accounts at verification provided no evidence that the firm received assistance under this program.

[95] *See* Dhunseri Section III Response at 16.
[96] *See* GOI Response at 9.
[97] *Id.*, at 8, 18, and 20 – 21. *See also Certain Frozen Warmwater Shrimp From India: Preliminary Countervailing Duty Determination*, 78 FR 33344 (June 4, 2013) (*Shrimp India Prelim*), and accompanying Decision Memorandum at "Pre and Post-Shipment Export Financing," unchanged in *Shrimp from India*.
[98] *Id. See also* Dhunseri Section III Response at Exhibit 9.
[99] *See Shrimp from India* and accompanying Issues and Decision Memorandum at "Export Financing Program" section; *see also* GOI Response at 10, 18, and 20 – 21; and Dhunseri Section III Response at 16 – 17.

2. Duty Free Import Authorization Scheme (DFIA)

The GOI reported that an exporter "allow duty free import of inputs, fuel, oil, energy sources, catalyst which are required for production of export product."[100] Accordingly, we determine that this program provides a financial contribution in the form of revenue forgone within the meaning of section 771(5)(D)(ii) of the Act.

The GOI also reported that "The scheme is applicable to a manufacturer exporter as well as the merchant exporter tied up with supporting manufacturer."[101] Accordingly, we determine that this program is contingent upon export and, therefore, is specific within the meaning of section 771(5A)(B) of the Act.

Dhunseri reported that it did not use this program during the POI, or during the AUL period. Our examination of Dhunseri's records and accounts at verification provided no evidence that the firm received assistance under this program.

3. SGOG's Provision of Land for Less Than Adequate Remuneration (LTAR)

Petitioners allege that the Gujarat Industrial Development Corporation (GIDC) was created by the SGOG to secure "the orderly establishment and organization of industries in industrial areas and industrial estates" in Gujarat. Petitioners claim that companies are eligible for a variety of incentives through location in a GIDC industrial estate, including "reasonable allotment price with soft repayment options" and concessional rates" land and industrial sites and that the GIDC has developed a special economic zone for "Chemicals and Petrochemicals." Citing to the record, Petitioners argue that JBF Industries' productive facility is located in the Sarigam GIDC Industrial Area.

The GOI reported that "State Government of Gujarat, Sarigam, Gujarat Industrial Development Corporation (GIDC), has allotted land to JBF industries Ltd. in Sarigam Industrial Estate, Gujarat."[102] Accordingly, we determine that this program provides a financial contribution in the form of the provision of a good within the meaning of section 771(5)(D)(iii) of the Act.

As explained above under "Use of Facts Otherwise Available and Adverse Facts Available," we determine that Land for LTAR given under this program is specific.

We acknowledge that Dhunseri could not have used this program, the Financial Assistance to Industrial Parks program described immediately below, or any of the other state government programs listed below during the POI or during the AUL period because neither the firm nor its cross-owned affiliates maintained operations in the states of Gujarat or Maharashtra. Our examination of Dhunseri's records and accounts at verification provided no evidence that the firm received assistance under these programs.

[100] *See* New Subsidy Questionnaire Response at 1.
[101] *Id.*, at 6.
[102] *See* October 19 Supplemental Questionnaire Response at question 10 (pages unnumbered).

4. Financial Assistance to Industrial Parks

Petitioners allege that under the State of Gujarat's Industrial Policy 2003, the SGOG identified infrastructure development as a priority, with Industrial Parks playing a critical role for establishing the necessary infrastructure for industries. Petitioners allege that the SGOG extended direct payments to private sector companies based upon their location and that the SGOG would provide grants valued between 20 and 50 percent of the company's fixed capital investment in land, buildings and infrastructure for a period of five years. Petitioners argue that JBF Industries maintains operations in the "Sarigam GIDC Industrial Area," and thus, likely was eligible for this financial assistance.

The GOI reported that the administering agency or authority for this program is the "State Level Approval Committee, Government of Gujarat." Accordingly, we determine that this program provides a financial contribution in the form of direct transfer of funds within the meaning of section 771(5)(D)(i) of the Act.

As explained above under "Use of Facts Otherwise Available and Adverse Facts Available," we determine that grants given under this program are specific.

With respect to Dhunseri, and as noted above, we acknowledge that Dhunseri could not have used this program because neither the firm nor its cross-owned affiliates maintained operations in the states of Gujarat or Maharashtra. Our examination of Dhunseri's records and accounts at verification provided no evidence that the firm received assistance under these programs.

5. Income Tax Exemption Scheme (ITES)

According to the GOI, under Section 80-IA of the Income Tax Act, 1961, a company may deduct 100 percent of the profits derived from a specified eligible business undertaking from its taxable income.[103] The deduction may be claimed for any ten consecutive years out of a period of fifteen years from the first year of operation. Dhunseri explained that "{t}o receive the deduction in its tax return, a company identifies itself as having an 'undertaking' or 'infrastructure facility' and furnishes with its tax return an audited report of the 'undertaking' or 'infrastructure facility' on a Form 10CCB."[104] Furthermore, "Dhunseri's captive power plant at Haldia is an eligible 'undertaking' under Section 80 IA(4)(iv)(a) of the Income Tax Act. Thus, profits from this project are entitled to a deduction under Section 80 IA."[105]

A company claiming a benefit under section 80-IA is required to submit an audited return with supporting documents to an agency of the Ministry of Finance, which assesses the documents and approves or denies the claim.[106] The GOI did not provide data on program use by industrial classification and stated it does not maintain usage information at an aggregate level.[107]

[103] *Id*., at 100 – 101.
[104] *See* Dhunseri Section III Response at 42.
[105] *Id*.
[106] *See* GOI Response at 110.
[107] *Id*., at 111.

Because information provided by the GOI indicates that financial assistance under this program is expressly limited by law to enterprises engaging in five specific activities, we find this program to be *de jure* specific under section 771(5A)(D)(i) of the Act. The tax deductions are financial contributions in the form of revenue foregone by the government under section 771(5)(D)(ii) of the Act. Under 19 CFR 351.509(a), the benefit is equal to the difference between the income tax actually paid and the income tax that would have paid absent the program.

We calculated a countervailable subsidy rate for Dhunseri under this program of 0.35 percent *ad valorem* using information available at the *Preliminary Determination*. Based in part on comments submitted in case and rebuttal briefs by both Dhunseri and Petitioners following the *Preliminary Determination*, and on Dhunseri's verified income tax return filed during the POI, we find for this final determination that Dhunseri did not receive benefits under this program during the POI. Summaries of Dhunseri's and Petitioners' comments and the Department's modified position appear in the "Analysis of Comments" section at "Comment 1: Whether Dhunseri Used the ITES Tax Credit."

6. *Government of India Programs*

   a. Status Holder Incentive Scrip
   b. Advance Licenses Program
   c. Focus Market Scheme
   d. Special Economic Zones (SEZ) (6 programs)
   e. Export Oriented Units (EOUs Program: Duty Drawback on Furnace Oil Procured from Domestic Oil Companies
   f. GOI Loan Guarantees
   g. Market Development Assistance Program

7. *State Government Programs*

   a. State and Union Territory Sales Tax Incentive Programs
   b. Maharashtra Market Development Assistance Program
   c. Maharashtra Industrial Promotion Subsidy
   d. Maharashtra Electricity Duty Exemption
   e. Maharashtra Waiver of Stamp Duty
   f. State Government of Maharashtra- Incentives to Strengthening Micro-, Small-, and Medium- Sized and Large Scale Industries
   g. State Government of Gujarat- Industrial Policy 2009 Scheme

C. Final AFA Rates Determined for Programs Used by JBF

As explained above, we made the adverse inference that JBF received countervailable subsidies under each of the subsidy programs that the Department included in its initiation and Post-Preliminary Memorandum, other than those found to be terminated and not replaced. We also included programs self-identified by Dhunseri, as nothing in the description of the programs would limit them to Dhunseri; thus, we determine that JBF could benefit from the same programs. Listed below are the AFA rates applicable to each program.

Program	*Ad Valorem* Subsidy Rate (Percent)
Pre-Shipment and Post-Shipment Financing[108]	2.90
Export Promotion of Capital Goods Scheme (EPCGS)[109]	0.16
Duty Drawback Scheme[110]	2.97
Status Holder Incentive Scrip Scheme[111]	0.23
Advance Licenses Program[112]	6.82
Focus Market Scheme[113]	16.63
Focus Product Scheme[114]	2.00
(SEZ-A) Duty-Free Importation of Capital Goods and Raw Materials, *etc*.[115]	1.23
(SEZ-B) Exemption from Payment of Central Sales Tax (CST) on Purchases of Capital Goods and Raw Materials[116]	0.53
(SEZ-C) Exemption from Stamp Duty[117]	3.09

[108] *See Notice of Final Affirmative Countervailing Duty Determination: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) From India*, 67 FR 34905 (May 16, 2002) (*PET Film from India Investigation*) and accompanying Issues and Decision Memorandum at the "Pre- and Post-Shipment Export Financing" section where the Department calculated a rate for an identical program.
[109] Calculated Rate from Dhunseri for identical program in this proceeding.
[110] *Id.*
[111] *See Steel Threaded Rod from India: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part; 2012-2013*, 79 FR 40714 (July 14, 2014) (*Steel Threaded Rod*) and accompanying Issues and Decision Memorandum at "Advance Licenses Program" where the Department calculated a rate for the identical program.
[112] *See Final Results of Countervailing Duty Administrative Review: Polyethylene Terephthalate Film, Sheet, and Strip from India*, 71 FR 7534 (February 13, 2006), and accompanying Issues and Decision Memorandum at "Status Holder Incentive Scrip (SHIS)" where the Department calculated a rate for the identical program.
[113] *See Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products From India*, 66 FR 49635 (September 28, 2001), *(HRS from India*) and accompanying Issues and Decision Memorandum (HRS from India I&D Memorandum) at Export Promotion Capital Goods Scheme where the Department calculated a subsidy rate for any program from any CVD proceeding involving India that JBF could have conceivably used.
[114] Calculated Rate from Dhunseri for identical program in this proceeding.
[115] *See Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review; 2012*, 80 FR 11163 (March 2, 2015) and Memorandum at "Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Materials" where the Department calculated a rate for the identical program.
[116] *See Polyethylene Terephthalate Film, Sheet, and Strip From India: Final Results of Countervailing Duty New Shipper Review*, 76 FR 30910 (May 27, 2011), and accompanying Issues and Decision Memorandum at "Exemption from Payment of Central Sales Tax (CST) on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material" where the Department calculated a rate for the identical program.
[117] *See Final Results of Countervailing Duty Administrative Review: Certain Hot-Rolled Carbon Steel Flat Products from India*, 71 FR 28665 (May 17, 2006) and accompanying Issues and Decision Memorandum at the "State Government of Gujarat (SGOG) Tax Incentives" section where the Department calculated a rate for a similar program.

(SEZ-D) Exemption from Electricity Duty and Cess[118]	0.21
(SEZ-E) Income Tax Exemptions (Section 10A) and Income Tax Exemption Scheme (80-IA)[119]	30.00
(SEZ-F) Discounted Land Fees in an SEZ[120]	0.04
Export Oriented Units (EOU) Program: Duty Drawback on Furnace Oil Procured from Domestic Oil Companies[121]	0.34
Government of India Loan Guarantees[122]	2.90
Market Development Assistance Program[123]	16.63
State and Union Territory Sales Tax Incentive Programs[124]	3.99
State Government of Maharashtra-Industrial Promotion Subsidy[125]	6.06
State Government of Maharashtra-Electricity Duty Exemption[126]	3.09
State Government of Maharashtra-Waiver of Stamp Duty[127]	3.09

[118] *See Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review 2012-2013,* 80 FR 11163 (March 2, 2015) *(PET Film 2012-2013)* and accompanying Issues and Decision Memorandum at "Exemption from Electricity Duty and Cess (a tax or levy) Thereon on the Sale or Supply to the SEZ Unit" where the Department calculated a rate for the identical program.
[119] *See Circular Welded Carbon-Quality Steel Pipe From India: Final Affirmative Countervailing Duty Determination* 77FR 64468 (October 22, 2012) at 11.
[120] *See Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty New Shipper Review*, 76 FR 30910 (May 27, 2011) and accompanying Issues and Decision Memorandum at "Discounted Land Fees in an SEZ" where the Department calculated a rate for the identical program.
[121] *See Notice of Final Determination of Sales at Less Than Fair Value: Bottle-Grade Polyethylene Terephthalate (PET) Resin From India* 70 FR 13451, (March 21, 2005) and accompanying Issues and Decision Memorandum at the "Export-Oriented Unit (EOU) Program: Duty Drawback on Furnace Oil Procured from Domestic Oil Companies" where the Department calculated a rate for an identical program.
[122] *See PET Film; 2012–2013* at accompanying Issues and Decision Memorandum at "Government of India Loan Guarantees" where the Department calculated a rate for the identical program.
[123] *See Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products From India* 66 FR 49635 (September 28, 2001) (*HRS from India*), and accompanying Issues and Decision Memorandum (HRS from India I&D Memorandum) at Export Promotion Capital Goods Scheme, where the Department calculated a subsidy rate for any program from any CVD proceeding involving India that JBF could have conceivably used.
[124] *See Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review*, 73 FR 7708 (February 11, 2008) and accompanying Issues and Decision Memorandum at "State Sales Tax Incentive Programs" where the Department calculated a rate for the identical program.
[125] *See HRS from India*, and accompanying Issues and Decision Memorandum at "GOI Forgiveness of SDF Loans Issued to SAIL" where the Department calculated a rate for a similar program.
[126] *See Final Results of Countervailing Duty Administrative Review: Certain Hot-Rolled Carbon Steel Flat Products from India*, 71 FR 28665 (May 17, 2006) and accompanying Issues and Decision Memorandum at "State Government of Gujarat (SGOG) Tax Incentives," where the Department calculated a rate for a similar program.
[127] *Id.*

State Government of Maharashtra- Incentives to Strengthen Micro-, Small-, and Medium- Sized Manufacturing Enterprises[128]	6.06
Incentives Under the West Bengal State Support for Industries Scheme – 2008[129]	0.02
Subsidy Programs in the State of Gujarat[130]	6.06
Duty Free Import Authorization Scheme[131]	14.61
State Government of Gujarat's Provision of Land for LTAR[132]	18.08
Financial Assistance to Industrial Parks[133]	6.06
Total AFA Subsidy Rate	153.80

IX. CALCULATION OF THE ALL-OTHERS RATE

Sections 703(d) and 705(c)(5)(A) of the Act state that for companies not investigated, we will determine an all-others rate by weighting the individual company subsidy rate of each of the companies investigated by each company's exports of subject merchandise to the United States excluding rates that are zero or *de minimis* or any rates determined entirely on the facts available. In this investigation, the only rate that is not zero or *de minimis* or based entirely on facts available is the rate calculated for Dhunseri. Consequently, the rate calculated for Dhunseri is also assigned as the "all-others" rate.

X. ANALYSIS OF COMMENTS

Comment 1: Whether Dhunseri Used the ITES Tax Credit

Dhunseri's Comments

- Dhunseri argues that in its *Preliminary Determination*, the Department did not follow its standard methodology of calculating benefit received under direct tax programs as the difference between what a firm paid in taxes while using a program relative to what it

[128] *See HRS from India*, and accompanying Issues and Decision Memorandum at "GOI Forgiveness of SDF Loans Issued to SAIL" where the Department calculated a rate for a similar program.
[129] Calculated Rate from Dhunseri for identical program in this proceeding.
[130] *See HRS from India*, and accompanying Issues and Decision Memorandum at "GOI Forgiveness of SDF Loans Issued to SAIL" where the Department calculated a rate for a similar program.
[131] *See Notice of Final Affirmative Countervailing Duty Determination: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) From India*, 67 FR 34905 (May 16, 2002), and accompanying Issues and Decision Memorandum at "DEPS" section.
[132] *See Certain Hot-Rolled Carbon Steel Flat Products From India: Final Results of Countervailing Duty Administrative Review*, 73 FR 40295 (July 14, 2008), and accompanying Issues and Decision Memorandum at the "Captive Mining Rights of Iron Ore" section.
[133] *See Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products From India*, 66 FR 49635 (September 28, 2001) and accompanying Issues and Decision Memorandum at the "The GOI's Forgiveness of SDF Loans to SAIL" section.

would have paid had it not used the program.[134]

- Dhunseri contends that the Department erred in calculating the benefit Dhunseri received from the ITES by instead calculating the benefit provided by the program as the deduction on taxable income taken under the ITES, rather than the actual difference Dhunseri paid under the program relative to what it would have paid under non-use.[135]

- Dhunseri confirms that it declared this deduction taken under the ITES. However, due to its obligations under the Minimum Alternative Tax Act (MAT), Dhunseri states that its use of the ITES "did not affect the income tax Dhunseri paid," and that as a result the firm derived no countervailable benefit from the ITES.[136]

- Dhunseri states that Section 115 JB of the Income Tax Act requires firms paying less than 18.5 percent in income tax as a percentage of their book profit to pay income tax at a rate of 18.5 percent. This law effectively creates an income tax floor of 18.5 percent to which Dhunseri claims it was subject.[137]

- Dhunseri states that even though it took a deduction under the ITES, thereby reducing its income tax rate below 18.5 percent, that deduction triggered the MAT and thereby increased the firm's income tax rate to 18.5 percent.[138]

- Dhunseri contends that had it not taken the ITES deduction, its calculated income tax rate would "…still have been" less than 18.5 percent of its book profits, triggered the MAT, and therefore set the firms' tax rate at 18.5 percent.[139]

- Dhunseri adds that due to MAT obligations, the firm had to pay income tax at a higher rate than its income alone would dictate whether or not it used the ITES. Therefore, the firm argues that it received no countervailable benefit under the ITES.[140]

Petitioner Rebuttal Comments

- Petitioners note that Dhunseri's statements about its tax obligations are corroborated by information the Department verified following the preliminary determination. However, Petitioners argue that Dhunseri "seeks to downplay" income tax credits its tax receipts verify it received under Section 115 JAA of the Income Tax Act within the context of its argument that it did not receive a countervailable benefit under the ITES.[141]

[134] *See* Letter to the Secretary from Dhunseri Regarding Case Brief in the Countervailing Duty Investigation on Certain Polyethylene Terephthalate Resin from India (Dhunseri's Case Brief), dated December 21, 2015, at page 2.
[135] *Id*., at 2 – 3.
[136] *Id*., at 3.
[137] *Id*., at 3 – 4.
[138] *Id*., at 4.
[139] *Id*.
[140] *Id*., at 4 – 5.
[141] *See* Letter from Petitioner Regarding Rebuttal Brief, dated December 28, 2015 (Petitioners' Rebuttal Brief) at 3.

- Petitioners state that under Section 115 JAA, Dhunseri both paid the MAT and was granted a tax credit equal to the difference between the tax amount determined *via* the MAT and its tax liability calculated using the ITES on its actual tax return.[142]

- Petitioners point to Dhunseri's income tax return as evidence that the firm received this tax credit, which is equal to the difference between its MAT and calculated tax liability using the ITES.[143]

- Petitioners disagree with Dhunseri's argument that this tax credit is speculative, stating that the credit is itemized and carried forward in Dhunseri's annual tax return.[144]

- For these reasons, Petitioners argue that Dhunseri did in fact receive a countervailable benefit under the ITES during the POI, and that the Department should continue to include the ITES in its final determination calculations.[145]

Department's Position

Petitioners and Dhunseri both state that Dhunseri's verified income tax statement indicates a deduction in income tax liability under the ITES.[146] Moreover, both Petitioners and Dhunseri recognize that Dhunseri was subject to the MAT during the POI.[147] We acknowledge Dhunseri's argument that the firm would have been subject to the MAT under both use and non-use of the ITES, because in both instances its calculated tax liability would have fallen below 18.5 percent of book profits and, thereby, triggered the MAT.[148] We further acknowledge, as do both Petitioners and Dhunseri, that during the POI the firm received a tax credit under Section 115 JAA equal to the difference between the MAT and Dhunseri's calculated tax liability under the ITES.[149]

Dhunseri describes the tax credit under Section 115 JAA as speculative and notes that it has technically received this credit since 2007, but has not been able to use it because its use is *de jure* unavailable within a given tax year to firms subject to the MAT.[150] At verification, we noted that Dhunseri's income tax statement indicates that no amount of this tax credit was realized during the POI. Rather, this credit was itemized and carried forward.[151]

Under 19 CFR 351.509(b)(1), the Department will consider the benefit of a tax exemption or remission as having been received:

[142] *Id*.
[143] *Id*.
[144] *Id*.
[145] *Id*.
[146] *See* Dhunseri's Case Brief at 3 and Petitioners' Rebuttal Brief at 2 – 3.
[147] *Id*.
[148] *See* Dhunseri Verification Report at 9.
[149] *See* Dhunseri's Case Brief at 5 and Petitioners' Rebuttal Brief at 3.
[150] *See* Dhunseri's Case Brief at 5; *see also* Dhunseri Section III Response at III-45-III-46.
[151] *See* Dhunseri Verification Report at 9; *see also* Dhunseri Section III Response at Exhibit 5 (lines 5 and 6 at Schedule MATC).

> normally …on the date on which the firm would otherwise have had to pay the taxes associated with the exemption or remission. Normally, this date will be the date on which the firm filed its tax return.

Dhunseri's final tax liability during the POI was the MAT, as indicated on its verified tax return, and was not directly and immediately impacted by either the ITES or the credit received under Section 115 JAA.[152] Those two credits may potentially only be used at a later date outside the POI, a time period which is not an issue before the Department.[153] Accordingly, we disagree with Petitioners' argument that Dhunseri received a countervailable benefit under this program during the POI. Given Dhunseri did not apply tax credits granted under the ITES during the POI, we find that Dhunseri did not receive benefits under the ITES program during the POI.

Comment 2: Whether the Department Improperly Calculated the Benefit Received Under the ITES

Dhunseri's Comments

- Dhunseri adds that even if the Department were to continue to consider the ITES to provide a countervailable benefit to the firm, the Department erred in its calculation of the amount of that benefit.[154]
- Dhunseri states that to calculate that benefit, the Department used an aggregate deduction from income rather than its own standard practice of using the difference paid in income tax between use and non-use of an income tax program.[155]
- Dhunseri argues that the Department should have calculated the benefit conferred by the ITES as the difference in the amount of income tax paid between use and non-use of the program, in line with the Department's own stated approach, rather than the deduction from income.[156]
- The firm states that it was nonetheless ineligible to derive benefit from the ITES due to its MAT obligations.[157]

No other parties commented on this issue.

[152] *See* Dhunseri Section III Response at Exhibit 5 (lines 1-3 at Schedule MATC).
[153] *Id*., at lines 5 and 6 at Schedule MATC; *see also Certain Steel Nails From the Sultanate of Oman: Final Negative Countervailing Duty Determination*, 80 FR 28958 (May 20, 2015) and accompanying Issues and Decision Memorandum at 31-32.
[154] *See* Dhunseri's Case Brief at 5.
[155] *Id*.
[156] *Id*.
[157] *Id*.

Department's Position

As discussed at Comment 1 above, we determine that Dhunseri did not receive benefits under the ITES during the POI. Therefore, we find arguments regarding miscalculation of benefit received under the program moot for this final determination.

Comment 3: Whether There Was a Program-Wide Change in the FPS

Dhunseri's Comments

- Dhunseri states that during the POI, it received a flat credit of two percent for exported subject merchandise, and that the Department found that the FPS provided a countervailable benefit to the firm.[158]

- Dhunseri reiterates that as stated in its June 15, 2015 response filed on the record, the FPS was terminated as of April 1, 2015 based on the program's exclusion from the GOI's Foreign Trade Policy 2015-2020 (*FTP 2015-2020*), which was effective from that date.[159]

- Dhunseri acknowledges that, "although there is no document that explicitly states that the FPS is terminated…," the GOI's periodic *Foreign Trade Policy* reports officially catalog all export programs in effect during specified time periods.[160]

- Dhunseri argues that the exclusion of the FPS from the *FTP 2015-2020* is sufficient to establish the termination of the program by the GOI, and that, therefore, the Department should adjust its cash deposit rate due to this program-wide change, pursuant to 19 CFR 351.526(a).[161]

- Dhunseri contends that the termination of the FPS constitutes a program-wide change, as the termination applied to all firms in India and was the result of an official act. Moreover, the firm notes that the termination occurred after the POI but prior to the preliminary determination, and that the resulting change in benefit to Dhunseri, *i.e.* a two-percent reduction in benefit, is easy for the Department to measure.[162]

- Dhunseri argues that it received no residual benefit, as the FPS applied to exports and not capital goods, and that the Department can verify that the FPS has not been replaced by the GOI.[163]

[158] *Id*., at 6.
[159] *Id*.
[160] *Id*.
[161] *Id*.
[162] *Id*., at 7.
[163] *Id*.

Petitioner Rebuttal Comments

- Petitioners argue that verified record evidence demonstrates that the FPS "does not meet the established conditions for a program-wide change adjustment, per 19 CFR 351.526," and that the Department should reject Dhunseri's request and not change the cash deposit rate.[164]

- Petitioners note that in addition to not explicitly terminating the FPS, the GOI stated that, "{n}o significant change has taken place in the program," and that "{it} is still in force."[165]

- Petitioners argue that the FPS fails to meet the standard for evidence of program termination consistent with Department practice pursuant to 19 CFR 251.526(b), which defines a program wide-change, in part, as effectuated by an official act, such as the enactment of a statute, regulation or decree.[166]

- Petitioners state that pursuant to 19 CFR 351.526(d)(1), the Department would not adjust the cash deposit rate if there are residual benefits under the program, even if the program has been terminated. Petitioners also contend that the GOI confirmed that Dhunseri would retain eligibility to accrue benefits under the FPS after the POI.[167]

- Petitioners add that Dhunseri retained the ability to pay future customs and excise duties with scrip issued under the FPS, as well as to sell that scrip to other firms, thereby receiving residual benefits under the FPS during the POI.[168]

- Petitioners state that the Department should therefore reject Dhunseri's claim that the FPS qualifies for a program-wide adjustment and not change the two percent *ad valorem* benefit received under the program in the Department's final determination.[169]

Department's Position

We agree with Petitioners that the record of this investigation for the FPS program does not meet the established conditions for a program-wide change adjustment, per 19 CFR 351.526. The mere exclusion of the FPS from the *FTP 2015-2020* and no accompanying public notification of termination does not constitute an "official act" pursuant to 19 CFR 351.526(b)(2).[170] The

[164] *See* Petitioners' Rebuttal Brief at page 4.
[165] *See* Letter to the Secretary from TPM, Solicitors & Consultants regarding Response to Questionnaire by the Government of India in the Countervailing Duty Investigation on Certain Polyethylene Terephthalate Resin from India, dated June 15, 2015, at page 94.
[166] *See* Petitioners' Rebuttal Brief at page 4.
[167] *Id*.
[168] *Id*., at 5.
[169] *Id*.
[170] Previously, where the Department has relied upon a policy circular to support a finding of program termination, the policy circular has established affirmative program termination and has been accompanied by public notice and additional supporting documentation from the GOI indicating an amendment to legislation. *See, e.g.*, *Certain*

Department considers the FPS not to be terminated absent an official and explicit termination of the program, *via* a statute, regulation, or decree by the GOI.[171] We note that Dhunseri itself acknowledges that no such document exists.[172] Lastly, the GOI's statement during verification regarding program discontinuation is neither a statute nor a regulation, and is contradicted by the GOI's acknowledgement that there has been no program wide change in the FPS.[173] Accordingly, we do not find that the FPS has been terminated pursuant to the Department's regulations and case practice concerning program termination criteria.

As we consider the FPS not to be terminated, we find Petitioner's argument that Dhunseri could have received residual benefits to be moot.

XI. RECOMMENDATION

We recommend approving all of the above positions and adjusting all related countervailable subsidy rates accordingly. If these Department positions are accepted, we will publish the final determination in the *Federal Register* and will notify the U.S. International Trade Commission of our determination.

✓ Agree ____ Disagree

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

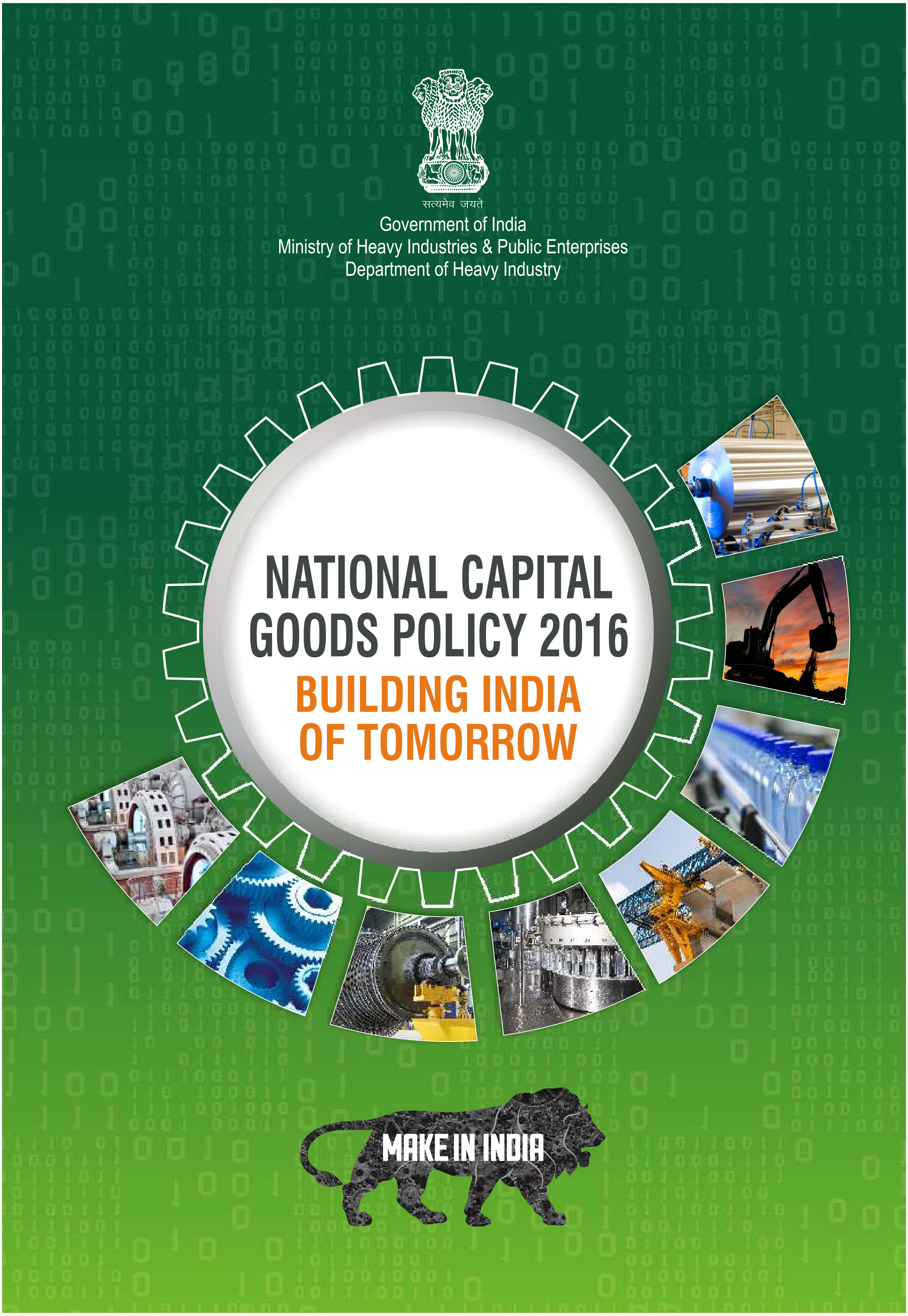
4 MARCH 2016
Date

Frozen Warmwater Shrimp from India: Final Affirmative Countervailing Duty Determination, 78 FR 50385 (August 19, 2013), and accompanying Issues and Decision Memorandum at Comment 3.

[171] *See Certain Pasta From Italy: Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order*, 78 FR 693 (January 4, 2013), and accompanying Issues and Decision Memorandum at 9.

[172] *See* Dhunseri's Case Brief at page 6.

[173] *See* GOI Verification Report at 2; *see also* GOI Response at 94.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Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Heavy Industry
NATIONAL CAPITAL
GOODS POLICY 2016
BUILDING INDIA
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Department of Heavy Industry

NATIONAL CAPITAL GOODS POLICY 2016
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Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Heavy Industry

EXECUTIVE SUMMARY

Manufacturing is a key contributor to the economic development of any nation; adding jobs as well as increasing self-reliance. The National Manufacturing Policy envisaged manufacturing to contribute 25% to GDP and create 100 million jobs. In contrast, till date, manufacturing activity contributes to 17% of India's GDP and only 4 million jobs are estimated to have been created in the sector since 2010. The gap to stated aspiration is large.

The Capital Goods sector is a critical element to boost manufacturing activity by providing critical inputs, that is, machinery and equipment. The sector also provides direct employment to ~1.4 million people, the sector provides indirect employment to ~7 million people and impacts users of capital goods estimated to be 50 times of the direct employment.

However, India's capital goods production growth has been sluggish in the recent past, as indicated by the below trends:

- The capital goods sector production has grown at a rate of 1.1% p.a[1] over the last 3 years. This is in stark contrast to the Planning Commission targeted growth rate of 16.8%[2] p.a. for production of capital goods during the 12th Five Year Plan period.
- Capital goods imports have been growing at a rate of 9.8% p.a. over the last 5 years. The share of imports in the Indian capital goods market has increased from 34% in 2009-10 to 40% in 2014-2015, indicating a looming threat to India's self-reliance and national security. At the same time, the capacity utilization of domestic manufacturers is only about 60-70% across sub-sectors.
- India's share of global capital goods exports is still significantly sub-scale at ~0.8%[3] only. Further, in a globalised world, where manufacturers are increasingly multinational, not all Indian capital goods manufacturers have been able to effectively tap the global opportunity.

A wide range of issues has negatively impacted the growth of capital goods production in India, as summarized below:

- **Issues affecting domestic demand creation:** The lack of positive bias towards domestic value addition in public procurement policies, difficult contract conditions, persistent import and use of second-hand machinery with no incentive for replacement, zero duty import under 'Project Imports' and delays in project implementation are the key factors limiting domestic demand.
- **Issues affecting exports:** Key challenges faced by Indian capital goods exporters are the inadequate availability of competitive short and long-term financing, non-tariff barriers in export markets denying market access and limited understanding of international market requirements especially

1 Sub-sector Industry Associations, DGCIS data
2 Report of the Working Group on Capital Goods & Engineering Sector for the 12th Five Year Plan (2012-2017)
3 Engineering Export Promotion Council (EEPC) data

by smaller players. India also needs to align its trade policy to the shift in India's export map towards developing regions. More trade agreements are needed with developing countries where India has a comparative advantage.

- **Issues affecting technology depth:** Significant challenges and gaps exist in high-end, heavy-duty, high-productivity and high precision technologies across sub-sectors. Contributors to these gaps include low end user acceptance of new Indian technology, lack of skill availability, weak support infrastructure and low Indian participation in developing international standards. Further, patent processing takes very long and fiscal incentives for R&D are still inadequate.

- I**ssues affecting cost competitiveness:** Indian manufacturers are still challenged with respect to cost competitiveness compared to their global peers due to a skewed and state-wise variation in tax and duty structure, prevalence of inverted duty structure for several products and high infrastructure and logistics cost.

- **Issues related to SMEs:** SMEs still face challenges in developing new products and processes due to their smaller scale and inadequate institutional mechanisms, limited access to capital and low awareness and compliance with international standards.

- In addition, there are several sub-sector specific challenges. Achieving high growth would need focused collective efforts by all concerned stakeholders - government, industry, end user segments alike; supported by an enabling policy for the capital goods industry.

A boost to this sector is envisaged through this National Capital Goods Policy by providing for an enabling ecosystem for capital goods growth and ensuring sustained incentive for domestic manufacturers to service domestic as well as export market demand. The policy envisages increasing production of capital goods from ~Rs. 230,000 Cr in 2014-15 to Rs. 750,000 Cr in 2025 and raising direct and indirect employment from the current 8.4 million to ~30 million. It envisages increasing exports from the current 27% to 40% of production while increasing share of domestic production in India's demand from 60% to 80%, thus making India a net exporter of capital goods. The policy also aims to facilitate improvement in technology depth across sub-sectors, increase skill availability, ensure mandatory standards and promote growth and capacity building of MSMEs.

The policy proposes a comprehensive policy agenda to achieve these goals, as summarized below:

- **Make in India initiative:** To integrate major capital goods sub-sectors like machine tools, textile machinery, earthmoving and mining machinery, heavy electrical equipment, plastic machinery, process plant equipment, dies, moulds and press tools, printing and packaging machinery and food processing machinery as priority sectors to be envisaged under 'Make in India' initiative.

- To create an enabling scheme as a pilot for **'Heavy Industry Export & Market Development Assistance Scheme (HIEMDA)'** with a view to enhance the export of Indian made capital goods. This will also require developing a comprehensive branding plan for the CG sector with the support of India Brand Equity Foundation (IBEF).

ii) disillusioned faculty, due to lack of change or improvement in facilities,

iii) no innovative educational techniques,

iv) no practical training / on-job training and therefore, no exposure to industry,

v) low knowledge of industry / actual products of both teachers and students with no exposure to latest technologies.

2.7.5 **Plastics Processing Machinery**

a. **Competition from cheaper imports:** Domestic manufacturers meet 95% of processing industry needs on technology and product range. Product technology remains at par with leading brands of developed world. However, machinery import from China and Far East countries enters the Indian market due to price considerations.

b. **Lack of skilled manpower:** Skilled manpower is in short supply in associate and supervisory category for processing industry as well as in machinery manufacturing. The education system in current form and curriculum prevalent at institutes and universities does not create industry employable manpower, with exception of diploma and degree in plastics stream conducted by some of the institutions.

c. **Need to establish efficient supply chain:** Quality and reliability of the product is decided by the quality of components put into its construction and the cost of the product is decided by cost of parts from supplier. Industry needs to pay attention to develop efficient supply chain for cost-quality-delivery leveraging the cluster approach.

d. **Need to create efficient infrastructure.**

e. **Financial assistance for further expansion:** Imports are mainly from Far East on account of low price and shorter delivery. To serve the growing demand for machinery all the major machinery manufacturers have undertaken capacity expansion with high investment in plant & machinery and up gradation in technology. Further investments are necessary to raise the production volumes and technology to global scales as volumes will give price competitiveness.

f. **High cost of capital:** Due to the high cost of capital, processors in small scale sectors tend to decide on machinery selection primarily based on price. They end up choosing low to medium technology machines and sometimes opting for used machinery. However it soons proves to be a bad investment as these processors incur high operating cost as well as lose on productivity and also consume higher energy.

g. **Cost disadvantage due to duty structure in FTAs:** Duty reductions to 5% for Extrusion and Zero for Injection Moulding Machines (IMM) in FTAs with South Korea and ASEAN have put domestic machinery at disadvantage on price. IMM imports below 1000T from China were stopped by imposing anti dumping duty since May 2009. Now

5.4.8 To review emission norms for power generation sets, especially for >800kW sets.

5.4.9 To extend Phased Manufacturing Programme (PMP) for another 3 years beyond current validity of October 2015 for all State and Central Power Projects.

5.5 Plastics Processing Machinery

5.5.1 To ensure Basic Customs duty on Plastics Machinery imports of at least 7.5% in new FTA/PTAs under negotiation or planned for negotiation.

5.5.2 To create technology development fund for processing sector (user industry) for plant modernization with new energy efficient machines.

5.5.3 To encourage indigenization of Technology parts through Joint ventures with technology partner using infrastructure of existing weak/Sick PSUs.

5.5.4 To facilitate Skill Development amongst operatives, engineers and managers.

5.5.5 To form association to collaborate with international universities or facilitate association of international universities with IIT/NIT with proficiency in polymer technology.

5.5.6 To encourage leading manufacturers of wear resistant materials and coating technologies used in Plasticizing Barrels and Screws to set up manufacturing facilities in India.

5.5.7 To form association to engage a proficient polymer technology institute to develop polymeric material & seal profile and manufacture indigenously.

5.6 Process Plant Equipment

5.6.1 To develop strong coordination between Ministry of Heavy Industry and Ministry of Petrochemical / Chemicals while framing policies.

5.6.2 To make the Export Obligation Period clause applicable to 'individual' equipment also and not restricted to completion of 'turnkey' supplies.

5.7 Dies, Moulds & Press Tools

5.7.1 To provide special depreciation rates spread over 3 years for better Return on Investment (ROI) due to frequent technology obsolescence.

5.7.2 To set up centers for growth at four locations for specific needs, including testing trials and on-job training.

5.7.3 To initiate Skills Development Certification Program, a short duration focused training to sponsored employees for upgrading their skills.

5.8 Printing Machinery

5.8.1 To set up R&D Centre and Testing Labs for Printing and Packaging Sector.

5.8.2 To provide ready to move infrastructure on lease.

Press Information Bureau
Government of India
Ministry of Chemicals and Fertilizers

22-December-2015 14:30 IST

Policy initiatives taken for promotion of Plastics Industry

For the promotion of the Plastic Industry in the country, the Government has taken various industry friendly policy initiatives such as deregulation of the petrochemical sector and allowing 100% FDI under the automatic route to facilitate fresh investments. The Department of Chemicals and Petrochemicals has approved a Scheme for setting up of need based Plastic Parks to promote the domestic downstream plastic processing industry. A scheme of setting up "Centres of Excellence (CoEs)" which aims at improving the existing petrochemical technology and research environment in the country and to promote the development of new applications of polymers and plastics, has also been implemented.

Central Institute of Plastics Engineering & Technology (CIPET), an autonomous academic and training institute under the Department of Chemicals and Petrochemicals caters to human resource and training requirements of the plastics and allied industries in the petrochemicals sector through its 23 centres spread across the country which include 05 high Learning Centres located at Chennai, Ahmedabad, Bhubaneswar, Lucknow and Kochi, 11 Diploma Centres at Amritsar, Aurangabad, Bhopal, Guwahati, Haldia, Hajipur, Hyderabad, Jaipur, Mysore, Murthal and Imphal, 01 Vocational Training Centre at Bhubaneswar, 03 Specialized Units viz. Advanced Tooling and Plastics Product Development Centre (ATPDC), Madurai, Advanced Plastics Processing Technology Centre (APPTC), Balasore, Plastic Waste management Centre at Guwahati, 02 R&D Wings at Chennai and Bhubaneswar and Polymer Data Services (PDS) centre at Gurgoan.

Setting up of CIPET centres is a dynamic process based on the demand and growth of plastic industries and requisite infrastructural and financial support of the State Government. During 2015-16, the Government has approved setting up 05 Centres of CIPET at Dharampur (Gujarat), Baddi (HP), Bhopal (MP), Vijayawada (AP) and Hyderabad/Medak (Telangana). Further, Memorandum of Understanding between the Department of Chemicals and Petrochemicals and Ministry of Skill Development and Entrepreneurship has been signed on 9th July, 2015 for strategic partnership on skill development to facilitate technology and financial collaboration for imparting employability skills in chemicals, petrochemicals and allied sector.

This information was given by the Minister of State for Chemicals & Fertilizers, Shri Hansraj Gangaram Ahir in response to a question in the Lok Sabha today.

****

YKB/PB

EPCG

Export Promotion Capital Goods (EPCG) scheme allows import of capital goods including spares for pre production, production and post production at zero duty subject to an export obligation of 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issue-date.

EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers. The Scheme also covers a service provider who is designated / certified as a Common Service Provider (CSP).

EPCG authorization holder can export either directly or through third party (s). Export proceeds are to be realized in freely convertible currency except for deemed exports. Import of capital goods imported under the EPCG scheme shall be subject to Actual User condition till export obligation is completed.

Export Obligation under EPCG scheme is required to be fulfilled by export of goods manufactured/services rendered by the applicant. There are two types of export oligation that are mandatory. First, Annual Average in which export obligation is over and above, the average level of exports achieved by the authorization holder in the preceding three licensing years for the same and similar products within the overall export obligation period including extended period, if any. Such average would be the arithmetic mean of export performance in the last three years for the same and similar products. Secondly, Specific Average which is 6 times the duty saved amount in which the Authorization holder shall also fulfill a minimum of 50% export obligation in each block of years - the first block being of 4 years and the second block is of 2 years.

Royalty payments received in freely convertible currency and foreign exchange received for R&D services shall also be counted for discharge under EPCG.

EPCG Authorization holder may also source capital goods from a domestic manufacturer. Such domestic manufacturer shall be eligible for deemed export benefit under FTP. EPCG Authorization holders can opt for Technological Upgradation of existing capital good imported under EPCG Authorization. Import of second hand capital goods is not permitted under the EPCG scheme.

To incentivize fast track companies to accelerate exports, there is a provision for early redemption and in cases where Authorization holder has fulfilled 75% or more of specific export obligation and 100% of Average Export Obligation till date, if any, in half or less than half the original export obligation period specified , remaining export obligation shall be condoned.

Authorization holder is required to submit to RA concerned by 30th April of every year, report on fulfillment of export obligation.

The scheme allows one or more requests for grant of extension in export obligation period, on payment of composition fee equal to 2% of proportionate duty saved amount on unfulfilled export obligation or an enhancement in export obligation imposed to the extent of 10% of total export obligation imposed under authorization, as the case may be, at the choice of exporter, for each year of extension sought. Such first extension in EO period can be for a maximum period of 2 years.

Extension in EO period beyond two years' period may be considered, for a further extension upto 2 years with a condition that 50% of duty payable in proportion to the unfulfilled export obligation is paid by authorization holder to Custom authorities before an endorsement of extension is made on EPCG authorization by RA concerned. In such cases, no composition fee is to be paid or additional EO is to be imposed. In case the firm is still not able to complete the export obligation, duty already deposited will be deducted from total duty plus interest to be paid for EO default.

In case, EPCG authorization holder fails to fulfil prescribed export obligation, he shall pay duties of Customs plus interest as prescribed by Customs authority. This facility can also be availed by EPCG authorization holder to exit at his option.

The EPCG Scheme provides for in addition, a specific EO of 75% of normal Export Obligation for export of Green Technology Products. The scheme also provides for Post Export EPCG duty credit scrip(s) which are available to exporters who intend to import capital goods on full payment of applicable duties in cash and choose to opt for this scheme.

Further, for units located in Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Jammu &Kashmir, specific EO shall be 25% of the EO.

Foreign Trade Policy

Please click on the links on the right to navigate through this section.

1. EXPORT PROMOTION SCHEMES -

Foreign Trade Policy 2015-20 and other schemes provide promotional measures to boost India's exports with the objective to offset infrastructural inefficiencies and associated costs involved to provide exporters a level playing field. Brief of these measures are as under:

1.1Exports from India Scheme

i.Merchandise Exports from India Scheme (MEIS)

Under this scheme, exports of notified goods/ products to notified markets as listed in Appendix 3B of Handbook of Procedures, are granted freely transferable duty credit scrips on realized FOB value of exports in free foreign exchange at specified rate (2-5%). Such duty credit scrips can be used for payment of custom duties for import of inputs or goods, payment of excise duty on domestic procurement, payment of service tax and payment of custom duties in case of EO default.

Exports of notified goods of FOB value upto Rs 25, 000 per consignment, through courier or foreign post office using e-commerce shall be entitled for MEIS benefit.

ii.Service Exports from India Scheme (SEIS)

Service providers of notified services as per Appendix 3E are eligible for freely transferable duty credit scrip @ 5% of net foreign exchange earned.

2. DUTY EXEMPTION & REMISSION SCHEMES

These schemes enable duty free import of inputs for export production with export obligation. These scheme consists of:-

2.1 Advance Authorization Scheme:

Under this scheme, duty free import of inputs are allowed, that are physically incorporated in the export product (after making normal allowance for wastage) with minimum 15% value addition. Advance Authorization (AA) is issued for inputs in relation to resultant products as per SION or on the basis of self declaration, as per procedures of FTP. AA normally have a validity period of 12 months for the purpose of making imports and a period of 18 months for fulfillment of Export Obligation (EO) from the date of issue. AA is issued either to a manufacturer exporter or merchant exporter tied to a supporting manufacturer(s).

2.2 Advance Authorization for annual requirement

Exporters having past export performance (in at least preceding two financial years) shall be entitled for Advance Authorization for Annual requirement. This shall only be issued for items having SION.

2.3 Duty Free Import Authorization (DFIA) Scheme:

DFIA is issued to allow duty free import of inputs, with a minimum value addition requirement of 20%. DFIA shall be exempted only from the payment of basic customs duty. DFIA shall be issued on post export basis for products for which SION has been notified. Separate schemes exist for gems and jewellery sector for which FTP may be referred.

2.4 Duty Drawback of Customs/Central Excise Duties/Service Tax:

The scheme is administered by Department of Revenue. Under this scheme products made out of duty paid inputs are first exported and thereafter refund of duty is claimed in two ways:

i) All Industry Rates : As per Schedule

ii) Brand Rate : As per application on the basis of data/documents

2.5 Rebate of Service tax through all industry rates

Refund of service tax paid on specified output services used for export of goods is available at specified all industry rates.

3. EPCG SCHEME

3.1 Zero duty EPCG scheme

Under this scheme import of capital goods at zero custom duty is allowed for producing quality goods and services to enhance India's export competitiveness. Import under EPCG shall be subject to export obligation equivalent to six times of duty saved in six years. Scheme also allows indigenous sourcing of capital goods with 25% less export obligation.

3.2 Post Export EPCG Duty Credit Scrip Scheme

A Post Export EPCG Duty Credit Scrip Scheme shall be available for exporters who intend to import capital goods on full payment of applicable duty in cash.

4. EOU/EHTP/STP & BTP SCHEMES

Foreign Trade Policy

Foreign Trade Policy
Importer Exporter Code Manual
How To Export
Export Benefits
Frequently Asked Questions
Foreign Trade Policy
Customs and Central Excise

Units undertaking to export their entire production of goods and services may be set up under this scheme for import/ procurement domestically without payment of duties. For details of the scheme and benefits available therein FTP may be required.

5. OTHER SCHEMES

5.1 Towns of Export Excellence (TEE)

Selected towns producing goods of Rs. 750 crores or more are notified as TEE on potential for growth in exports and provide financial assistance under MAI Scheme to recognized Associations.

5.2 Rebate of duty on “export goods” and “material” used in manufacture of such goods:

Rebate of duty paid on excisable goods exported or duty paid on the material used in manufacture of such export goods may be claimed under Rule of 18 of Central Excise Rules, 2002.

5.3 Export of goods under Bond i.e. without payment of excise duty:

Rule 19 of Central Excise Rules 2002 provides clearance of excisable goods for exports without payment of central excise duty from the approved factory, warehouse and other premises.

5.4 Market Access Initiative (MAI) Scheme

Under the Scheme, financial assistance is provided for export promotion activities on focus country, focus product basis to EPCs, Industry & Trade Associations, etc. The activities are like market studies/surveys, setting up showroom/warehouse, participation in international trade fairs, publicity campaigns, brand promotion, reimbursement of registration charges for pharmaceuticals, testing charges for engineering products abroad, etc. Details of the Scheme is available at www.commerce.nic.in

5.5 Marketing Development Assistance (MDA) Scheme

Financial assistance is available for exporters having an annual export turnover upto Rs. 30 crores for trade fairs, buyer seller meets organized by EPC's/ Trade promotion organizations. MDA guidelines available at www.commerce.nic.in

5.6 Status Holder Scheme

Upon achieving prescribed export performance, status recognition as one star Export House, two Star Export House, three star export house, four star export house and five star export house is accorded to the eligible applicants as per their export performance. Such Status Holders are eligible for various non-fiscal privileges as prescribed in the Foreign Trade Policy.
In addition to the above schemes, facilities like 24X7 customs clearance, single window in customs, self assessment of customs duty, prior filing facility of shipping bills etc are available to facilitate exports.

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DO YOU NEED HELP? ^

(Chapter 39 - 40) - Section VII-Plastics and Articles thereof; Rubber and Articles Thereof

39 (39-chapter-39-plastics-and-articles.aspx)	Chapter 39: Plastics and articles thereof (39-chapter-39-plastics-and-articles.aspx)					
3907	Polyacetals, Other Polyethers And Epoxide Resins, In Primary Forms; Polycarbonates, Alkyd Resins, Polyallylesters A					
3907609001 (3907609001-polyester-pet-chips-high-pressure.aspx)	Polyester (PET) chips	21-Sep-2013	Kg	3%	3.6	3%
		10-Oct-2012	Kg	3.9%	4.7	3.9%
		22-Sep-2011	Kg	5.50%	5.5	5.50%
		20-Sep-2010	Kg	2.20%	1.50	2.20%
		01-Sep-2008	Kg	1.70%	1.70	1.70%
		18-Jul-2007	Kg	3.00%	3.00	3.00%
		15-Jul-2006	Kg.	13.30%	10.60	5.00%
		05-May-2005	Kg	12.70%	10.10	1.80%

L 64/10 EN Official Journal of the European Union 10.3.2017

COMMISSION IMPLEMENTING REGULATION (EU) 2017/421

of 9 March 2017

imposing a definitive countervailing duty on imports of certain graphite electrode systems originating in India following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2016/1037 of the European Parliament and of the Council of 8 June 2016 on protection against subsidised imports from countries not members of the European Union (1) ('the basic Regulation'), and in particular Article 18 thereof,

Whereas:

A. PROCEDURE

1. Measures in force

(1) The Council, following an anti-subsidy investigation ('the original investigation'), by Regulation (EC) No 1628/2004 (2), imposed a definitive countervailing duty on imports of certain graphite electrodes systems originating in India ('country concerned'), currently falling within CN codes ex 8545 11 00 (TARIC code 8545 11 00 10) and ex 8545 90 90 (TARIC code 8545 90 90 10).

(2) The Council, following an anti-dumping investigation, by Regulation (EC) No 1629/2004 (3), also imposed definitive anti-dumping duties on imports of certain graphite electrodes systems originating in India.

(3) Following an ex officio partial interim review of the countervailing measures, the Council by Regulation (EC) No 1354/2008 (4) amended Regulations (EC) No 1628/2004 and (EC) No 1629/2004.

(4) Following an expiry review of the countervailing measures pursuant to Article 18 of the basic Regulation, the Council by Implementing Regulation (EU) No 1185/2010 (5) extended the countervailing measures. Following an expiry review of the anti-dumping measures, the Council by Implementing Regulation (EU) No 1186/2010 (6) extended the anti-dumping measures.

(5) The countervailing measures took the form of an *ad valorem* duty rate of 6,3 % and 7,0 % for imports from individually named exporters, with a residual duty rate of 7,2 %.

2. Request for an expiry review

(6) Following the publication of a notice of impending expiry (7) of the countervailing measures in force on the imports of certain graphite electrode systems originating in India, the Commission has received a request for review pursuant to Article 18 of Council Regulation (EC) No 597/2009 (8).

(1) OJ L 176, 30.6.2016, p. 55.
(2) Council Regulation (EC) No 1628/2004 of 13 September 2004 imposing a definitive countervailing duty and collecting definitively the provisional duty imposed on imports of certain graphite electrode systems originating in India (OJ L 295, 18.9.2004, p. 4).
(3) Council Regulation (EC) No 1629/2004 of 13 September 2004 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain graphite electrode systems originating in India (OJ L 295, 18.9.2004, p. 10).
(4) Council Regulation (EC) No 1354/2008 of 18 December 2008 amending Regulation (EC) No 1628/2004 imposing a definitive countervailing duty on imports of certain graphite electrode systems originating in India and Regulation (EC) No 1629/2004 imposing a definitive anti-dumping duty on imports of certain graphite electrode systems originating in India (OJ L 350, 30.12.2008, p. 24).
(5) Council Implementing Regulation (EU) No 1185/2010 of 13 December 2010 imposing a definitive countervailing duty on imports of certain graphite electrode systems originating in India following an expiry review pursuant to Article 18 of Regulation (EC) No 597/2009 (OJ L 332, 16.12.2010, p. 1).
(6) Council Implementing Regulation (EU) No 1186/2010 of 13 December 2010 imposing a definitive anti-dumping duty on imports of certain graphite electrode systems originating in India following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 (OJ L 332, 16.12.2010, p. 17).
(7) OJ C 82, 10.3.2015, p. 4.
(8) Council Regulation (EC) No 597/2009 of 11 June 2009 on protection against subsidised imports from countries not members of the European Community (OJ L 188, 18.7.2009, p. 93). This Regulation has been codified by the basic Regulation.

(7) The request was lodged by SGL Carbon GmbH, TOKAI Erftcarbon GmbH and GrafTech Switzerland SA ('the applicants') representing more than 25 % of the total Union production of certain graphite electrode systems.

(8) The request was based on the grounds that the expiry of the measures would be likely to result in continuation of subsidisation and continuation or recurrence of injury to the Union industry.

3. **Initiation**

(9) Having determined that sufficient evidence existed for the initiation of an expiry review, the Commission announced on 15 December 2015, by notice published in the *Official Journal of the European Union* ([1]) ('the Notice of Initiation') the initiation of an expiry review pursuant to Article 18 of Regulation (EC) No 597/2009.

4. **Parallel investigation**

(10) By a notice published in the *Official Journal of the European Union* on 15 December 2015 ([2]), the Commission also announced the initiation of an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009 ([3]) of the definitive anti-dumping measures in force with regard to imports into the Union of certain graphite electrode systems originating in India.

5. **Interested parties**

(11) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the applicant, other known Union producers, exporting producers, importers and users in the Union known to be concerned, and the Indian authorities of the initiation of the expiry review and invited them to participate.

(12) All interested parties had the opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

5.1. *Sampling*

(13) In the Notice of Initiation, the Commission stated that it might sample interested parties, in accordance with Article 27 of the basic Regulation.

(a) Sampling of Union producers

(14) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. In accordance with Article 27(1) of the basic Regulation the Commission selected the sample on the basis of the largest representative volume of sales which could reasonably be investigated within the time available, considering also the geographical location. This sample consisted of four Union producers. The sampled Union producers accounted for more than 80 % of the total Union production, based on information received during standing exercise. The Commission invited interested parties to comment on the provisional sample. No comments were received within the deadline and the sample was thus confirmed. The sample is representative of the Union industry.

(b) Sampling of importers

(15) To decide whether sampling was necessary and, if so, to select a sample, the Commission requested all unrelated importers to provide the information specified in the Notice of Initiation.

([1]) Notice of initiation of an expiry review of the countervailing measures applicable to imports of certain graphite electrode systems originating in India (OJ C 415, 15.12.2015, p. 25).
([2]) Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of certain graphite electrode systems originating in India (OJ C 415, 15.12.2015, p. 33).
([3]) Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community (OJ L 343, 22.12.2009, p. 51).

(16) No importers came forward to provide the information requested in the Notice of Initiation.

5.2. *Questionnaires and verification visits*

(17) The Commission sent questionnaires to the Government of India ('GOI'), all sampled Union producers, the two known Indian producers/exporters and 53 users that came forward after initiation.

(18) Questionnaire replies were received from the GOI, the four sampled Union producers, one Indian exporting producer and eight users.

(19) The Commission sought and verified all the information it deemed necessary for the determination of the likelihood of continuation or recurrence of subsidisation and resulting injury and for the determination of the Union interest. Verification visits pursuant to Article 26 of the basic Regulation were carried out at the premises of the GOI in Delhi and Bhopal, and the following companies:

(a) Union producers:

— Graftech France SNC, Calais, France

— Graftech Iberica S.L., Navarra, Spain

— SGL Carbon SA, Wiesbaden, Germany

— Tokai Erftcarbon GmbH, Grevenbroich, Germany

(b) Exporting producer in India:

— HEG Limited, Bhopal ('HEG')

6. **Review investigation period and period considered**

(20) The investigation of the likelihood of continuation or recurrence of subsidisation covered the period from 1 October 2014 to 30 September 2015 (the 'review investigation period' or 'RIP'). The examination of the trends relevant for the assessment of the likelihood of continuation or recurrence of injury covered the period from 1 January 2012 to the end of the review investigation period (the 'period considered').

B. **PRODUCT CONCERNED AND LIKE PRODUCT**

1. **Product concerned**

(21) The product concerned is graphite electrodes of a kind used for electric furnaces, with an apparent density of 1,65 g/cm^3 or more and an electrical resistance of 6,0 μ.Ω.m or less, and nipples used for such electrodes, whether imported together or separately originating in India ('GES' or 'the product under review'), currently falling within CN codes ex 8545 11 00 (TARIC code 8545 11 00 10) and ex 8545 90 90 (TARIC code 8545 90 90 10).

2. **Like product**

(22) The investigation showed that the following products have the same basic physical and technical characteristics as well as the same basic uses:

— the product under review

— the product produced and sold in the Union by the Union industry.

(23) The Commission concluded that these products are like products within the meaning of Article 2(c) of the basic Regulation.

C. LIKELIHOOD OF A CONTINUATION OF SUBSIDISATION

1. Introduction

(24) In accordance with Article 18(1) of the basic Regulation, the Commission examined whether the expiry of the existing measures would be likely to lead to a continuation of subsidisation.

(25) On the basis of the information contained in the review request, the following schemes, which allegedly involve the granting of subsidies, were investigated:

Nationwide Schemes

(a) Duty Drawback Scheme ('DDS');

(b) Advance Authorisation Scheme ('AAS');

(c) Focus Market Scheme ('FMS');

(d) Merchandise Export from India Scheme ('MEIS');

(e) Export Promotion Capital Goods Scheme ('EPCGS');

(f) Export Credit Scheme ('ECS');

Regional scheme

(g) Electricity Duty Exemption Scheme ('EDES')

(26) The schemes specified in points (a) to (e) above are based on the Foreign Trade (Development and Regulation) Act 1992 (No 22 of 1992) which entered into force on 7 August 1992 ('Foreign Trade Act'). The Foreign Trade Act authorises the Government of India ('GOI') to issue notifications regarding the export and import policy. These are summarised in 'Foreign Trade Policy' documents, which are issued by the Ministry of Commerce every 5 years and updated regularly. Two Foreign Trade Policy documents are relevant for the RIP of this investigation: Foreign Trade Policy 2009-2014 ('FTP 09-14') and Foreign Trade Policy 2015-2020 ('FTP 15-20'). The latter entered into force in April 2015. The GOI also sets out the procedures governing FTP 09-14 and FTP 15-20 in a 'Handbook of Procedures, Volume I, 2009-2014' ('HOP I 04-09') and a 'Handbook of Procedures, Volume I, 2015-2020' ('HOP I 15-20') respectively. The Handbooks of Procedures are updated on a regular basis.

(27) The ECS scheme specified in point (f) above is based on sections 21 and 35A of the Banking Regulation Act 1949, which allow the Reserve Bank of India ('RBI') to direct commercial banks in the field of export credits.

(28) The scheme specified in point (g) above is managed by the authorities of the State of Madhya Pradesh.

(29) DDS, under the form of its predecessor scheme the Duty Entitlement Passbook Scheme ('DEPB') ([1]), and EPCGS were already countervailed in the original investigation while AAS, FMS, MEIS, ECS and EDES were not investigated.

(30) As mentioned above in recital 18, only one of the Indian exporting producers cooperated. This exporting producer represented more than 95 % of all Indian imports of GES into the Union and 50 % of the total estimated production capacity in India. Production capacity in India was established on the basis of the verified questionnaire of the cooperating exporting producer and publicly available financial statements of the non-cooperating exporting producer. The cooperation from the Indian exporting producers was therefore considered as low. The Indian authorities were duly informed that due to the low cooperation of the Indian exporting producers, the Commission may apply Article 28 of the basic Regulation. No comments were received in this respect.

([1]) Transition from DEPB to DDS is explained, inter alia, in recitals 47 to 54 of Council Implementing Regulation (EU) No 461/2013 of 21 May 2013 imposing a definitive countervailing duty on imports of certain polyethylene terephthalate (PET) originating in India following an expiry review pursuant to Article 18 of Regulation (EC) No 597/2009 (OJ L 137, 23.5.2013, p. 1).

(31) After disclosure, the GOI claimed that cooperation could not be considered low since the cooperating producer represented more than 95 % of Indian exports of GES to the Union during the RIP and 50 % of the total estimated production capacity in India. In this respect it is clarified that the Commission established the level of cooperation on basis of the total production capacity in India which was considered more relevant than the Indian export volumes of GES to the Union during the RIP in the context of an expiry review. Since there are only two equally big producers in India and only one of them cooperated, it is justified to qualify the cooperation as low since the non-cooperating company has potentially a big bearing on the assessment of the likelihood of continuation of subsidisation and recurrence of injury. Indeed, as explained in recital 155, the non-cooperating producer almost stopped exporting to the Union due to the duty levels and would in all likelihood resume exports in more significant quantities in case the measures were allowed to lapse. As a consequence, since the two known producers represent each 50 % of the estimated total Indian production capacity, it cannot be excluded that their respective shares in total Indian exports to the Union would become more balanced and hence totally different than the ratio of circa 95/5 observed during the RIP. This claim was therefore rejected. In any event, the Commission notes that this claim is inapposite in the context of an expiry review, where the purpose is to determine whether there is continuation of subsidisation. On the basis of the findings made with respect to the only exporting producer, the Commission can already conclude that there is continuation of subsidisation. Therefore, whether the degree of cooperation is low or high is utterly irrelevant.

2. **Duty Drawback Scheme (DDS)**

2.1. *Legal Basis*

(32) The detailed description of the DDS is contained in the Custom & Central Excise Duties Drawback Rules 1995 as amended by successive notifications.

2.2. *Eligibility*

(33) Any manufacturer-exporter or merchant-exporter is eligible for this scheme.

2.3. *Practical implementation*

(34) An eligible exporter can apply for a drawback amount which is calculated as a percentage of the free-on-board ('FOB') value of products exported under this scheme. The drawback rates have been established by the GOI for a number of products, including the product under review. They are determined on the basis of the average quantity or value of materials used as inputs in the manufacturing of a product and the average amount of duties paid on inputs. They are applicable regardless of whether import duties have actually been paid or not. During the RIP the DDS rate was 3 % with a cap of 3,2 INR/kg until 22 November 2014 and 2,4 % with a cap of 8 INR/kg afterwards.

(35) To benefit from this scheme a company must export. At the moment when shipment details are entered in the Customs server (ICEGATE), it is indicated that the export is taking place under the DDS and the DDS amount is fixed irrevocably. After the shipping company has filed the Export General Manifest (EGM) and the Customs office has satisfactorily compared that document with the shipping bill data, all conditions are fulfilled to authorise the payment of the drawback amount by either direct payment on the exporter's bank account or by draft.

(36) The exporter also has to produce evidence of realisation of export proceeds by means of a Bank Realisation Certificate (BRC). This document can be provided after the drawback amount has been paid but the GOI will recover the paid amount if the exporter fails to submit the BRC within a given delay.

(37) The drawback amount can be used for any purpose.

(38) In accordance with Indian accounting standards, the duty drawback amount can be booked on an accrual basis as income in the commercial accounts, upon fulfilment of the export obligation.

(39) It was found that the cooperating exporting producer continued benefiting from the DDS during the RIP.

2.4. *Conclusion on DDS*

(40) As noted in the original investigation, the DDS provides subsidies within the meaning of Article 3(1)(a)(I) and Article 3(2) of the basic Regulation. The so-called duty drawback amount is a financial contribution by the GoI as it takes form of a direct transfer of funds by the GoI. There are no restrictions as to the use of these funds. In addition, the duty drawback amount confers a benefit upon the exporter, because it improves its liquidity.

(41) The rate of duty drawback for exports is determined by the GOI on a product by product basis. However, although the subsidy is referred to as a duty drawback, the scheme does not have the characteristics of a permissible duty drawback system or substitution drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation. The cash payment to the exporter is not linked to actual payments of import duties on raw materials and is not a duty credit to offset import duties on past or future imports of raw materials.

(42) During the verification visit, the GOI and the cooperating exporting producer claimed that there was an adequate link between the drawback rates as well as the duties paid on raw materials. This is because the GOI takes into account the average quantity or value of materials used as inputs in the manufacturing of the product as well as the average amount of duties paid on inputs in determining the duty drawback rates.

(43) The Commission however does not consider that the alleged link between the drawback rates and the duties paid on raw materials is sufficient in order for the scheme to conform to the rules laid down in Annex I, Annex II (definition and rules for drawback) and Annex III (definition and rules for substitution drawback) of the basic Regulation. In particular, the amount of credit is not calculated in relation to actual inputs used. Moreover, there is no system or procedure in place to confirm which inputs (including their amounts and origin) are consumed in the production process of the exported product or whether an excess payment of import duties occurred within the meaning of item (I) of Annex I, and Annexes II and III of the basic Regulation. Moreover, no further examination by the GOI was conducted on the basis of actual inputs and transactions in order to determine whether an excess payment occurred. Therefore, the claim was rejected.

(44) Consequently, the payment which takes form of a direct transfer of funds by the GOI subsequent to exports made by exporters has to be considered as a direct grant from the GOI contingent on export performance and is therefore deemed to be specific and countervailable under Article 4(4), first subparagraph, point (a) of the basic Regulation.

2.5. *Calculation of the subsidy amount*

(45) In accordance with Article 3(2) and Article 5 of the basic Regulation, the amount of countervailable subsidies was calculated in terms of the benefit conferred on the recipient, which is found to exist during the RIP. In this regard, it was considered that the benefit is conferred on the recipient at the time when an export transaction is made under this scheme. At this moment, the GOI is liable to the payment of the drawback amount, which constitutes a financial contribution within the meaning of Article 3(1)(a)(ii) of the basic Regulation. Once the customs authorities issue an export shipping bill which shows, inter alia, the amount of drawback which is to be granted for that export transaction, the GOI has no discretion as to whether or not to grant the subsidy. In the light of the above, and since there is no reliable evidence showing otherwise, it is considered appropriate to assess the benefit under the DDS as being the sums of the drawback amounts earned on export transactions made under this scheme during the RIP.

(46) In accordance with Article 7(2) of the basic Regulation these subsidy amounts have been allocated over the total export turnover of the product under review during the RIP as appropriate denominator, because the subsidy is contingent upon export performance and it was not granted by reference to the quantities manufactured, produced, exported or transported.

(47) Based on the above, the subsidy rate established in respect of this scheme for the cooperating exporting producer amounted to 2,02 %.

3. **Advance Authorisation Scheme ('AAS')**

3.1. *Legal basis*

(48) The detailed description of the scheme is contained in paragraphs 4.1.1 to 4.1.14 of the FTP 09-14 and chapters 4.1 to 4.30 of the HOP I 09-14 as well as paragraphs 4.03 to 4.24 of FTP 15-20 and chapters 4.04 to 4.52 of HOP I 15-20.

3.2. *Eligibility*

(49) The AAS consists of six sub-schemes, as described in more detail in recital 50 below. Those sub-schemes differ, inter alia, in the scope of eligibility. Manufacturer-exporters and merchant-exporters 'tied to' supporting manufacturers are eligible for the AAS physical exports and for the AAS for annual requirement sub-schemes. Manufacturer-exporters supplying the ultimate exporter are eligible for AAS for intermediate supplies. Main contractors which supply to the 'deemed export' categories mentioned in paragraph 8.2 of the FTP 09-14, such as suppliers of an export oriented unit ('EOU'), are eligible for the AAS deemed export sub-scheme. Eventually, intermediate suppliers to manufacturer-exporters are eligible for 'deemed export' benefits under the sub-schemes Advance Release Order ('ARO') and back to back inland letter of credit.

3.3. *Practical implementation*

(50) The AAS can be issued for:

(i) Physical exports: This is the main sub-scheme. It allows for duty-free import of input materials for the production of a specific resulting export product. 'Physical' in this context means that the export product has to leave Indian territory. An import allowance and export obligation including the type of export product are specified in the licence;

(ii) Annual requirement: Such an authorisation is not linked to a specific export product, but to a wider product group (e.g. chemical and allied products). The licence holder can — up to a certain value threshold set by its past export performance — import duty-free any input to be used in manufacturing any of the items falling under such a product group. It can choose to export any resulting product falling under the product group using such duty-exempt material;

(iii) Intermediate supplies: This sub-scheme covers cases where two manufacturers intend to produce a single export product and divide the production process. The manufacturer-exporter who produces the intermediate product can import duty-free input materials and can obtain for this purpose an AAS for intermediate supplies. The ultimate exporter finalises the production and is obliged to export the finished product;

(iv) Deemed exports: This sub-scheme allows a main contractor to import inputs free of duty which are required in manufacturing goods to be sold as 'deemed exports' to the categories of customers mentioned in paragraph 8.2(b) to (f), (g), (i) and (j) of the FTP 09-14. According to the GOI, deemed exports refer to those transactions in which the goods supplied do not leave the country. A number of categories of supply is regarded as deemed exports provided the goods are manufactured in India, e.g. supply of goods to an export-oriented unit ('EOU') or to a company situated in a special economic zone ('SEZ');

(v) Advance Release Order ('ARO'): The AAS holder intending to source the inputs from indigenous sources, in lieu of direct import, has the option to source them against AROs. In such cases the Advance Authorisations are validated as AROs and are endorsed to the indigenous supplier upon delivery of the items specified therein. The endorsement of the ARO entitles the indigenous supplier to the benefits of deemed exports as set out in paragraph 8.3 of the FTP 09-14 (i.e. AAS for intermediate supplies/deemed export, deemed export drawback and refund of terminal excise duty). The ARO mechanism refunds taxes and duties to the supplier instead of refunding the same to the ultimate exporter in the form of drawback/refund of duties. The refund of taxes/duties is available both for indigenous inputs as well as imported inputs;

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(vi) Back to back inland letter of credit: This sub-scheme again covers indigenous supplies to an Advance Authorisation holder. The holder of an Advance Authorisation can approach a bank for opening an inland letter of credit in favour of an indigenous supplier. The authorisation will be validated by the bank for direct import only in respect of the value and volume of items being sourced indigenously instead of importation. The indigenous supplier will be entitled to deemed export benefits as set out in paragraph 8.3 of the FTP 09-14 (i.e. AAS for intermediate supplies/deemed export, deemed export drawback and refund of terminal excise duty).

(51) It was found that the cooperating exporting producer obtained concessions under the first sub-scheme i.e. AAS physical exports during the RIP. It is therefore not necessary to establish the countervailability of the remaining unused sub-schemes.

(52) For verification purposes by the Indian authorities, an Advance Authorisation holder is legally obliged to maintain 'a true and proper account of consumption and utilisation of duty-free imported/domestically procured goods' in a specified format (chapters 4.26, 4.30 and Appendix 23 HOP I 09-14), i.e. an actual consumption register. This register has to be verified by an external chartered accountant/cost and works accountant who issues a certificate stating that the prescribed registers and relevant records have been examined and the information furnished under Appendix 23 is true and correct in all respects.

(53) With regard to the sub-scheme used during the RIP by the company concerned, i.e. physical exports, the import allowance and the export obligation are fixed in volume and value by the GOI and are documented on the Authorisation. In addition, at the time of import and of export, the corresponding transactions are to be documented by Government officials on the Authorisation. The volume of imports allowed under the AAS is determined by the GOI on the basis of Standard Input Output Norms ('SIONs') which exist for most products including the product under review.

(54) Imported input materials are not transferable and have to be used to produce the resultant export product. The export obligation must be fulfilled within a prescribed time frame after issuance of the licence (24 months with two possible extensions of 6 months each).

(55) As explained in recital 26 a new FTP document came into force in April 2015. As far as the practical implementation set out in recitals 50 to 54 is concerned, the only change brought by the new FTP was a reduction of the export obligation period from 24 months to 18 months. It must also be noted that all licences used by the cooperating exporting producer during the RIP were still subject to FTP 09-14 as they were issued before April 2015.

(56) The investigation established that the verification requirements stipulated by the Indian authorities were not yet honoured or tested in practice.

(57) The cooperating exporting producer maintained a certain production and consumption register. It was however not possible to verify which inputs (including their origin) were consumed in the production of the exported product and in what amounts. In particular with the system put in place it was not possible to identify and measure with precision whether there was an excess remission.

(58) Regarding the verification requirements referred to in recital 52, it was found that none of the AAS licences used by the company were at a point in their life cycle where the submission of Appendix 23 to the authorities was due. However it was also found that no records kept by the companies would enable the calculation of excess remission as requested in Appendix 23, thereby making any future certification by an external chartered accountant/cost and works accountant impossible.

(59) In addition it was established that only between 75 % and 85 % of the main raw material (calcined petroleum coke or 'CPC') imported duty free under AAS was physically incorporated in GES while between 15 % and 25 % was incorporated in two by-products i.e. lumps and fines. It was also found that at least a part of both by-products was sold on the domestic market and that no system was in place to measure the actual amounts of CPC imported duty free incorporated in the by-products exported or sold domestically.

(60) In sum, it is considered that the cooperating exporting exporter was not able to demonstrate that the relevant FTP provisions were met.

3.4. *Conclusion on the AAS*

(61) The exemption from import duties is a subsidy within the meaning of Article 3(1)(a)(ii) and Article 3(2) of the basic Regulation, namely it constitutes a financial contribution of the GOI since it decreases duty revenue which would otherwise be due and it confers a benefit upon the investigated exporter since it improves its liquidity.

(62) In addition, AAS physical exports are clearly contingent in law upon export performance, and therefore deemed to be specific and countervailable under Article 4(4), first subparagraph, point (a) of the basic Regulation. Without an export commitment a company cannot obtain benefits under these schemes.

(63) The sub-scheme used in the present case cannot be considered a permissible duty drawback system or substitution drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation. It does not conform to the rules laid down in Annex I item (i), Annex II (definition and rules for drawback) and Annex III (definition and rules for substitution drawback) of the basic Regulation. The GOI did not effectively apply a verification system or a procedure to confirm whether and in what amounts inputs were consumed in the production of the exported product (Annex II(4) of the basic Regulation and, in the case of substitution drawback schemes, Annex III(II)(2) of the basic Regulation). It is also considered that the SIONs for the product under review were not sufficiently precise and that themselves cannot constitute a verification system of actual consumption because the design of those standard norms does not enable the GOI to verify with sufficient precision what amounts of inputs were consumed in the export production. In addition, the GOI did not carry out a further examination based on actual inputs involved, although this would need to be carried out in the absence of an effectively applied verification system (Annex II(5) and Annex III(II)(3) to the basic Regulation).

(64) The sub-scheme is therefore countervailable.

3.5. *Calculation of the subsidy amount*

(65) In the absence of permitted duty drawback systems or substitution drawback systems, the countervailable benefit is the remission of import duties normally due upon importation of inputs.

(66) Since there was no reliable evidence showing otherwise, the subsidy amount for the cooperating exporting producer was calculated on the basis of import duties forgone (basic customs duty and special additional customs duty) on the material imported under the sub-scheme during the RIP (numerator). In accordance with Article 7(1)(a) of the basic Regulation, fees necessarily incurred to obtain the subsidy were deducted from the subsidy amount where justified claims were made. In accordance with Article 7(2) of the basic Regulation, this subsidy amount was allocated over the export turnover of the product under review during the RIP as appropriate denominator because the subsidy is contingent upon export performance and was not granted by reference to the quantities manufactured, produced, exported or transported.

(67) The subsidy rate established in respect of this scheme for the cooperating exporting producer amounts to 0,30 %.

4. **Focus Market Scheme (FMS)**

4.1. *Legal basis*

(68) The detailed description of FMS is contained in paragraph 3.14 of FTP 09-14 and in paragraph 3.8 of HOP I 09-14.

4.2. *Eligibility*

(69) Any manufacturer-exporter or merchant-exporter is eligible for this scheme.

4.3. *Practical implementation*

(70) Under this scheme exports of all products which include exports of GES to countries notified under Tables 1 and 2 of Appendix 37(C) of HOP I 09-14 are entitled to duty credit equivalent to 3 % of the FOB value. As of 1 April 2011, exports of all products to countries notified under Table 3 of Appendix 37(C) ('Special Focus Markets') are entitled to a duty credit equivalent to 4 % of the FOB value. Certain types of export activities are excluded from the scheme, e.g. exports of imported goods or transhipped goods, deemed exports, service exports and export turnover of units operating under special economic zones/export operating units.

(71) The duty credits under FMS are freely transferable and valid for a period of 24 months from the date of issue of the relevant credit entitlement certificate. They can be used for payment of custom duties on subsequent imports of any inputs or goods including capital goods.

(72) The credit entitlement certificate is issued from the port from which the exports have been made and after realisation of exports or shipment of goods. As long as the complainant provides to the authorities copies of all relevant export documentation (e.g. export order, invoices, shipping bills, bank realisation certificates), the GOI has no discretion over the granting of the duty credits.

(73) It was found that the cooperating exporting producer received benefits under the FMS during the RIP.

4.4. *Conclusion on FMS*

(74) The FMS provides subsidies within the meaning of Article 3(1)(a)(ii) and Article 3(2) of the basic Regulation. A FMS duty credit is a financial contribution by the GOI, since the credit will eventually be used to offset import duties, thus decreasing the GOI's duty revenue which would be otherwise due. In addition, the FMS duty credit confers a benefit upon the exporter, because it improves its liquidity.

(75) Furthermore, FMS is contingent in law upon export performance, and therefore deemed to be specific and countervailable under Article 4(4), first subparagraph, point (a) of the basic Regulation.

(76) This scheme cannot be considered a permissible duty drawback system or substitution drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation. It does not conform to the strict rules laid down in Annex I point (i), Annex II (definition and rules for drawback) and Annex III (definition and rules for substitution drawback) of the basic Regulation. An exporter is under no obligation to actually consume the goods imported free of duty in the production process and the amount of credit is not calculated in relation to actual inputs used. There is no system or procedure in place to confirm which inputs (including their amounts and origin) are consumed in the production process of the exported product and thus whether an excess payment of import duties occurred within the meaning of point (i) of Annex I and Annexes II and III of the basic Regulation. An exporter is eligible for FMS benefits regardless of whether it imports any inputs at all. In order to obtain the benefit, it is sufficient for an exporter to simply export goods without having to demonstrate that any input material was imported. Thus, even exporters which procure all of their inputs locally and do not import any goods which can be used as inputs are still entitled to benefit from FMS. Moreover, an exporter can use FMS duty credits in order to import capital goods although capital goods are not covered by the scope of permissible duty drawback systems, as set out in Annex I point (i) of the basic Regulation, because they are not consumed in the production of the exported products. In addition, the Commission observes that no further examination by the GOI was conducted on the basis of actual inputs and transactions in order to determine whether an excess payment occurred.

4.5. *Calculation of the subsidy amount*

(77) Since there was no reliable evidence showing otherwise, the amount of countervailable subsidies was calculated on the basis of the benefit conferred on the recipient, which is found to exist during the RIP as booked by the

applicants on an accrual basis as income at the stage of export transaction. In accordance with Article 7(2) and (3) of the basic Regulation this subsidy amount (numerator) has been allocated over the export turnover of the product under review during the RIP as appropriate denominator, because the subsidy is contingent upon export performance and it was not granted by reference to the quantities manufactured, produced, exported or transported.

(78) Based on the above, the subsidy rate established in respect of this scheme for the cooperating exporting producer amounted to 0,13 %.

Withdrawal and replacement of FMS

(79) Following the entry into force of FTP 15-20 on 1 April 2015, FMS, together with four other schemes, was merged into the Merchandise Export Incentive Scheme (MEIS) described in recitals 83 to 100. As explained in the document titled 'Highlights of the Foreign Trade Policy 2015-2020' ([1]) published by the GOI's Directorate-General of Foreign Trade: 'Earlier there were 5 different schemes (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip, VKGUY) for rewarding merchandise exports with different kinds of duty scrips with varying conditions (sector specific or actual user only) attached to their use. Now all these schemes have been merged into a single scheme, namely Merchandise Export from India Scheme […].'

(80) The investigation established that the cooperating exporting producer switched from FMS to MEIS as soon as FMS was withdrawn.

(81) In view of recitals 79 and 80, the Commission considers that the subsidisation conferred by FMS was not discontinued but just merged and renamed, and that the benefits conferred by FMS continue to be conferred by the new scheme. On that basis FMS is deemed to be countervailable until its withdrawal.

5. **Merchandise Export from India Scheme (MEIS)**

5.1. *Legal basis*

(82) The detailed description of MEIS is contained in chapter 3 of FTP 15-20 and in chapter 3 of HOP I 15-20.

(83) MEIS came into force on 1 April 2015, i.e. in the middle of the RIP. It is reminded that, as explained in recitals 79 to 81, MEIS is the successor scheme of FMS and 4 other schemes (Focus Product Scheme, Market Linked Focus Product Scheme, Agricultural Infrastructure Incentive Scrip and VKGUY).

5.2. *Eligibility*

(84) Any manufacturer-exporter or merchant-exporter is eligible for this scheme.

5.3. *Practical implementation*

(85) Eligible companies can benefit from MEIS by exporting specific products to specific countries which are categorised into Group A ('Traditional Markets' including all EU Member States), Group B ('Emerging and Focus Markets') and Group C ('Other Markets'). The countries falling under each group and the list of products with corresponding reward rates are specified in Table 1 and Table 2 respectively of Appendix 3B of FTP 15-20.

([1]) http://dgft.gov.in/exim/2000/highlight2015.pdf

(86) The benefit takes the form of a duty credit equivalent to a percentage of the FOB value of the export. In the case of GES, this percentage was found to be 2 % for exports to Group B countries and 0 % for exports to Group A and C countries during the RIP. Certain types of exports are excluded from the scheme, e.g. exports of imported goods or transhipped goods, deemed exports, service exports and export turnover of units operating under special economic zones/export operating units.

(87) The duty credits under MEIS are freely transferable and valid for a period of 18 months from the date of issue. They can be used for: (i) payment of custom duties on imports of inputs or goods including capital goods, (ii) payment of excise duties on domestic procurement of inputs or goods including capital goods and payment, (iii) payment of service tax on procurement of services.

(88) An application for claiming benefits under MEIS must be filed on line on the Directorate-General of Foreign Trade website. Relevant documentation (shipping bills, bank realisation certificate and proof of landing) must be linked with the on-line application. The relevant Regional Authority ('RA') of the GOI issues the duty credit after scrutiny of the documents. As long as the exporter provides the relevant documentation, the RA has no discretion over the granting of the duty credits.

(89) It was found that the cooperating exporting producer received benefits under the MEIS during the RIP.

5.4. *Conclusion on MEIS*

(90) The MEIS provides subsidies within the meaning of Article 3(1)(a)(ii) and Article 3(2) of the basic Regulation. MEIS duty credit is a financial contribution by the GOI, since the credit will eventually be used to offset import duties, thus decreasing the GOI's duty revenue which would be otherwise due. In addition, the MEIS duty credit confers a benefit upon the exporter, because it improves its liquidity.

(91) Furthermore, MEIS is contingent in law upon export performance, and therefore deemed to be specific and countervailable under Article 4(4), first subparagraph, point (a) of the basic Regulation.

(92) This scheme cannot be considered a permissible duty drawback system or substitution drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation. It does not conform to the strict rules laid down in Annex I point (i), Annex II (definition and rules for drawback) and Annex III (definition and rules for substitution drawback) of the basic Regulation. An exporter is under no obligation to actually consume the goods imported free of duty in the production process and the amount of credit is not calculated in relation to actual inputs used. There is no system or procedure in place to confirm which inputs are consumed in the production process of the exported product or whether an excess payment of import duties occurred within the meaning of point (i) of Annex I and Annexes II and III of the basic Regulation. An exporter is eligible for MEIS benefits regardless of whether it imports any inputs at all. In order to obtain the benefit, it is sufficient for an exporter to simply export goods without having to demonstrate that any input material was imported. Thus, even exporters which procure all of their inputs locally and do not import any goods which can be used as inputs are still entitled to benefit from MEIS. Moreover, an exporter can use MEIS duty credits in order to import capital goods although capital goods are not covered by the scope of permissible duty drawback systems, as set out in Annex I point (i) of the basic Regulation, because they are not consumed in the production of the exported products. Moreover, no further examination by the GOI was conducted on the basis of actual inputs and transactions in order to determining whether an excess payment occurred.

(93) Exports to the European Union were not directly eligible to MEIS during the RIP as the EU Member States are part of country Group A which was not eligible to MEIS benefits during that period. On that basis the GOI claimed that MEIS should not be considered countervailable. However MEIS duty credits obtained from exports of GES to third countries are freely transferable and can be used to offset import duties on inputs incorporated in the product under review even when it is exported to the Union. For that reason it was considered that MEIS conferred benefits to exports of GES in general, including exports to the Union, and therefore the claim was rejected.

(94) After disclosure the GOI reiterated its claim that since only exports to non-EU third countries were directly eligible to MEIS benefits during the RIP the scheme could not be considered countervailable. The GOI however did not put forward new arguments that would challenge the findings of recital 93 and in particular the fact that duty credits obtained from exports of GES to third countries are freely transferable and can be used to offset import duties on inputs incorporated in the product under review when exported to the Union. Therefore, the claim was rejected.

5.5. *Calculation of the subsidy amount*

(95) The amount of countervailable subsidies was calculated on the basis of the benefit conferred on the recipient, which is found to exist during the RIP as booked by the applicants on an accrual basis as income at the stage of export transaction.

(96) It was found that while the MEIS and its predecessor scheme, the FMS, were both in force during six months (the first half of the RIP for FMS and the second half for MEIS) the amount of countervailable subsidies conferred by MEIS was about three times the amount conferred by FMS.

(97) In the disclosure the Commission, in accordance with Article 7(2) and (3) of the basic Regulation allocated this subsidy amount (numerator) over the export turnover of the product under review during the RIP as appropriate denominator, because the subsidy is contingent upon export performance and it was not granted by reference to the quantities manufactured, produced, exported or transported.

(98) The GOI claimed that the Commission's calculation method described in recital 97 resulted in counting MEIS benefits twice, once for exports to countries directly eligible to MEIS and once for the global exports (including exports to the Union). However since the calculation method described in recital 97 consists in dividing the benefit conferred on all exports only by the export turnover (including exports to the Union) there was no double counting of benefits. The claim was therefore rejected.

(99) In any event, in the context of this expiry review it is not necessary to establish the exact subsidy rate of MEIS since there is sufficient evidence of continuation of subsidisation in view of the findings made in respect of the other investigated schemes. It is thus only necessary to establish that the benefits conferred by FMS continued to be conferred by MEIS since MEIS is the continuation scheme of FMS as established in recitals 79 to 81. To that end the Commission recalculated the subsidy rate in the most conservative way possible by using the largest available denominator i.e. the total turnover of GES. On that basis the subsidy rate calculated in respect of this scheme for the cooperating exporting producer amounted to 0,31 %. This rate constitutes a lower bound of the subsidy rate during the RIP.

(100) It must be noted that the subsidisation rate of this scheme is expected to rise significantly after the RIP as, by public notice No 44/2015-2020 dated 29 October 2015, the GOI extended the benefit of the 2 % rate to Group A and C thereby extending the market coverage of MEIS to all countries and in particular to EU Member States. This development will increase the subsidisation level as compared to what was observed during the RIP. Indeed, since MEIS benefits can in principle be claimed for any export, the subsidy rate for this scheme is expected to increase significantly and to reach the level of 2 %.

6. **Export Promotion Capital Goods Scheme (EPCGS)**

6.1. *Legal basis*

(101) The detailed description of the scheme is contained in Chapter 5 of the FTP 09-14 and of the FTP 15-20 as well as Chapter 5 of the HOP I 09-14 and of the HOP I 15-20.

6.2. *Eligibility*

(102) Manufacturer-exporters, merchant-exporters 'tied to' supporting manufacturers and service providers are eligible for this scheme.

6.3. *Practical implementation*

(103) Under the condition of an export obligation, a company is allowed to import capital goods at a reduced rate of duty. An export obligation is an obligation to export a minimum value of goods corresponding to, depending on the sub-scheme chosen, six or eight times the amount of duty saved. To this end, the GOI issues, upon application and payment of a fee, an EPCGS licence. The scheme provides for a reduced import duty rate of 3 % applicable to all capital goods imported under the scheme. In order to meet the export obligation, the imported capital goods must be used to produce a certain amount of export goods during a certain period. The capital goods can also be imported with a 0 % duty rate under the EPCGS but in such case the time period for fulfilment of the export obligation is shorter.

(104) The EPCGS licence holder can also source the capital goods indigenously. In such case, the indigenous manufacturer of capital goods may avail himself of the benefit for duty free import of components required to manufacture such capital goods. Alternatively, the indigenous manufacturer can claim the benefit of deemed export in respect of supply of capital goods to an EPCGS licence holder.

(105) Like in the original investigation, it was found that the cooperating exporting producer continued benefiting from the EPCGS during the RIP.

6.4. *Conclusion on the EPCGS*

(106) The EPCGS provides subsidies within the meaning of Article 3(1)(a)(ii) and Article 3(2) of the basic Regulation. The duty reduction constitutes a financial contribution by the GOI, since this concession decreases the GOI's duty revenue which would be otherwise due. In addition, the duty reduction confers a benefit upon the exporter, because the duties saved upon importation improve the company's liquidity.

(107) Furthermore, the EPCGS is contingent in law upon export performance, since such licences cannot be obtained without a commitment to export. Therefore, it is deemed to be specific and countervailable under Article 4(4), first subparagraph, point (a) of the basic Regulation.

(108) The EPCGS cannot be considered a permissible duty drawback system or substitution drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation. Capital goods are not covered by the scope of such permissible systems, as set out in Annex I point (I), of the basic Regulation, because they are not consumed in the production of the exported products.

6.5. *Calculation of the subsidy amount*

(109) The amount of countervailable subsidies was calculated, in accordance with Article 7(3) of the basic Regulation, on the basis of the unpaid customs duty on imported capital goods spread across a period which reflects the normal depreciation period of such capital goods in the industry concerned. The amount so calculated, which is attributable to the RIP, has been adjusted by adding interest during this period in order to reflect the full time value of the money. The commercial interest rate during the RIP in India was considered appropriate for this purpose.

(110) In accordance with Article 7(2) and (3) of the basic Regulation, this subsidy amount has been allocated over the appropriate export turnover during the RIP as the appropriate denominator because the subsidy is contingent upon export performance and was not granted by reference to the quantities manufactured, produced, exported or transported.

(111) Based on the above, the subsidy rate established in respect of this scheme for the cooperating exporting producer amounted to 0,27 %.

(112) After disclosure the cooperating exporting producer claimed that for the calculation of the subsidy rate of this scheme, the subsidy amount should have been allocated over the total turnover of the company including both exports and domestic sales instead of only the export turnover. It justified its claim by the fact that machines benefitting from EPCGS subsidisation can also be used to manufacture products sold domestically and referred to Article F(b)(2) of the Guidelines for the calculation of the amount of subsidy in countervailing duty investigations ([1]) ('the Guidelines') which contains an instruction regarding the calculation of subsidy rates for non-export subsidies. However, the possibility to manufacture GES sold domestically with machines imported under EPCGS does not challenge the qualification of EPCGS as an export subsidy since as explained in recitals 103 and 107 this subsidy is contingent in law upon export performance. Therefore Article F(b)(2) of the Guidelines which concerns non-export subsidies did not apply to the calculation of EPCGS and the claim was rejected. In addition it is reminded that the calculation method used for EPCGS in the current proceeding is the same as the one used in the other proceedings concerning GES originating in India, i.e. the initial investigation (see recital 57 of Commission Regulation (EC) No 1008/2004 ([2])), the partial interim review (see recital 54 of Regulation (EC) No 1354/2008) and the first expiry review (see recital 47 of Implementing Regulation (EU) No 1185/2010).

7. **Export Credit Scheme (ECS)**

(113) It was alleged by the applicants that, under the ECS, the Reserve Bank of India ('RBI') was imposing maximum ceiling interest rates on export credit loans granted by banks. This ceiling was allegedly set at the benchmark prime lending rate bank minus 2,5 %.

(114) It was however found that maximum ceiling interest rates imposed to banks on export credit loans in INR were withdrawn with effect from 1 July 2010 by RBI's Master Circular DBOD No DIR(Exp.) BC 06/04.02.002/2010-11 and that maximum ceiling interest rates imposed to banks on export credit loans in foreign currency were withdrawn with effect from 5 May 2012 by Master Circular DBOD No DIR(Exp.) BC 04/04.02.002/2011-2012 with the exception of specific limited number of sectors of industry. GES was not included in the list of exceptions and according to the legal basis in force the ECS scheme was therefore not available to the GES producers during the RIP.

(115) The investigation confirmed that actual rates obtained by the cooperating exporting producer for its loans were equal to or only slightly different from the base rates of the respective banks granting the loans. As nothing indicated either that the RBI was deciding the base rate of banks, it was concluded that the rates of the export credit loans were freely determined by the banks.

(116) It must be noted that shortly after the RIP the RBI announced a new 'Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit' in Master Circular DBR.Dir.BC.No 62/04.02.001/2015-16 dated 4 December 2015. The scheme is available to exports of a wide range of products, including GES, irrespective of the size of the exporting producer and to any export for small and medium enterprises. On that basis it cannot be excluded that the cooperating exporting producer started availing or will avail itself of this scheme in the future. However the obtained benefits, if any, would be posterior to the RIP.

(117) In view of the above, in the context of this expiry review the Commission does not consider it necessary to make findings about this scheme.

8. **Electricity Duty Exemption Scheme ('EDES')**

(118) Under the Industrial Promotion Policy of 2004, the State of Madhya Pradesh ('MP') offers exemption of electricity duty to industrial companies investing in electricity generation for captive consumption.

([1]) OJ C 394, 17.12.1998, p. 6.
([2]) Commission Regulation (EC) No 1008/2004 of 19 May 2004 imposing a provisional anti-subsidy duty on imports of certain graphite electrode systems originating in India (OJ L 183, 20.5.2004, p. 35).

8.1. *Legal basis*

(119) The description of the electricity duty exemption scheme applied by the MP Government is set out in Section 3-B of the Electricity Duty Act of 1949.

8.2. *Eligibility*

(120) Every manufacturer which invests a certain amount of capital in the set-up of a power plant within the State of Madhya Pradesh is eligible for this scheme.

8.3. *Practical implementation*

(121) According to notification No 5691-XIII-2004 of the MP Government dated 29 September 2004, companies or persons investing in new captive power plants of more than 10 kilowatt capacity can obtain from the MP Electrical Inspectorate a certificate of exemption from electricity duty. The exemption is only given for electricity generated for self-consumption, and only if the new captive power plant is not a replacement of an older one. The exemption is granted for a period of five years.

(122) By notification No 3023/F-4/3/13/03 dated 5 April 2005 the MP Government exempted the first power plant built by the cooperating exporting producer (the '30-MW plant') for a period of 10 years with effect from 6 April 2005. It is noted that this notification applied only to the cooperating exporting producer and therefore constituted an exception to the general 5-year exemption period defined in notification No 5691-XIII-2004. This suggests that this incentive is not systematically granted according to criteria clearly set out by law or regulation.

(123) By notification No 4328-XIII-2006 dated 21 July 2006 the MP Government introduced distinct exemption periods of 5, 7 and 10 years applicable in function of the investment value of the subsidised power plant.

(124) According to a letter of the MP Government dated 4 February 2015 a 7-year exemption was granted to the cooperating exporting producer's second power plant (the '33-MW plant') from 10 June 2009 to 9 June 2016.

8.4. *Conclusion on EDES*

(125) The subsidy amount was calculated in accordance with Article 7(2) of the basic Regulation on the basis of the unpaid sales duty on electricity purchased in the RIP (the numerator) and the total sales turnover of the company (the denominator) as EDES is neither contingent upon export performance nor was the use of electricity limited only to the production of the product under review.

(126) Based on the above, the subsidy rate established in respect of this scheme for the cooperating exporting producer amounted to around 2 %.

(127) However, the 30-MW plant operated by the cooperating exporting producer ceased to be eligible to EDES in April 2015 (i.e. during the RIP) pursuant notification No 3023/F-4/3/13/03 referred to in recital 122. The investigation confirmed that the cooperating exporting producer did not benefit from duty exemption for that power plant after this date.

(128) As regards the 33-MW plant, eligibility was lapsing in June 2016 as explained in recital 124. Since the verification visit was also conducted in June 2016 it was not possible to verify on spot that the benefits indeed ceased to be conferred after that date. However since the expiration of the benefits could be verified for the 30-MW plant there is no tangible ground to challenge that benefits expired on time for the 33-MW plant as well.

(129) In view of the expiration of the benefits this scheme, the Commission found that the exporting producer ceased to benefit from this scheme. In any event, in the context of this expiry review the Commission does not consider it necessary to make findings about this scheme since, as found before, there is sufficient evidence to conclude continuation of subsidisation on the basis of the schemes on which the Commission makes findings.

9. **Amount of countervailable subsidies**

(130) The amounts of countervailable subsidies in accordance with the provisions of the basic Regulation, expressed *ad valorem*, for the cooperating exporting producer were as follows:

Table 1

SCHEMES	DDS	AAS	FMS	MEIS	EPCGS	Total
HEG Limited (%)	2,02	0,30	0,13	0,31	0,27	3,03

(131) The total amount of subsidisation exceeds the *de minimis* threshold mentioned in Article 14(5) of the basic Regulation.

(132) The GOI submitted that the non-cooperating exporting producer Graphite India Limited ('GIL') did not avail of any of the five countervailable schemes found to confer benefits to HEG on basis of the following claims:

(a) No DDS duty credit was issued in respect of exports to the Union during the RIP;

(b) FMS was terminated during the RIP and will not confer benefits to exporting producers in the future;

(c) MEIS was not available to exports to the Union during the RIP as far as GES is concerned;

(d) No AAS or EPCGS licence were granted to GIL during the RIP.

(133) These claims must however be rejected for the following reasons:

(a) Even if GIL did not receive DDS duty credits for their exports to the Union, this would still not allow concluding that the scheme did not confer benefits to GIL. Indeed the DDS subsidy rate is calculated on the basis of all exports of the company which also include exports to other third countries.

(b) While the investigation confirmed that the FMS scheme was terminated during the RIP, it also established, as described in recitals 79 to 81, that the benefits conferred by the FMS before its termination continued to be conferred by the new MEIS scheme which entered in force immediately after the FMS was terminated.

(c) As explained in recital 93 the mere fact that exports to the Union are not directly eligible to MEIS duty credits does not allow concluding that an exporting producer does not benefit from the MEIS in respect of its export or production activities in general. Indeed MEIS duty credits obtained from exports of GES to third countries are freely transferable and can be used to offset import duties on inputs incorporated in the product under review even if it is exported to the Union. It is therefore considered that these duty credits confer benefits to exports of GES as well as GIL's production in general, including exports to the Union.

(d) Even if GIL was not granted new AAS or EPCGS licences during the RIP, this would still not allow concluding that these schemes did not confer benefits to GIL. GIL could have availed of the respective schemes by using licences granted before the RIP. In this respect it is worth noting that while the cooperating exporting producer was not granted any new AAS or EPCGS licence during the RIP, it was still found to receive benefits under both schemes by using licences granted before the RIP.

(134) According to the review request GIL benefited from the same countervailable schemes as the cooperating exporting producer. There is no information available which would indicate that this was not the case. In fact, the current investigation has shown that two schemes from which GIL benefited and were countervailed in the original investigation (DDS and EPCGS) continue being in place and benefiting the cooperating exporter. On the basis of these available facts and in accordance with Article 28 of the basic Regulation it was concluded that subsidisation at country-level continued during the RIP.

10. **Conclusions on the likelihood of a continuation of subsidisation**

(135) It was established that the cooperating exporting producer continued to benefit from countervailable subsidisation by the Indian authorities during the RIP. In recital 134 it was established that subsidisation continued at country-level as well.

(136) The countervailable subsidy schemes give recurring benefits and there is no indication (except for FMS which was immediately replaced by MEIS) that these schemes will be phased out in the foreseeable future or that the cooperating exporting producer would stop obtaining benefits under these schemes. To the contrary, these schemes were renewed during the RIP as part of the Foreign Trade Policy 2015-2020 which will remain in force until March 2020. In addition, it is reminded that after the RIP (i) the subsidy rate of the MEIS increased as established in recitals 96 and 100 and (ii) the subsidisation of export credits scheme was re-activated as established in recital 116. Moreover, each exporter is eligible to several of the subsidy schemes.

(137) It was also examined whether exports to the Union would be made in significant volumes should the measures be lifted. To that end, the following elements were analysed: the production capacity and spare capacity in India, the exports from India to other third countries and the attractiveness of the Union market.

(138) As mentioned in recital 30, only one exporting producer in India cooperated which represented only half of the total Indian production capacity. The findings in the sections below were therefore based on facts available in accordance with Article 28 of the basic Regulation. In this regard, the Commission used the information provided by the cooperating exporting producer, the request for the expiry review, the United Nations Database, Directorate-General of Commercial Intelligence and Statistics ('DGCIS') statistics provided by the GOI and publicly available information.

10.1. *Production capacity and spare capacity*

(139) Based on public financial information and verified data of the cooperating exporting producer HEG ([1]) ([2]) both Indian producers increased their production capacity after the previous expiry review mentioned in recital 4 by 27 %. At the end of the RIP, the total production capacity in India amounted to 160 000 tonnes per year, equally divided between the two producers ([3]). In addition, the investigation revealed that the Indian exporting producers are likely to further increase their capacity in case of increased demand ([4]).

(140) The production volume of the two Indian producers ranged between 110 000 and 120 000 tonnes during the RIP. On the basis of the above, the total Indian spare capacity was estimated to be between 40 000 and 50 000 tonnes, which represented between 29 % and 36 % of the Union consumption during the RIP.

(141) The increase in capacity took place in parallel to a decrease in consumption of GES in India and worldwide. GES is mainly used in the electric steel industry, more specifically it is used in steel plants to melt steel scrap. The development of GES consumption is therefore correlated with the development of electric steel production and follows similar trends. The investigation established that the production of electric steel in India and worldwide decreased between 2012 and the RIP ([5]) while the production capacity of GES in India increased.

(142) At the end of November 2014, the Indian authorities imposed anti-dumping measures on imports of GES from China ([6]). It is expected that the Indian producers will increase their market share on the domestic market.

([1]) http://www.google.be/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwiqt6H2u9_QAhWEzRoKHYUwBVEQFggfMAA&url=http%3A%2F%2Fhegltd.com%2Fwebmaster%2FDownloadFile.aspx%3Fd%3D..%2Fuploads%2FFinance%2F70Results_Release.pdf&usg=AFQjCNGMpUymLm4BNOjIMmolLDgwSGgcDw
([2]) http://content.icicidirect.com/mailimages/IDirect_GraphiteIndia_Q1FY16.pdf
([3]) http://hegltd.com/ and http://www.graphiteindia.com/
([4]) http://hegltd.com/WEBMASTER/DownloadFile.aspx?D=../Uploads/Newsletter/News9.pdf
([5]) https://www.worldsteel.org/statistics/statistics-archive/yearbook-archive.html
([6]) http://www.dgtr.gov.in/sites/default/files/adfin_Graphite_Electrodes_diameters_ChinaPR.pdf

10.2. *Exports to third countries*

(143) Based on public financial statements, both Indian exporting producers were found to be export oriented [1] [2] exporting around 60 % of their total production during the RIP.

(144) The Union remained an important export destination for the cooperating exporting producer HEG despite the measures in force. HEG's exports accounted for between 10 % and 17 % of its total sales in terms of value and between 10 % and 20 % in terms of volume in the RIP. The non-cooperating Indian company GIL exported very low volumes to the Union during the RIP. This has however to be seen in correlation with the anti-dumping and countervailing duties applicable to GIL (15,7 % in total) as compared to HEG (7 % in total).

(145) In the absence of any other more reliable source to establish export volumes from India to other third country markets, the United Nations Database was used. According to this database, exports to other third countries increased between 2012 and 2013, by 43 %, and then decreased in 2014 and 2015, by 38 % as compared to 2013. Export volume overall decreased between 2012 and the RIP (by 10 %). The main destinations for the Indian exports in 2015 were USA, Saudi Arabia, Iran, Turkey and United Arab Emirates, Republic of Korea, Egypt. Between 2012 and 2015 Indian exports to some of these destinations increased (such as Saudi Arabia, United Arab Emirates, USA) while to some others (Iran, Turkey, Republic of Korea, Egypt) they decreased, with and overall decrease of 9 %.

(146) While in 2012 Russia was the third export market for the Indian producers in terms of volume, after Russia imposed an *ad valorem* duty on imports of GES from India ranging from 16,04 % to 32,83 % in December 2012 [3] the exports from India to Russia dropped from 4 415 tonnes to 638 tonnes in 2015, a decrease of 86 %.

(147) The information on export volumes in the United Nations Database could be counter-checked with DGCIS statistics, which showed similar trends as the one observed in the United Nations Database.

(148) In addition, export volumes to other third countries of the cooperating exporting producer HEG also followed similar trends i.e. an increase of export volumes to other third countries from 2012 to 2013 and a decrease from 2014 to the RIP with an overall decreasing trend during the period considered. To be noted that despite this decrease of export volumes, the overall level in the RIP remained significant, between 20 000 tonnes and 30 000 tonnes.

(149) Regarding export price levels, based on the United Nations Database the investigation revealed that Indian exports prices to certain countries like the USA and the Republic of Korea that used to be on average lower than the prices in EU between 2012 and 2014, have increased in 2015 at around the same level as the prices in the EU. In addition, Indian exports prices to other countries like Saudi Arabia for instance that were lower than the prices in EU between 2012 and 2014, increased at a higher level than the EU prices in 2015. Moreover, Indian exports to certain other countries, like Turkey for instance, continued to be lower than the EU prices during the whole period considered. To be noted however that the prices in this database do not distinguish between different product types and therefore the reliability of such a price comparison on this basis is limited.

(150) The analysis of the information on export prices to other third country markets of the cooperating exporting producer showed that during 2012 and 2014 the average prices in the Union market were higher than the average prices of HEG on other third markets (adjusted on a calendar year basis as data were provided on a financial year basis) while during the RIP the average prices in the Union market were lower than the average prices of HEG on other third markets.

(151) No other data was available to establish accurate price levels of the Indian exporting producers to other third country markets.

[1] http://hegltd.com/pdf/HEGLtd_Q1_FY_16_Investors_Presentation.pdf
[2] http://www.graphiteindia.com/View/investor_relation.aspx (see GIL Q3 FY2015 Earnings Presentation.pdf, page 14).
[3] http://www.eurasiancommission.org/_layouts/Lanit.EEC.Desicions/Download.aspx?IsDlg=0&ID=3805&print=1

10.3. *Attractiveness of the Union market*

(152) The attractiveness of the Union market was demonstrated by the fact that despite the anti-dumping and countervailing duties in force, Indian GES continued to enter the Union market. During the period considered, India continued to be the second largest exporting country to the Union after the People's Republic of China ('China'). Despite a decrease between 2012 and the RIP, India maintained its exports to the Union in significant volumes and market shares as explained in recital 179 below.

(153) The possible development of export sales to the Union should measures be allowed to lapse has to be seen against the background of the overall decrease in consumption of GES in India and worldwide in combination with the spare capacity in India. This will in all likelihood increase the pressure on the Indian exporting producers to explore further export markets, in particular when considering their export oriented business model. Therefore, should measures in the Union be repealed and the access to the Union market be free of either anti-dumping or countervailing duties it is indeed likely that a large part of the available spare capacity will be used for export to the Union market. In particular since the investigation showed that while in some exporting markets (such as Saudi Arabia, United Arab Emirates, USA) Indian exports increased in 2015, overall exports from India to other third country markets followed a decreasing trend. This indicates that on certain third countries there appears to be a limited capacity to absorb additional exports quantities.

(154) In addition, as mentioned in recital 146, Russia has imposed anti-dumping duties on imports of GES from India. Indian exporting producers thus have limited access to this market and cannot increase or re-direct their export volumes to Russia, as showed by the drop in exports to this destination as of 2012.

(155) On this basis, it is likely that the Indian exporting producers will continue to export significant quantities to the Union should measures be allowed to lapse and even increase their current export volumes taking into account their significant spare capacity. Indeed, this is likely for the cooperating exporting producer that will have an incentive to further increase its already significant presence in the Union market, and even more for the non-cooperating exporting producer, which duty levels are higher as compared to the cooperating exporting producer and which almost stopped exporting to the Union market.

10.4. *Conclusion on the likelihood of continuation of subsidisation*

(156) The foregoing analysis shows that (i) subsidised Indian imports continued to enter the Union market in significant quantities during the RIP; (ii) subsidy schemes will continue to be available in the foreseeable future; (iii) both Indian producers are export oriented and have spare capacity which could be used to increase export volumes to the Union; (iv) consumption worldwide is following a decreasing trend, thus reducing the export possibilities to certain other third markets; (v) the existence of anti-dumping measures in Russia against Indian GES further restricts export possibilities to the Indian exporting producers. It is therefore likely that Indian GES would continue to enter the Union market in significant volumes and at subsidised prices should the measures be lifted.

(157) In view of the above, in accordance with Article 18(3) of the basic Regulation, the Commission it was concluded that there is a likelihood of continuation of subsidisation should the measures in force be allowed to lapse.

(158) After disclosure, the sole cooperating Indian exporting producer, HEG, claimed that the Commission has not considered the facts pertaining to the period after the RIP in its assessment of likelihood of continuation of subsidisation. In this regard, the cooperating Indian exporting producer claimed that when applying Article 28 of the basic Regulation, the Commission has not taken into account the fact that GIL, the other Indian producer of GES, has made an investment in a manufacturing facility in the Union, that is Graphite Cova GmbH ('GIL Cova'). HEG further argued that GIL has a strategic long term contract to sell baked green electrodes (which is a semi-finished product) to its graphitization facility of GIL Cova. HEG also claimed that because of the strategic investment of GIL, the Commission's conclusion that exports from India to the Union will increase is incorrect and that the finding that both Indian producers have spare capacity available for exports is based on mere assumptions. HEG also argued that the expiry of measures is not going to increase the volume of imports to the Union based on the decreasing trend of exports from India to the Union (including HEG's export to the Union) post RIP.

(159) In addition, HEG claimed that HEG's plans to increase production capacity was only the vision of its Chairman considering the favourable economic scenario of 2010. Thus, in the annual report of HEG for the year ended March 31, 2016 there are no new proposals being discussed by the board of directors for expansion of capacities anymore.

(160) In relation to the comparison of prices carried out by the Commission in recitals 149 and (150) with regard to exports to other third country markets, HEG submitted an analysis of its average CIF/CFR prices to four other third countries as compared to its average CIF prices to the Union and concluded that, in general, its average prices to the four other third countries were higher than its prices to the Union. Therefore, HEG claimed that the Union market with lower price levels would be in comparison less attractive.

(161) As regards HEG's claim concerning the investment of GIL in GIL Cova during the period considered GIL exported a very small volume to the Union market. It is however considered that this is not only due to GIL's investment in GIL Cova, but mainly to the high anti-dumping and countervailing duties that apply to the exports of GIL India to Union (15,7 % in total). In the scenario that the anti-dumping and/or countervailing measures are repealed, it is therefore likely that GIL will resume its exports to the Union, despite its investment in GIL Cova, also taking into account its available spare capacity and the attractiveness of the Union market as described in recitals 152 to 155 above.

(162) As concerns HEG's claim regarding the trend of exports after the RIP, it is highlighted that these exports were made while the anti-dumping and countervailing measures were in force. Therefore, even if the volume of exports of HEG's after the RIP showed a decreasing trend, it is likely that HEG's exports to Union will increase if the anti-dumping and/or countervailing measures are repealed taking into account that despite the measures in place, HEG continued to export to the Union market at significantly dumped and subsidised prices, its export oriented business model and its spare capacity which is not excluded to increase in the future if the demand for its products increases, as described in recitals 139 to 155 above.

(163) Furthermore, regarding HEG's intention to increase capacity, it is highlighted that during the on-spot verification visit in 2016, HEG showed to the case team a short movie providing an overview of HEG's group. One of the elements presented in this movie were the future plans of the company to increase its production capacity. Moreover, the company's representatives explained during the on-spot verification that such plans were currently on hold taking into account that the company was not fully using its capacity and the decrease in the global demand. Therefore, in the event that the anti-dumping and/or the countervailing measures are repealed, it is likely that the demand for Indian GES in the Union market will increase and that HEG therefore, will have an incentive to increase its capacity to meet the demand.

(164) As concerns HEG's claim referring to the price differences between the Union market and other third country markets, it is highlighted that the comparison carried out by the Commission in recitals 149 and 150 is made between average prices of the Indian exporting producers on other third markets and average prices of Union producers in the Union market and not the average prices of the Indian producers in the Union market. It is recalled that the HEG's average price in the Union market is at a significantly dumped level that undercuts the Union producers' average price and is therefore not suitable for the comparison in question.

(165) In view of the above, HEG's claims are rejected.

(166) The Commission's conclusion that there is a likelihood of continuation of subsidisation should the measures be repealed is therefore confirmed.

D. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF INJURY

1. Definition of the Union industry and Union production

(167) During the review investigation period, the like product was manufactured by eight producers (two individual companies and two groups). They constitute the 'Union industry' within the meaning of Article 9(1) of the basic Regulation.

2. **Preliminary remarks**

(168) As mentioned in recital 141 the situation of the GES industry is closely linked to that of the electrical steel industry where GES are used in the electric steel furnaces to melt steel scrap. In this context, during the period considered negative market conditions prevailed within the electrical steel industry, with a decrease in consumption which is also reflected in the consumption of GES.

(169) Given that there are only two exporting producer of the product concerned in India, data relating to imports of GES from India and other third countries into the European Union are not presented in precise figures in order to preserve confidentiality pursuant to Article 29 of the basic Regulation.

3. **Union consumption**

(170) The Commission established the Union consumption by adding:

(i) the sales of the sampled Union producers, obtained after verification of the questionnaire replies,

(ii) the sales of non-sampled cooperating Union producers, obtained from the review request,

(iii) the sales of non-sampled non-cooperating Union producer, obtained from its' annual reports,

(iv) the imports from India, based on 14(6) data base and

(v) the imports from all other third countries, based on Eurostat (TARIC level).

(171) On this basis, Union consumption developed as follows:

Table 2

Union consumption

	2012	2013	2014	Review investigation period
Union consumption (tonnes)	151 508	140 244	146 637	139 974
Index (2012 = 100)	*100*	*93*	*97*	*92*

Source: questionnaire replies of sampled Union producers, annual reports of non-cooperating Union producer, review request, Eurostat (TARIC level), 14(6) data base.

(172) The Union consumption decreased by 8 % over the period considered. More specifically, the Union consumption decreased by 7 % in 2013, it recovered by 4 % between 2013 and 2014, and then decreased again by 5 % from 2014 to the review investigation period.

(173) As mentioned in recitals 141 and 168, the overall decrease in demand was a result of the negative market conditions prevailing within the electric steel sector, since the sales volumes of graphite electrodes follow the development of the volume of steel production in electric furnaces.

(174) After disclosure, the cooperating exporting producer from India claimed that the market share and consumption analysis should take into consideration the imports made by the Union producers from their related companies in the USA, Mexico, Japan and Malaysia which would have increased significantly during the past three years.

(175) Imports from all other third countries were duly taken into account when calculating the Union consumption, as explained above in the recital 170 and are therefore duly reflected in the total consumption. The argument was therefore rejected.

4. **Imports from the country concerned**

4.1. *Volume and market share of imports from the country concerned*

Table 3

Import volume and market share

Country		2012	2013	2014	Review investigation period
India	Import volume (tonnes)	9 000-10 000	5 000-6 000	7 000-8 000	6 500-7 500
	Indexed import volume (2012 = 100)	*100*	*57*	*80*	*74*
	Market share (%)	6-7	3-4	5-6	4-5
	Market share indexed	*100*	*62*	*83*	*80*

Source: 14(6) data base.

(176) Import volumes were decreasing during the period considered. They dropped significantly in 2013 (by 43 %), picked-up in 2014 and decreased again in the review investigation period. Overall there was a decrease of 26 % during the period considered.

(177) The Commission established the market share of the imports on the basis of the Union consumption as set out in recital 170 above.

(178) Market share showed similar trends as import volumes, i.e. a decrease between 2012 and 2013, an increase between 2013 and 2014 and then a decrease again between 2014 and the review investigation period. Overall market share decreased by 1,2 percentage points in the review investigation period as compared to 2012.

(179) The market share of Indian imports at the start of the period considered was in the range of 6 % to 7 %. It dropped to the range of 4 % to 5 % by the end of the review investigation period.

4.2. *Prices of imports from the country concerned*

(180) The Commission established the trend of the prices of Indian imports on the basis of data recorded in the 14(6) data base. They were broadly in line with the prices reported by the cooperating exporting producer.

(181) The average price of imports into the Union from the country concerned developed as follows:

Table 4

Import price (*)

Country		2012	2013	2014	Review investigation period
India	Import prices (EUR/tonne)	2 500-3 500	3 000-4 000	2 500-3 500	2 200-3 200
	Index (2012 = 100)	*100*	*105*	*89*	*86*

(*) Average price does not include anti-dumping/countervailing duties in place.
Source: 14(6) data base.

(182) Overall, average import prices decreased by 14 % over the period considered. Import prices increased by 5 % between 2012 and 2013, decreased by 16 % in 2014 and decreased further by 3 % in the RIP.

4.3. *Price undercutting*

(183) The Commission determined the price undercutting during the review investigation period by comparing (i) the weighted average sales prices per product type of the sampled Union producers charged to unrelated customers in the Union market, adjusted to an ex-works level; and (ii) the corresponding weighted average prices per product type of the imports from the cooperating Indian producer to the first independent customer in the Union market, established on a cost, insurance, freight (CIF) basis, with appropriate adjustments for anti-dumping/countervailing duty and post-importation costs.

(184) The price comparison was made on a type-by-type basis for transactions at the same level of trade, duly adjusted where necessary, and after deduction of rebates and discounts. The result of the comparison was expressed as a percentage of the sampled Union producers' turnover during the review investigation period.

(185) The comparison showed for a cooperating exporting producer a weighted average undercutting margin of 3 % in the Union market during the review investigation period. However when deducting the anti-dumping and countervailing duties from the calculations, the undercutting margin would amount to 9 %. Concerning the non-cooperating exporting producer, only very small volumes were imported during the RIP. The Commission nevertheless conducted an estimation of undercutting. The Commission found a 12 % undercutting margin, when deducting from the calculations the anti-dumping and countervailing duties in place. This estimation however is based on a very small import volume and, because of the lack of cooperation, does not take into account product types. Therefore, its reliability is limited.

4.4. *Imports from other third countries*

Table 5

Import volume and market share

Country		2012	2013	2014	Review investigation period
Total other third countries	Imports (tonnes)	33 000-35 000	30 000-32 000	34 000-36 000	30 000-32 000
	Index	*100*	*90*	*103*	*90*
	Market share (%)	22-23	22-23	24-25	22-23
	Price (EUR/tonne)	2 500-3 500	2 400-3 400	2 400-3 400	2 300-3 300
	Index	*100*	*98*	*89*	*92*
China	Imports (tonnes)	14 000-15 000	11 000-12 000	16 000-17 000	14 000-15 000
	Index	*100*	*80*	*117*	*103*
	Market share (%)	9-10	8-9	11-12	10-11
	Price (EUR/tonne)	2 000-3 000	1 500-2 500	1 400-2 400	1 600-2 600
	Index	*100*	*94*	*90*	*99*

Country		2012	2013	2014	Review investigation period
USA	Imports (tonnes)	3 000-4 000	4 000-5 000	4 200-5 200	4 200-5 200
	Index	*100*	*118*	*129*	*128*
	Market share (%)	2-3	3-4	3-4	3-4
	Price (EUR/tonne)	3 300-4 300	3 200-4 200	3 000-4 000	2 800-3 800
	Index	*100*	*96*	*84*	*81*
Mexico	Imports (tonnes)	3 000-4 000	4 000-5 000	5 500-6 500	4 000-5 000
	Index	*100*	*127*	*165*	*119*
	Market share (%)	2-3	3-4	4-5	3-4
	Price (EUR/tonne)	3 800-4 800	3 900-4 900	3 900-4 900	4 000-5 000
	Index	*100*	*103*	*103*	*115*
Russia	Imports (tonnes)	3 000-4 000	2 500-3 500	3 500-4 500	3 700-4 700
	Index	*100*	*70*	*101*	*103*
	Market share (%)	2-3	1-2	2-3	2-3
	Price (EUR/tonne)	3 000-4 000	2 800-3 800	2 500-3 500	2 100-3 100
	Index	*100*	*91*	*79*	*75*
Japan	Imports (tonnes)	4 500-5 500	3 000-4 000	3 000-4 000	2 000-3 000
	Index	*100*	*74*	*62*	*50*
	Market share (%)	3-4	2-3	2-3	1-2
	Price (EUR/tonne)	3 400-4 400	3 300-4 300	2 800-3 800	2 900-3 900
	Index	*100*	*99*	*82*	*83*
Other third countries	Imports (tonnes)	4 000-5 000	4 000-5 000	1 000-2 000	700-1 700
	Index	*100*	*104*	*25*	*19*
	Market share (%)	2-3	3-4	0,5-1,5	0,5-1,5
	Price (EUR/tonne)	2 600-3 600	2 000-3 000	1 900-2 900	1 600-2 600
	Index	*100*	*83*	*78*	*72*

Source: Eurostat (TARIC level).

(186) In line with decreasing consumption, the volume of imports from all other third countries decreased by 10 % between 2012 and the RIP. The market share of imports from all other third countries was within the range 22 %-23 % during the period considered. The main imports were from China, USA, Mexico, Russia and Japan, which were the only countries with individual market shares higher than 1 % during the RIP.

(187) Import prices from USA, Japan and Mexico were higher than the prices of the Indian exporters and the prices of the Union producers. The market share of imports from USA and Mexico increased, by less than 1 percentage point over the period considered. The market share of imports from Japan decreased by 1,5 percentage point over the period considered.

(188) Import prices from China and Russia were lower than the prices of the Indian exporters and the prices of the Union producers (except in 2012 for Russia). According to the information provided by Union industry in the review request, a part of imports from China relate to small diameter GES (diameter of less than 400 millimetres) whereas the majority of Indian imports and the Union industry's production consist in large diameters GES [1] (diameters of more than 400 millimetres), which are more expensive.

(189) The market share of Chinese imports increased by 1 percentage point over the period considered and was in a range of 10 %-11 % during the RIP, while the market share of imports from Russia was only in a range of 2 %-3 % during the RIP. It increased by 0,3 percentage points over the period considered. However, these increase were not in detriment of the market share of the Union industry, which, as explained in the following recital 202, increased by 1,9 percentage points over the period considered.

(190) In conclusion, given that the data available from the import statistics do not differentiate between different product types and that therefore a meaningful price comparison by product type could not be carried out, as it was possible for India on the basis of the detailed information provided by the cooperating exporting producer, the impact of the imports from China and Russia could not be clearly established.

5. **Economic situation of the Union industry**

5.1. *General remarks*

(191) In accordance with Article 8(4) of the basic Regulation, the examination of the impact of the subsidised imports on the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.

(192) As mentioned in recital 14, sampling was used for the determination of possible injury suffered by the Union industry.

(193) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of data contained in the review request, annual reports of non-cooperating Union producer and verified questionnaire replies of the sampled Union producers. The data related to all Union producers. The Commission evaluated the microeconomic indicators on the basis of data contained in the questionnaire replies from the sampled Union producers. The data related to the sampled Union producers. Both sets of data were found to be representative of the economic situation of the Union industry.

(194) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity, magnitude of the subsidy margin, and recovery from past subsidisation.

(195) The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments and ability to raise capital.

(196) Both sets of data have been found to be representative for the economic situation of the Union industry.

[1] Both small and large diameters of graphite electrodes are included within the same TARIC codes.

5.2. *Macroeconomic indicators*

(a) Production, production capacity and capacity utilisation

(197) The total Union production, production capacity and capacity utilisation developed over the period considered as follows:

Table 6

Production, production capacity and capacity utilisation of Union producers

	2012	2013	2014	Review investigation period
Production volume (tonnes)	235 915	235 502	241 623	221 971
Index (2012 = 100)	*100*	*100*	*102*	*94*
Production capacity (tonnes)	297 620	297 245	299 120	290 245
Index (2012 = 100)	*100*	*100*	*101*	*98*
Capacity utilisation (%)	79	79	81	76

Source: review request, annual reports of non-cooperating Union producer and verified questionnaire replies of the sampled Union producers.

(198) The production volume decreased by 6 % during the period considered. More specifically, it first increased by 2 % until 2014 and then decreased by 8 % in the review investigation period as compared with 2014.

(199) The production capacity decreased by 2 % over the period considered.

(200) As a result of the decrease in production volume, the capacity utilisation decreased by 3 percentage points during the period considered.

(b) Sales volume and market share

(201) The Union industry's sales volume and market share developed over the period considered as follows:

Table 7

Sales volume and market share of Union producers

	2012	2013	2014	Review investigation period
Sales volume in the Union (tonnes)	107 655	103 779	103 704	102 123
Index (2012 = 100)	*100*	*96*	*96*	*95*
Market share (%)	71,1	74,0	70,7	73,0

Source: review request, annual reports of non-cooperating Union producer and verified questionnaire replies of the sampled Union producers.

(202) Total sales of the Union industry in the Union market decreased by around 5 % during the period considered. The Union industry's market share fluctuated during the period considered. It increased by 2,9 percentage points in 2013. It then decreased by the 3,3 percentage points in 2014 and increased again by 2,3 percentage points in the review investigation period. Overall, the Union industry's market share increased by 1,9 percentage points over the period considered.

(203) After disclosure, the cooperating exporting producer from India claimed that the imports of the Union producers from their related companies in the USA, Mexico, Japan and Malaysia should be taken into account when establishing the Union industry's market share. However, the market share of the Union industry is calculated on the basis of sales of its own production in the Union market. Imports by the Union industry are not taken into account because this would have a distorting effect on the overall picture, given that imports would be double counted; as an import on the one hand and as a sale from the Union industry on the other hand. This argument was therefore rejected.

(c) Growth

(204) Between 2012 and the RIP, the Union consumption decreased by 8 %. The sales volume of the Union industry decreased by 5 %, which, nonetheless, translated into a gain in market share of 1,9 percentage points.

(d) Employment and productivity

(205) Employment and productivity developed over the period considered as follows:

Table 8

Employment and productivity of Union producers

	2012	2013	2014	Review investigation period
Number of employees	1 526	1 539	1 475	1 523
Index (2012 = 100)	*100*	*101*	*97*	*100*
Productivity (tonnes/employee)	155	153	164	146
Index (2012 = 100)	*100*	*99*	*106*	*94*

Source: review request, annual reports of non-cooperating Union producer and verified questionnaire replies of the sampled Union producers.

(206) Employment of the Union industry remained at roughly the same level during the period considered. Due to the decrease in production (decrease of 6 % over the period considered), the productivity also decreased by 6 % over the same period.

(e) Magnitude of the subsidy margin and recovery from past subsidisation

(207) The investigation established that imports of GES from India continued to enter the Union market at subsidised prices. The subsidy margin established for India during the review investigation period was well above the *de minimis* level as described in see recital 130. This coincided with a decrease in import prices as compared to 2012. Nevertheless, the Union industry was able to benefit from the countervailing measures in force by maintaining and slightly increasing their market share.

5.3. *Microeconomic indicators*

(f) Prices and factors affecting prices

(208) The average sales prices of the Union industry to unrelated customers in the Union developed over the period considered as follows:

Table 9

Average sales prices in the Union and unit cost

	2012	2013	2014	Review investigation period
Average unit selling price in the Union (EUR/tonne)	3 784	3 468	2 997	2 825
Index (2012 = 100)	*100*	*92*	*79*	*75*
Unit cost of production (EUR/tonne)	3 357	3 116	2 776	2 745
Index (2012 = 100)	*100*	*93*	*83*	*82*

Source: verified questionnaire replies of the sampled Union producers.

(209) The Union industry's average unit sales price to unrelated customers in the Union decreased steadily by 25 % and reached 2 825 EUR/tonne in the RIP. The Union industry had to adjust its prices downwards in order to reflect the general decrease of selling prices in the GES market, due to the shrinking demand within the electric steel sector.

(210) The average cost of production of the Union industry decreased to a lower extent, by 18 % over the period considered. The major factor having influenced the decrease in the unit cost of production was the decrease in the raw material price.

(211) After disclosure, the cooperating exporting producer from India claimed that the worldwide price of raw material decreased more than the cost of the raw materials incurred by the Union industry over the period considered. Therefore the Union industry was inefficient in terms of the raw material sourcing and its viability was therefore questionable.

(212) The investigation found that the Union industry sourced the raw material worldwide from its related and unrelated parties at a similar price level and there were no indications of inefficiencies in terms of the raw material sourcing. Since the claim was not further substantiated, it was rejected.

(g) Labour costs

(213) The average labour costs developed over the period considered as follows:

Table 10

Average labour costs per employee

	2012	2013	2014	Review investigation period
Average labour costs per employee (EUR/employee)	66 111	66 842	67 113	67 253
Index (2012 = 100)	*100*	*101*	*102*	*102*

Source: verified questionnaire replies of the sampled Union producers.

(214) The average labour costs per employee increased over the period considered with a marginal increase of 2 %.

(h) Inventories

(215) Stock levels developed over the period considered as follows:

Table 11

Inventories

	2012	2013	2014	Review investigation period
Closing stocks	8 952	8 821	13 770	18 465
Index (2012 = 100)	*100*	*99*	*154*	*206*
Closing stocks as a percentage of production (%)	6	5	7	11

Source: verified questionnaire replies of the sampled Union producers.

(216) The level of closing stocks of the sampled Union producers more than doubled in absolute terms during the period considered. In the RIP, the level of stocks represented around 11 % of its production.

(i) Profitability, cash flow, investments, return on investments and ability to raise capital

(217) Profitability, cash flow, investments and return on investments developed over the period considered as follows:

Table 12

Profitability, cash flow, investments and return on investments

	2012	2013	2014	Review investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	11,3	10,2	7,4	2,8
Cash flow (EUR)	47 981 432	46 443 978	30 426 147	31 283 121
Index (2012 = 100)	*100*	*97*	*63*	*65*
Investments (EUR)	25 293 559	23 133 505	21 672 869	12 313 975
Index (2012 = 100)	*100*	*91*	*86*	*49*
Return on investments (%)	16,5	13,9	10,1	3,9

Source: verified questionnaire replies of the sampled Union producers.

(218) The Commission established the profitability of the Union industry by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. The profitability of the Union industry decreased gradually from 11,3 % in 2012 to 2,8 % in the RIP, i.e. a decrease of 8,5 percentage points.

(219) After disclosure, the cooperating exporting producer from India claimed that the decline in profitability of the Union producers was caused by its high administrative and selling overheads.

(220) The investigation found that the unit cost of production declined during the period considered, as indicated above in recital 210. This decline in the unit cost of production concerned the administrative and selling expenses even if the major part of the cost was attributed to the raw material. The argument was therefore rejected.

(221) The net cash flow is the Union producer's ability to self-finance its activities. The net cash flow decreased by 35 % during the period considered. The substantial decrease in cash flow is mainly explained by the significant decrease in profitability, as described above in recital 218.

(222) During the period considered the annual flow of investments in the product concerned made by the Union industry decreased by more than half, from 25 million EUR in 2012 to 12 million EUR in the RIP.

(223) After disclosure, the cooperating exporting producer from India claimed that the decline in investments is purely attributable to contraction of demand and overcapacities of GES manufacturing globally.

(224) Indeed, the investigation confirmed that, as explained in the recital 172 above, there was a decrease in consumption of GES during the period considered. However, it should be noted that the investments in the product concerned made by the Union industry during the RIP of the last expiry review, when also facing the decrease in consumption, was three times the investment level achieved during the RIP of the current review.

(225) The return on investments is the profit in percentage of the net book value of investments. The return on investment from the production and sale of the like product decreased gradually from 16,5 % in 2012 to 3,9 % in the RIP.

5.4. *Conclusion on the situation of the Union industry*

(226) The investigation showed that despite the measures in force most of the injury indicators developed negatively and the economic and financial situation of the Union industry deteriorated during the period considered. Nevertheless, the Union industry managed to keep and slightly increase its market share, which was only possible at the expense of lower profit levels achieved.

(227) While these negative developments may be explained by the decrease in consumption, which declined by 8 % during the period considered, Indian imports were still a constant presence in the Union market. These imports were sold at prices lower than the Union industry's prices and undercut the Union industry's prices by 3 % in the RIP. In addition, the underselling margin was found to be 9 %. Thus, Indian dumped and subsidised imports still exerted price pressure. Indeed, the price pressure during the current RIP increased as compared to the previous expiry review when the price undercutting was less than 2 %.

(228) Against the background of diminished consumption and price pressure from dumped and subsidised imports, the Union industry was forced to decrease its sales prices. As a consequence, its profit, although still positive (2,8 %) in the review investigation period, was below the 8 % target profit established in the original investigation.

(229) After disclosure, the cooperating exporting producer from India claimed that claimed that since the market share of the Union industry has increased by 2 % Union producers have benefited substantially from the decline in Indian imports. The Union industry's market share was claimed to be even higher if imports of the Union industry from other third countries were also taken into account. At the same time, the Union industry has been facing stiff pricing competition from other sources (low prices imports from China and Russia, particularly). Therefore, it was claimed that no injury can be attributable to Indian imports as a result of alleged lower market share by the Union producers.

(230) Indeed, the investigation showed a decrease of import volumes and market shares of imports from India, however, as explained above in the recital 227, Indian dumped and subsidised imports still exerted price pressure, which even increased during the current RIP as compared to the previous expiry review. The argument was therefore rejected.

(231) The same interested party further claimed that the Commission has not considered the fact that low priced imports from China and Russia are one of the major causes of price pressure in the Union market and urged to carry out a full analysis of the low priced imports from China and Russia of the product under consideration before determining the likelihood of a recurrence of injury to the Union industry. This party also alleged that some Chinese manufacturers increased the imports of large diameter GES to the Union market.

(232) Regarding import prices of GES from China and Russia, as explained above in recitals 188 and 190 it should be recalled that: (i) a meaningful price comparison by product type for imports from these countries could not be carried out, as it was possible for India on the basis of the detailed information provided by the cooperating exporting producer; (ii) the import statistics from these countries available for the Commission does not allow to differentiate between different product types and (iii) according to the information provided by Union industry in the review request, and confirmed by users, the majority of imports from these countries relate to smaller diameter GES that are cheaper. In addition, the cooperating exporting producer from India did not substantiate its claim regarding the increased imports of larger diameter GES from China to the Union.

(233) Regarding the import volumes of GES and their market shares from China and Russia, as explained above in recital 189, the market share of Chinese imports increased by 1 percentage point, while the market share of imports from Russia increased by 0,3 percentage points over the period considered. These increases were not in detriment of the market share of the Union industry, which, as explained in the recital 189, increased by 1,9 percentage points over the period considered. The argument was therefore rejected.

(234) The same interested party claimed that the Union industry was inefficient to produce smaller diameter GES because the sales of such products represented only a part of their total sales volume.

(235) The market conditions normally ensure that supply, namely the type of product sold, is driven by demand. Since the claim regarding the inefficiency to produce smaller diameter GES by the Union industry was not further substantiated, the argument was rejected.

(236) The same interested party claimed the lack of analysis of the impact of the increased quantities of imports at dumped prices from other countries including imports from affiliated companies in USA, Mexico, Malaysia and Japan.

(237) As indicated above in recital 187, import prices from USA, Japan and Mexico were higher than the prices of the Indian exporters and the prices of the Union producers. The market share of imports from these countries increased by 0,1 percentage point during the period considered and was less than 10 % at the end of the RIP. Likewise, the Commission did not have any evidence that prices from these countries were dumped. The argument was therefore rejected.

(238) The same interested party claimed that when calculating the undercutting and underselling margins on a per type basis, the Commission used the product control number ('PCN') which did not take into consideration the raw material used, which has, however, a significant impact on costs and prices. Comparing product types made of the same raw material would have the effect of reducing the underselling margin from 9 % to 8 %.

(239) Indeed, the raw material difference was not reflected in the PCN structure and therefore the calculation of the undercutting and underselling margins did not take into account such difference. Nevertheless, when product types were split taking into consideration the raw material used for the purpose of the undercutting and underselling calculation, as submitted by the interested party after disclosure, the underselling margin stated in recital 227 only decreased by 1 percentage point to 8 %. Therefore, this decrease did not have any material impact on the Commission's findings of underselling margin during the review investigation period.

(240) The same interested party questioned the level of 8 % target profit established in the original investigation claiming that the GES manufacturers were facing losses due to decline in the international steel demand and therefore 8 % target profit was not justified anymore.

(241) It is recalled that the target profit level on sales of the like product in the Union market should be the one that could be reasonably achieved under normal conditions of competition by an industry of this type in the sector, namely in the absence of dumped/subsidised imports. In this regard, as noted in the recital 34 of Regulation (EC) No 1628/2004, a proper examination was made of Union industry's profit levels when the market share of subsidised imports was at its lowest (i.e. 1999). Therefore it was definitively concluded that the profit margin that could reasonably be deemed to represent the financial situation of the Community industry in the absence of injurious subsidisation from India should be set at 8 % for the purpose of the calculation of the injury margin. The argument was therefore rejected.

(242) On the basis of the above, the Commission concluded that the Union industry was in an extremely fragile situation during the review investigation period, which is for the most part attributable to the negative market conditions and consequent fall in consumption. For this reason, the Commission's assessment focused on the likelihood of a recurrence of injury from the subsidised imports from India.

6. **Likelihood of a recurrence of injury**

(243) To establish the likelihood of recurrence of injury should the measures against India be repealed the following elements were analysed: the production capacity and spare capacity in India, the exports from India to other third countries and the attractiveness of the Union market.

(244) In recital 155 it was concluded that it is likely that the Indian exporting producers will continue to export significant quantities to the Union should measures be allowed to lapse and even increase their current export volumes and that these exports will likely be made at subsidised prices.

(245) As established in recitals 139 and 140, the Indian capacity is estimated to be around 160 000 tonnes in the RIP, while the spare capacity is estimated to be between 40 000 and 50 000 tonnes, which represented between 29 % and 36 % of the Union consumption during the same period. In addition, as indicated in recital 139, the Indian exporting producers are likely to further increase their capacity in case of increase demand. As mentioned in recital 142, at the end of November 2014, the Indian authorities imposed anti-dumping measures on imports of GES from China. As a consequence it is expected that the Indian producers will increase their market share on the domestic market.

(246) As a consequence of the attractiveness of the Union market described in recitals 152 to 155, should the measures be repealed, at least part of the spare capacity will, in all likelihood, be redirected to the Union market. Also, as described in recital 143, Indian producers are highly export oriented. Concerning prices of GES, as described in recital 149, higher price levels than in the Union were found for some of the destinations of the Indian exports. However given the different product mix, this information does not detract from the overall assessment that new capacity will be directed to the Union market as the reliability of this price comparison is limited.

(247) As indicated in recital 146, anti-dumping measures against Indian GES imports had been imposed in Russia and the exports from India to Russia dropped significantly during the period considered. This implies that the access to the third main export market for Indian exporting producers is restricted and with the current or even likely increased spare capacity mentioned above in recital 245, there is a strong likelihood that Indian exporting producers will significantly increase their imports of the product concerned to the Union market should measures be allowed to lapse.

(248) As established in recital 185, Indian import prices without anti-dumping and countervailing duties would undercut the Union sales prices by 9 %. For the non-cooperating exporting producer, an estimate of the undercutting margin without anti-dumping and countervailing duties included was calculated at 12 %. This is an indication of what could be the likely price level of imports from India should the measures be repealed. On this basis, it is likely that the price pressure in the Union market will significantly increase should the measures be repealed, thus further worsening the economic situation of the Union industry.

(249) In terms of volumes, the repeal of the measures would very likely allow Indian exporting producers to gain market shares in the Union market. In particular the non-cooperating exporting producer, which has currently the higher duty rate of 15,7 %, would have a strong incentive to resume exports to the Union market in significant quantities. Should this situation occur, the Union industry would face an immediate drop in its sales volumes and market shares.

(250) On this basis, in the absence of measures, Indian exporting producers will likely increase their presence in the Union market, in terms of import volumes and market shares at dumped and subsidised prices significantly undercutting the Union industry's sales prices. This will create an increased price pressure in the Union market with a negative impact on the Union industry's profitability and financial situation. This will also further deteriorate the economic situation of the Union industry.

(251) Based on the above, the Commission concluded that that there is a strong likelihood of recurrence of injury should the measures be repealed.

E. UNION INTEREST

(252) In accordance with Article 31 of the basic Regulation, the Commission examined whether maintaining the existing countervailing measures against India would be against the interest of the Union as a whole. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers and users.

(253) It is recalled that, in the original investigation, the adoption of measures was considered not to be against the interest of the Union.

(254) All interested parties were given the opportunity to make their views known pursuant to Article 31(2) of the basic Regulation.

(255) On this basis, the Commission examined whether, despite the conclusions on the likelihood of a continuation of subsidisation and recurrence of injury, compelling reasons existed which would lead to the conclusion that it was not in the Union interest to maintain the existing measures.

1. **Interest of the Union industry**

(256) As explained in recital 226, the measures enabled the Union industry to maintain its market shares. At the same time, it was also concluded in recital 250, that the Union industry would be likely to experience a deterioration of its situation in case the countervailing measures against India were allowed to lapse. Therefore, it can be concluded that the continuation of the measures against India would benefit the Union industry.

2. **Interest of importers/traders**

(257) As mentioned in recital 16, no importers cooperated or made themselves known in the current investigation. Therefore, there were no indications that the maintenance of the measures would have a negative impact on the importers outweighing the positive impact of the measures.

3. **Interest of users**

(258) As mentioned in recital 18, out of 53 users contacted, eight submitted a questionnaire reply. Four of them have used GES imported from India. Their imports represented around 20 % of all imports of the product concerned from India.

(259) It is recalled that in the original investigation, it was found that the impact of the imposition of measures would not be significant for the users. Despite the existence of measures for 10 years, users in the Union continued to source their supply, inter alia, from India. The users did not submit any information showing that there have been difficulties in finding other sources and the investigation did also not reveal such information.

(260) Moreover, as regards the effect of the imposition of measures on users, it is recalled that it was concluded in the original investigation that, given the negligible incidence of the cost of GES on user industries, any cost increase was unlikely to have a significant effect on the user industry. These findings were confirmed in the current review as no indications of the contrary were found after the imposition of measures. Furthermore, none of the four users put forward any argument against the maintenance of the measures.

(261) One federation of steel producers, the German steel industry federation (Wirtschaftsvereinigung Stahl) opposed the continuation of the measures and claimed that the measures resulted in competition disadvantages for steel producers in the Union compared to steel producers in other regions that have no measures imposed on GES. The federation alleged that the continuation of measures would allow the Union industry to continue having a dominant position. However, it is clear from the development of the Indian imports after the imposition of the measures that imports from India continued during the period considered. In addition, the investigation has shown that the GES are increasingly entering the Union market from a number of other third countries.

(262) On this basis, and in line with the conclusions drawn in the original investigation, it is expected that the continuation of measures will not have a significant negative impact on users and that there are therefore no compelling reasons to conclude that it is not in the Union interest to extend the existing measures.

4. **Conclusion on Union interest**

(263) In view of the above, the Commission concluded that there are no compelling reasons of Union interest against the extension of the current countervailing measures on imports from India.

F. **COUNTERVAILING MEASURES**

(264) All interested parties were informed of the essential facts and considerations on the basis of which it was intended to maintain the countervailing measures in force. They were also granted a period within which they could submit comments subsequent to this disclosure. The submissions and comments were duly taken into consideration.

(265) It follows from the above considerations that, under Article 18 of the basic Regulation, the countervailing measures applicable to imports of certain graphite electrode systems originating in India imposed by Implementing Regulation (EU) No 1185/2010 should be maintained.

(266) After disclosure, the cooperating exporting producer from India requested the Commission to consider continuation of measures for a period of two years. However, the investigation found no exceptional circumstances that would justify limiting the duration of measures to two years.

(267) The individual company countervailing duty rates specified in this Regulation are solely applicable to imports of the product concerned produced by these companies and thus by the specific legal entities mentioned. Imports of the product concerned manufactured by any other company not specifically mentioned in the operative part of this Regulation with its name and address, including entities related to those specifically mentioned, cannot benefit from these rates and shall be subject to the duty rate applicable to 'all other companies'.

(268) Any claim requesting the application of these individual countervailing duty rates (e.g. following a change in the name of the entity or following the setting up of new production or sales entities) should be addressed to the Commission ([1]) forthwith with all relevant information, in particular any modification in the company's activities linked to production, domestic and export sales associated with, for instance, that name change or that change in the production and sales entities. If appropriate, the Regulation will then be amended accordingly by updating the list of companies benefiting from individual duty rates.

([1]) European Commission, Directorate-General for Trade, Directorate H, 1049 Brussels, Belgium.

(269) This regulation is in accordance with the opinion of the Committee established by Article 15(1) of Regulation (EU) 2016/1036 of the European Parliament and of the Council [1],

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive countervailing duty is hereby imposed on imports of graphite electrodes of a kind used for electric furnaces, with an apparent density of 1,65 g/cm³ or more and an electrical resistance of 6,0 μ.Ω.m or less, currently falling within CN code ex 8545 11 00 (TARIC code 8545 11 00 10) and nipples used for such electrodes currently falling within CN code ex 8545 90 90 (TARIC code 8545 90 90 10) whether imported together or separately originating in India.

2. The rate of duty applicable to the net free-at-Union-frontier price, before duty, for the products described in paragraph 1 and produced by the companies listed below shall be as follows:

Company	Duty rate (%)	TARIC additional code
Graphite India Limited (GIL), 31 Chowringhee Road, Kolkatta — 700016, West Bengal	6,3	A530
HEG Limited, Bhilwara Towers, A-12, Sector-1, Noida — 201301, Uttar Pradesh	7,0	A531
All other companies	7,2	A999

3. Unless otherwise specified, the provisions in force concerning customs duties shall apply

Article 2

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 9 March 2017.

For the Commission

The President

Jean-Claude JUNCKER

(1) Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union (OJ L 176, 30.6.2016, p. 21).

WORLD TRADE ORGANIZATION

G/SCM/N/284/IND

27 October 2016

(16-5917)

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Committee on Subsidies and Countervailing Measures

Original: English

SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

INDIA

The following communication, dated 24 October 2016, is being circulated at the request of the Delegation of India.

The following notification constitutes India's new and full notification of information on programmes granted or maintained, including the fisheries subsidies at the level of Central Government, State Governments, Union Territories in India during the period indicated against each programme as well as some of other Central Government programmes pertaining to various periods.

The information provided in this notification is for transparency purposes in order to clarify the operation of programmes. In accordance with Article 25.7 of the WTO Agreement on Subsidies and Countervailing Measures (ASCM), this notification does not in any way prejudice the legal status, nature or effects of government assistance programmes under the ASCM and GATT 1994, including as to whether or not the programmes notified are specific within the meaning of the ASCM.

Note:

So far as fisheries subsidy notifications are concerned, information on item 10 of the proforma of notifications relating to statistical data permitting an assessment of the trade effects of the subsidy, is not available.

(A) Fishery Subsidy Schemes:

NAME OF THE STATE: ANDHRA PRADESH

1	2	3	4	5	6	7	8
S. No.	**Title of the Programme**	**Policy Objectives/ and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy (year wise)** **2014-15 (Rs. in million)**	**To whom & how subsidy is provided**	**Duration**
01.	Exemption of Sales Tax on HSD Oil	To protect & secure the livelihood of traditional and poor fishing communities	State Govt. of Andhra Pradesh	The ceiling limit of HSD oil is 3000 litres in case of mechanized boats and 300 litres for motorised craft per month per boat. Subsidy limited to Rs. 6.03 per Litre.	31.61	To all fishermen with registered crafts. The subsidy is provided under Normal State by the State.	Ongoing
02.	Motorisation of Traditional Crafts	To protect & secure the livelihood of traditional and poor fishing communities	State Govt. of Andhra Pradesh	50% subsidy per unit limited to Rs. 0.03 million per OBM of 8-10 HP and IBM up to 10 HP	16.88	To the Fishermen, who is a member of the fishermen cooperative society.	Ongoing
03.	Supply of Ice Boxes	To protect & secure the livelihood of traditional and poor fishing communities	State Govt. of Andhra Pradesh	The subsidy given to the beneficiary is 50% of the box or Rs. 2000/-	2.40	To the Fishermen, who is a member of the fishermen cooperative society.	Discontinued from 2015-16
04.	Fisheries Development Scheme	To protect & secure the livelihood of traditional and poor fishing communities	State Govt. of Andhra Pradesh	The subsidy is 50% on the unit cost. The unit cost of nets and boats varies from Rs.	9.42	The subsidy given to licensed fishermen in both inland and marine sectors	Ongoing
05.	Marine Fisheries Infrastructure Subsidies	To develop marine fisheries infrastructure	Centrally Sponsored Scheme	Investment	0.00	Port Infrastructure	Ongoing
Total					60.31		

NAME OF THE STATE: GOA

1	2	3	4	5	6	7	8
S. No.	**Title of the Programme**	**Policy Objectives/ and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy in Rs. (Lakhs) 2014-15 (Rs. Millions)**	**To whom & how subsidy is provided**	**Duration**
01.	Financial Assistance for construction of Wooden/FRP [Fiberglass Reinforced Plastic (FRP) Canoe]	For purchase of canoes to do the fishing activities and hence to protect & secure the livelihood of traditional and poor fishing communities.	State Government of Goa	Financial Assistance	4.32	To the poor fishermen	Ongoing
02.	Motorization of Traditional Craft [Financial Assistance for Purchase of Out Board Motor (OBM)]	For mechanization of canoes to protect & secure the livelihood of traditional and poor fishing communities.	State Government of Goa	50% subsidy limited to Rs. 60,000/- per beneficiary	2.82	To the poor fishermen	Ongoing
03.	VAT Rebate on HSD Oil.	To provide financial assistance to the operator of fishing vessels to protect & secure the livelihood of traditional and poor fishing communities.	State Government of Goa	Financial Assistance in the form of reimbursement of VAT subject to a ceiling of 20,000 Kilo Litre per year	168.67	To the poor fishermen	Ongoing
04.	Replacement of old Kerosene OBM to Petrol OBM	To replace the old kerosene OBM to petrol OBM.	State Government of Goa	98% Subsidy per beneficiary	46.99	To the poor fishermen	Ongoing
05.	Financial Assistance for purchase of Fuel (Kerosene/Petrol) to the Fishermen for operation of OBM	To help the fishermen in getting a regular supply of fuel (Kerosene/Petrol) in the absence of any special quota allotted to this industry by granting financial assistance.	State Government of Goa	For Kerosene-Rs. 50,000/- maximum consumption of 2000 litres; For Petrol-Rs. 30/litre on a maximum consumption of 1200 litres per year	41.62	To the poor fishermen	Ongoing
06.	Subsidy for Fishermen Insurance:-						
	a) Insurance Group Accident scheme for active Fishermen (Central Scheme)	To provide insurance cover to the fishermen for accident due to cyclone, mishap or other calamities.	Central Government and State Government of Goa	Financial Assistance	0.12	To the poor fishermen	Ongoing

1	2	3	4	5	6	7	8
	b) General Insurance Fishermen Scheme (State Scheme)	To provide insurance cover to the fishermen who are prone to accidents at sea due to rough weather and other natural calamities.			0.57		
	Subsidy for Gear & At Sea Support:-						
07.	(i) Gill nets and Accessories	To protect & secure the livelihood of traditional and poor fishing communities for purchase of Fishing Gill Nets for the fishing purpose.	State Government of Goa	Financial Assistance	1.63	To the poor fishermen	Ongoing
	(ii) Safety Equipment	To provide safety to the Fishermen.			15.94		
	(iii) Safety Jacket and Life Bouys.	To provide safety to the Fishermen.			0.01		
	(iv) Supply of Insulated Boxes.	To preserve the fish in hygienic conditions for marketing of fish.			0.50		
08.	Subsidies for Income Support (Saving cum Relief Scheme)	To provide assistance to the fishermen during the close period of fishing i.e. during monsoon.	The State Government of Goa	Financial Assistance	10.27	To the poor fishermen	Ongoing
09.	Marine Fisheries Infrastructure Subsidies	To develop marine fisheries infrastructure	Centrally Sponsored Scheme	Investment	0.00	Port Infrastructure	Ongoing
Total					293.46		

NAME OF THE STATE: GUJARAT

1	2	3	4	5	6	7	8
S. No.	**Title of the Programme**	**Policy Objectives/ and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy year-wise** **2014-15 (Rs. in million)**	**To whom & how subsidy is provided**	**Duration**
01.	Operation Cost Subsidies for:						
	(i) Development – rebate on HSD oil.	To protect & secure the livelihood of traditional and poor fishing communities	The Central Government	Financial Assistance	0.00	To the poor fishermen.	Schemes is not ongoing due to changes in BPL norms.
	(ii) Life-saving jackets, electric appliances, Gill Net.	To provide safety to fishermen at sea in terms of life saving jackets, electric appliances, Gill Net.	State Government of Gujarat	Financial Assistance	95.60	To the poor fishermen.	Ongoing
02.	Mechanization of fishing Crafts (For OBM).	To protect & secure the livelihood of traditional and poor fishing communities	State Government of Gujarat	Financial Assistance	15.30	To the poor fishermen.	Ongoing
03.	Subsidies for Marine Fisheries Infrastructure	To develop marine fisheries infrastructure	Centrally Sponsored Scheme	Investment	8.39	Port Infrastructure	Ongoing
Total					119.29		

NAME OF THE STATE: KARNATAKA

1	2	3	4	5	6	7	8
S. No.	**Title of the Programme**	**Policy Objectives/ and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy year-wise 2014-15 (Rs.in million)**	**To whom & how subsidy is provided**	**Duration**
01.	Scheme for Modernization of crafts:						
	(i) CSS introduction to intermediate crafts	To protect & secure the livelihood of traditional and poor fishing communities.	State Government of Karnataka	Financial Assistance Entitlement 10% of the unit cost subject to a maximum of Rs. 0.06 million	0.00	To the poor Fishermen.	Ongoing
	(ii) CSS Motorization of traditional boats	To protect & secure the livelihood of traditional and poor fishing communities.	State Government of Karnataka	Financial Assistance The Scheme subsidy @ 1/3rd of the unit cost subject to a max of Rs 30,000/- for out board engine is provided.	8.83	To the poor Fishermen.	Ongoing
02.	CSS Fishermen Welfare Fund						
	(i) Construct ion of houses	To protect & secure the livelihood of traditional and poor fishing communities.	State Government of Karnataka	Financial Assistance Rs. 50,000/- to each beneficiary.	62.03	To Homeless and poor fishermen.	Ongoing
	(ii) Group insurance scheme		State Government of Karnataka	Financial Assistance Rs. 30/- per fishermen towards group insurance scheme		To FISHCOPFED	Ongoing
	(iii) Saving cum relief Scheme		Central Government as well as State Government of Karnataka	Financial Assistance Rs. 1200 (equally shared by State and Central) is given back to fishermen during the non-fishing season.		Rs. 600/- collected from fishermen during fishing season & then additional Rs. 1200/- during of non-fishing season.	Ongoing
03.	Marine Fisheries Infrastructure Subsidies	To develop marine fisheries infrastructure	Centrally Sponsored Scheme	Investment	80.00	Port Infrastructure	Ongoing
Total					150.86		

NAME OF THE STATE: MAHARASHTRA

1	2	3	4	5	6	7	8
S. No.	**Title of the Programme**	**Policy Objectives/ and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy (Year-wise) 2014-15 (Rs. Millions)**	**To whom & how subsidy is provided**	**Duration**
01.	Mechanization of fishing crafts and boats	To protect & secure the livelihood of traditional and poor fishing communities. Financial Assistance provided for construction & mechanization of fishing crafts and boats.	State Government of Maharashtra	Financial Assistance	136.91	To the fishermen through fisheries co-operative society.	Ongoing
02.	Assistance for purchase of Advance Technique equipment	To protect & secure the livelihood of traditional and poor fishing communities. Financial assistance for purchase of Eco-Sounder, Walkie Talkie/ GPS and Fish founder.	State Government of Maharashtra	Financial Assistance	0.00	To the poor fishermen group.	Ongoing
03.	Assistance for purchase of Inboard Machine (IBM) and Outboard machine (OBM) for Non-Mechanized boats	To protect & secure the livelihood of traditional and poor fishing communities	State Government of Maharashtra	Financial Assistance	0.00	To the boat owner fishermen	Ongoing
04.	Operating Cost Subsidy: (a) Fisherman Development rebate on High Speed Diesel (HSD) oil.	To protect & secure the livelihood of traditional and poor fishing communities.	Centrally Sponsored Scheme	Financial Assistance	0.00	To the boat owner fishermen.	Ongoing
	(b) Accident Group Insurance Scheme	To protect & secure the livelihood of traditional and poor fishing communities through Insurance protection	State Government of Maharashtra	Financial Assistance	5.01	To family of dead fishermen or handicap fishermen through fish co-operative societies.	Ongoing
05.	Scheme for Assistance for purchase of fishery requisites	To protect & Secure the livelihood of traditional and poor fishing communities.	State Government of Maharashtra	Financial Assistance	22.22	To the poor fishermen.	Ongoing
06.	Marine Fisheries Infrastructure Subsidies	To develop marine fisheries infrastructure	Centrally Sponsored Scheme	Investment	30.00	Port Infrastructure	Ongoing
Total					194.14		

NAME OF THE STATE: TAMIL NADU

1	2	3	4	5	6	7	8	9
S. No.	**Title of the Programme**	**Policy Objectives / and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy (year-wise) 2014-15 (Rs. In million)**	**Amount of Subsidy (year-wise) 2015-16 (Rs. In million)**	**To whom & how subsidy is provided**	**Duration**
01.	Reimbursement of Central Excise Duty on High Speed Diesel (HSD)	To protect & secure the livelihood of traditional and poor fishing communities.	Centrally Sponsored Scheme	Financial Assistance Rs. 3/- per litre of HSD Oil.	0.00	0.00	To the poor fishermen (owner of fishing craft).	Ongoing
02.	Sales Tax Exemption on High Speed Diesel (HSD)	To protect & secure the livelihood of traditional and poor fishing communities	State Government of Tamil Nadu	Financial Assistance Maximum allowed is 75000 KL for mechanized fishing boats +54720 KL for country crafts.	929.2	813.8	To the poor fishermen (boat owner).	Ongoing
03.	Motorization of traditional crafts (Supply of OBM/IBE)	To protect & secure the livelihood of traditional and poor fishing communities.	The Central Government and the State Government of Tamil Nadu	Financial Assistance 50% subsidy of the unit cost of the engine or Rs. 30,000/- whichever is less.	19.00	0.00	To the poor fishermen (Boat owner of traditional country crafts).	Ongoing
04.	Sales Tax Exemption on Industrial Kerosene	To protect & secure the livelihood of traditional and poor fishing communities	State Government of Tamil Nadu	Financial assistance for any amount beyond the selling price of @ Rs. 25/- per litre. Maximum allowance 32000 KL for country crafts using kerosene engines)	550.00	226.00	To the owners of traditional craft.	Ongoing
05.	Providing 50% subsidy assistance for fishermen to procure new tuna longliner cum gillnetter	To protect & secure the livelihood of traditional and poor fishing communities	State Government of Tamil Nadu	Financial Assistance Rs. 30 lakh per unit being 50% of the unit cost.	Nil	513.00	Individual/ Group of poor fishermen.	Ongoing
06.	Marine Fisheries Infrastructure Scheme	To develop marine fisheries infrastructure.	Centrally Sponsored Scheme	Investment	194.85	390.00	Port Infrastructure	Ongoing
Total					1693.05	1942.8		

NAME OF THE UNION TERRITORY: ANDAMAN & NICOBAR (UT)

1	2	3	4	5	6		7	8
S. No.	**Title of the Programme**	**Policy Objectives/ and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy (year-wise)**		**To whom & how subsidy is provided**	**Duration**
					2014-15 (Rs. in million)	**2015-16 (Rs. in million)**		
01.	Scheme for supply of fishing inputs (essential fishery requisite)	To protect & secure the livelihood of traditional and poor fishing communities through procurement and distribution of fishing material and spares of engine.	UT of Andaman & Nicobar	Financial Assistance	3.95	0.06	To the licenced fishermen / tribes in coordination with the Tribal Welfare Department	Ongoing
02.	Schemes for Modernisation (a) Supply of in-board/ out-board engines (Motorization of Traditional Craft)	To protect & secure the livelihood of traditional and poor fishing communities through motorization of their traditional fishing craft	UT of Andaman & Nicobar	Financial Assistance	1.64	0.11	To the Fishermen having traditional fishing craft	Ongoing
	(b) Subsidy for construction / purchase of mechanized / motorized boats.	To protect & secure the livelihood of traditional and poor fishing communities	UT of Andaman & Nicobar	Financial Assistance	3.75	5.73	To the local unemployed youths / entrepreneur / tribes	Ongoing
03.	Supply of Deep Freezer on 50% subsidy	To protect & secure the livelihood of traditional and poor fishing communities	UT of Andaman & Nicobar	Financial Assistance. 25% subsidy subject to max. of Rs 20,000/- per deep freezer	0.19	0.11	To the poor fishermen/tribes/fisheries co-operative society/Tribal Co-operative Society	Ongoing
04.	Scheme for supply of insulated Ice boxes.	To protect & secure the livelihood of traditional and poor fishing communities through facilitating maintenance of hygienic quality of the fish catch after fishing while at sea	UT of Andaman & Nicobar	Financial Assistance. 25% subsidy subject to max. of Rs 10,000/- per icebox	0.21	0.20	To the licensed fishermen Self Help Group and Fish Vendors.	Ongoing
05.	Marine Fisheries Infrastructure Subsidies	To develop marine fisheries infrastructure	Centrally Sponsored Scheme	Investment	0.00	0.00	Port Infrastructure	Ongoing
Total					9.74	6.21		

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NAME OF THE UNION TERRITORY: DAMAN & DIU (UT)

1	2	3	4	5	6	7	8	9
S. No.	**Title of the Programme**	**Policy Objectives/ and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy (year-wise) (2014-2015) (Rs. in million)**	**Amount of Subsidy (year-wise) (2015-2016) (Rs. in million)**	**To whom & how subsidy is provided**	**Duration**
1.	Scheme for safety and Communication equipment	To protect & secure the livelihood of traditional and poor fishing communities.	U.T. of Daman & Diu	Financial Assistance	11.91	19.67	To the poor fishermen (boat owners).	Ongoing
2.	Scheme for Replacement of Kerosene driven OBM engine by LPG driven OBM engine (8-10HP)	To protect & secure the livelihood of traditional and poor fishing communities.	U.T. of Daman & Diu	Financial Assistance	4.92	4.20	To the poor fishermen. Small fishing traditional boat owners of Daman & Diu.	Ongoing
3.	Scheme for Assistance to the fishermen for purchase of fisheries requisites etc.	To protect & secure the livelihood of traditional and poor fishing communities.	U.T. of Daman & Diu	Financial Assistance	3.04	2.49	To the poor fishermen (boat owners).	Ongoing
4.	Scheme for Financial Assistance to fishermen for loading/ unloading	To protect & secure the livelihood of traditional and poor fishing communities.	U.T. of Daman & Diu	Financial Assistance for loading/ unloading of fishing vessel from sea shore to land and vice versa during the monsoon season.	3.35	0.13	To the poor fishermen.	Ongoing
5.	Scheme for Financial Assistance to the Fishermen affected by Natural Calamities/ Accident etc.	To protect & secure the livelihood of traditional and poor fishing communities.	U.T. of Daman & Diu	Financial Assistance	0.24	0.00	To the poor fishermen.	Ongoing
6.	Marine Fisheries Infrastructure Subsidies	To develop marine fisheries infrastructure	Centrally Sponsored Scheme	Investment	0.00	0.00	Port Infrastructure	Ongoing
Total					23.46	26.49		

NAME OF THE UNION TERRITORIES (UT): LAKSHADWEEP

1	2	3	4	5	6		7	8
S. No.	**Title of the Programme**	**Policy Objectives/ and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy (year-wise)**		**To whom & how subsidy is provided**	**Duration**
					2014-15 (Rs. in million)	**2015-16 (Rs. in million)**		
1.	Procurement/ Construction of Fishing Crafts (Pole and Line/ Gill Net)	To provide livelihood and to give an opportunity to acquire their own boats for improving the economic condition of the fishermen.	UT of Lakshadweep	Financial Assistance 50% for the actual cost of the Boat (Ceiling Max. 0.25 million)	0.00	4.48	To the poor fishermen	Ongoing
2.	Financial Assistance for construction of Fishing boats	To provide livelihood and to give an opportunity to acquire their own boats for improving the economic condition of the fishermen.	UT of Lakshadweep	Financial Assistance 50% for the actual cost of the hull & 40% for the actual of engine (Ceiling Max. 0.12 million)	6.57	4.22	To the poor fishermen	Ongoing
3.	Financial Assistance for Repair/ Renovation of Fishing Boats	To protect & secure the livelihood of traditional and poor fishing communities by reducing the manual effort to sail the fishing crafts.	UT of Lakshadweep	Financial Assistance 40% for the actual cost of the hull & engine (Ceiling Max. Rs. 0.03 million)	1.36	2.92	To the poor fishermen	Ongoing
4.	Marine Fisheries Infrastructure Subsidies	To develop marine fisheries infrastructure	Centrally Sponsored Scheme	Investment	0.00	0.00	To the poor fishermen	Ongoing
Total					7.93	11.62		

NAME OF THE CENTRAL AGENCY: MARINE PRODUCTS EXPORT DEVELOPMENT AUTHORITY (MPEDA)

1	2	3	4	5	6		7	8
S. No.	**Title of the Programme**	**Policy Objectives/ and or purpose of the Subsidy**	**Background & Authority for the Subsidy**	**Form of Subsidy**	**Amount of Subsidy (year-wise)**		**To whom & how subsidy is provided**	**Duration**
					2014-15 (Rs. in million)	**2015-16 (Rs. in million)**		
I	**EXPORT PRODUCTION – CAPTURE FISHERIES**							
1.	Financial Assistance for installation of insulated/Refrigerated Fish Hold, Refrigerated sea water system (RSW) and Ice Making Machine on board mechanized fishing vessels.	To encourage Mechanized Fishing Vessel owners to go for multi day fishing and for better preservation of catch.	Centrally Sponsored Scheme	Financial Assistance	17.69	19.79	To the fishermen financial assistance is provided on a reimbursement basis	Ongoing
2.	Financial assistance for the conversion of existing fishing vessels to Tuna long liners.	To encourage the fishing vessel owners for harvesting deep sea tuna and other under exploited items using monofilament tuna long line system.	Centrally Sponsored Scheme	Financial Assistance	0.00	0.00	To the financial assistance is provided on a reimbursement basis.	Ongoing
3.	Creation of infrastructure facilities for fishing harbour	Fishing harbours are vital infrastructure in capture fisheries to land quality catch. Assistance is extended for the up-gradation of existing fishing harbours to meet the sanitary standards stipulated by the regulatory agencies.	Centrally Sponsored Scheme	Financial Assistance	0.00	0.00	As reimbursement to the Govt. agencies/ departments that are managing fishing harbours.	Ongoing

1	2	3	4	5	6		7	8
4.	Creation of infrastructure facilities on board vessels for efficient fishing and installation of GPS/ Fish finder/ Radio telephone on board fishing vessel.	To assist the fishing vessels to improve the quality of the catch and reduce post-harvest loss by maintaining cold chain and improving personal hygiene. The scheme also aimed at tracking the vessel for safety at sea and to prevent IUU fishing.	Centrally Sponsored Scheme	Financial Assistance	0.00	0.00	As reimbursement basis to the fishermen	Ongoing
II	**EXPORT PRODUCTION –CULTURE FISHERIES**							
5.	Financial Assistance for new farm development	For development of new shrimp/scampi farms	Centrally Sponsored scheme	Financial Assistance	11.22	5.60	To the shrimp / scampi farmers financial assistance is provided on a reimbursement basis	Ongoing
6.	Financial assistance for small-scale hatcheries	For setting up of shrimp/scampi hatchery with a minimum production capacity of 10 million seeds per annum	Centrally Sponsored scheme	Financial Assistance	3.00	8.10	To the shrimp/ scampi farmers financial assistance is provided on a reimbursement basis	Ongoing
7.	Financial assistance for small-scale hatcheries	For setting up of shrimp/scampi hatchery with a minimum production capacity of 10 million seeds per annum in Gujarat, Maharashtra and scampi hatchery in Orissa						
8.	Financial assistance for medium-scale hatcheries	For setting up of shrimp/scampi hatchery with a minimum production capacity of 30 million seeds per annum						

1	2	3	4	5	6		7	8
9.	Financial assistance for medium-scale hatcheries	For setting up of shrimp/scampi hatchery with a minimum production capacity of 30 million seeds per annum in Gujarat, Maharashtra and scampi hatchery in Orissa						
10.	Financial assistance for setting up of PCR labs in hatcheries/Pvt. Lab	To establish PCR labs in Hatcheries/Pvt. Lab	Centrally Sponsored scheme	Financial Assistance	2.74	7.68	To the shrimp/ scampi farmers financial assistance is provided on a reimbursement basis	Ongoing
11.	Financial assistance for effluent treatment system (ETS) in Shrimp Farms	To set up effluent treatment systems attached to shrimp farms	Centrally Sponsored scheme	Financial Assistance	1.20	2.02	To the shrimp/ scampi farmers financial assistance is provided on a reimbursement basis	Ongoing
12.	Registration of Aquaculture Societies	To encourage adoption of BMPs and Code of Practices for sustainable shrimp farming for sector wide management of aquaculture farms	Centrally Sponsored scheme	Financial Assistance	1.15	0.54	To the shrimp/ scampi farmers financial assistance is provided on a reimbursement basis	Ongoing
13.	Financial assistance for scampi farming in Padasekaharams of Kerala	For utilizing the vast stretches of low lying paddy fields known as padasekaharams in Kerala in a collective manner for producing scampi during the off season of 8 months for increasing the production of scampi	Centrally Sponsored scheme	Financial Assistance	0.00	3.61	To the scampi farmers financial assistance is provided on a reimbursement basis	Ongoing

1	2	3	4	5	6		7	8
14.	Providing of financial assistance for farmers for undertaking organic farming of shrimp and scampi	To promote the development of eco-friendly, socially responsible organic farming and to build up a strong economical production center. To implement the organic production of shrimp/scampi seed, feed and to process the organic produce. To develop new export opportunities with special focus on global premium seafood markets.	Centrally Sponsored scheme	Financial Assistance	0.50	0.00	To the shrimp/ scampi farmers financial assistance is provided on a reimbursement basis	Ongoing
15.	Scheme for providing financial assistance for establishment of Ornamental Fish Breeding Units	Generate export oriented employment in rural and urban households through mass production ornamental fishes	Centrally Sponsored scheme	Financial Assistance	20.16	9.50	To the ornamental fish farmers financial assistance is provided on a reimbursement basis	Ongoing
III	**INDUCTION OF NEW TECHNOLOGY, MODERNIZATION OF PROCESSING FACILITIES AND DEVELOPMENT OF INFRASTRUCTURE FACILITIES.**							
	Technology and Infrastructural Upgradation Scheme for Marine Products (TIUSMP)							
16.	Assistance for Infrastructural Development for Value Addition	The Scheme will motivate processors for the production of value added products, increase efficiency and diversification of different product forms.	Centrally Sponsored scheme	Financial Assistance	107.35	99.83	To fish processors financial assistance is provided on a reimbursement basis	Ongoing

1	2	3	4	5	6		7	8
17.	Assistance for Process Automation and Packaging	Provide financial assistance for acquisition of machinery & equipment for process automation and packaging. It will help processors in installing machineries that enables automating the production process and in turn increasing the efficiency for better packaging.	Centrally Sponsored scheme	Financial Assistance	0.00	0.00	To fish processers financial assistance is provided on a reimbursement basis	Ongoing
18.	Assistance for Pre-Processing Centre	Provide assistance for improving the infrastructural facilities in the pre-processing centres.	Centrally Sponsored scheme	Financial Assistance	5.60	15.67	To fish processers financial assistance is provided on a reimbursement basis	Ongoing
19.	Assistance for chilled fish Handling Centre	To increase the number of approved chilled fish handling centres and thereby increase the export of chilled fish from the country.	Centrally Sponsored scheme	Financial Assistance	1.71	0.80	To chilled fish exporters is provided on a reimbursement basis	Ongoing
20.	Assistance for Live Fish handling Centre	To motivate exporters engaged in the export of live items to set up approved establishment for handling live items to increase the species exported in live condition and to improve the quality of live fishes exported.	Centrally Sponsored scheme	Financial Assistance	0.00	0.00	To Live fish exporters financial assistance is provided on a reimbursement basis	Ongoing
21.	Assistance for Dry fish Handling Centre	To motivate entrepreneurs to set up the dry fish handling centres and storage premises to enhance the production and	Centrally Sponsored scheme	Financial Assistance	0.00	1.28	To dry fish handlers/ processers financial assistance is provided on a reimbursement basis	Ongoing

1	2	3	4	5	6		7	8
		increase the export value of dried items from the country.						
	Cold Chain Development (CCD)							
	Assistance for Stationery Infrastructure							
22.	Assistance for Large Cold Storages	For Providing financial assistance for stocking fish and fishery products meant for export with temperature control.	Centrally Sponsored scheme	Financial Assistance	25.54	44.96	To fish processers financial assistance is provided on a reimbursement basis	Ongoing
23.	Assistance for Ice Plant	For production and supply of quality ice for better preservation of fish & fishery products.	Centrally Sponsored scheme	Financial Assistance	0.00	0.00	Tofishermen/ ice plant owners financial assistance is provided on a reimbursement basis	Ongoing
	Assistance for Movable Infrastructure							
24.	Assistance for conveyance	Transportation of raw materials from landing centre/ farms to processing units and finished products to vessels for on board shipment.	Centrally Sponsored scheme	Financial Assistance	0.35	0.68	To fishermen financial assistance is provided on a reimbursement basis	Ongoing
25.	Assistance for Insulated Fish Boxes	For proper preservation of catches in iced condition on board fishing vessels, in pre- processing centres, in processing plant, handling centres, in shrimp farms etc and during transportation so as to maintain the quality of the raw material right from catch to processing.	Centrally Sponsored scheme	Financial Assistance	3.32	3.74	To fishermen/ farmers/ fish processers financial assistance is provided on a reimbursement basis	Ongoing
26.	Financial assistance for setting up Mini Laboratory.	For effective implementation of in process quality control.	Centrally Sponsored scheme	Financial Assistance	1.12	1.43	To fish processers financial assistance is provided on a reimbursement basis	Ongoing

1	2	3	4	5	6		7	8
27.	Interest Financial Assistance for seafood units to facilitate upgradation.	Assists a part of the interest payable by the plant owners to their bank/ financial institutions for the loans availed by them for modernization of their plant to achieve conformity to EU standards.	Centrally Sponsored scheme	Financial Assistance	0.00	3.08	To fish processers financial assistance is provided on a reimbursement basis	Ongoing
28.	Assistance for setting up of PCR lab	To ensure disease free seed for aquaculture production.	Centrally Sponsored scheme	Financial Assistance	0.00	0.00	To hatchery operations and independent entrepreneurs	Ongoing
IV.	**MARKET PROMOTION**							
29.	Group Insurance Coverage for Workers Employed in the Pre-Processing and Processing plants	Insurance coverage arranged with the United India Insurance Co. for the Welfare of seafood processing workers.	Centrally Sponsored scheme	Financial Assistance	0.69	0.48	To fish processing workers a part of the premium is paid for the welfare of these workers	Ongoing
30.	Developmental assistance for Export of Ornamental/ Aquarium fishes.	To enable Indian Ornamental fishes to penetrate the world market.	Centrally Sponsored scheme	Financial Assistance	1.76	0.88	To ornamental fish farmers financial assistance is provided on a reimbursement basis	Ongoing
31.	Sea Freight Assistance For import of raw material for processing and export of specified value added products.	To make India a Seafood processing hub and generate substantial employment opportunities. To encourage better utilization of installed capacity in the processing units and to give further thrust for value addition.	Centrally Sponsored scheme	Financial Assistance	0.00	0.00	To fish processing units financial assistance is provided on a reimbursement basis	Ongoing
32.	Sea Freight Assistance for export of specified value added products to EU/USA/ Japan and other	To offset the adverse weight volume ratio of the value added products in containers and to offset the freight	Centrally Sponsored scheme	Financial Assistance	78.95	29.15	To fish processing units financial assistance is provided on a reimbursement basis	Ongoing

1	2	3	4	5	6		7	8
	countries	difference. To make India a Seafood processing hub and generate substantial employment opportunities. To give further thrust for increasing export of value added products						
33.	Assistance for promotional expenditure for value added marine products bearing MPEDA Quality LOGO	New Scheme for the promotion of value added products having MPEDA quality Logo in retail segment.	Centrally Sponsored scheme	Financial Assistance	0.00	0.00	To fish processers financial assistance is provided on a reimbursement basis.	Ongoing
34.	Financial assistance for warehousing/ Transportation/ placement (slotting) of marine products abroad	New Scheme for the promotion of value addition in seafood processing, and to assist warehousing, transportation and slotting expenses in retails outlets abroad.	Centrally Sponsored scheme	Financial Assistance	0.00	0.00	To fish processers financial assistance is provided on a reimbursement basis.	Ongoing
Total					284.05	258.82		

(B) Notification for some of the Subsidies schemes of Central Government

1 TITLE OF SUBSIDY

North East Industrial and Investment Promotion Policy (NEIIPP), 2007

1. Period covered by the Notification:

10 years (from 01 April 2007 to 31 March 2017).

2. Policy objective and/or purpose of subsidy:

To provide a package of fiscal incentives and other concessions for the disadvantaged region i.e., North East Region of India.

3. Background and authority of the subsidy:

The North East Industrial Policy (NEIP), 1997, which covered the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura, was replaced by the North East Industrial and Investment Promotion Policy (NEIIPP) 2007, effective from 1 April 2007, wherein the state of Sikkim was also included. Further information on the scheme is also available at: http://www.dipp.nic.in =>Policies and Schemes => North Eastern Region.

4. Form of the Subsidy: (i.e. grant, tax, loan, Concessions):

Exemption and Grant reimbursement of Claim amount.

5. To whom and how subsidy is provided and how determined:

All new units as well as existing units which go in for substantial expansion, unless otherwise specified and which commence commercial production within the 10 year period from the date of notification of NEIIPP, 2007 will be eligible for incentives for a period of ten years from the date of commencement of commercial production. Incentives are in the form of Exemption of Excise Duty, Income tax, Provision of Interest subsidy on working capital loan, reimbursement of insurance premium, Capital Investment Subsidy, etc.

6. Subsidy per Unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy:

Year-wise release of funds from 2007-08 to 2015-16 are indicated below:

(Amount in Rs. in Million)

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
257	681.60	711.50	749.90	599.90	998.20	1499.90	2219	1993.40

7. Duration:

10 years from the date of its coming into force in 2007.

8. Statistical data permitting an assessment of the trade effects of the subsidy:

It is not possible to estimate the trade effects, if any, that may result from this program.

2 TITLE OF SUBSIDY

Integrated Development of leather sector (IDLS) scheme

1. Period covered by the Notification:

Financial years 2013-14 and 2014-15.

2. Policy objective and/or purpose of subsidy:

The objective of the Integrated Development of leather sector (IDLS) scheme is to enable tanneries, footwear, footwear components, leather goods and accessories, leather garments, harness & saddlery manufacturing units to upgrade themselves leading to right-sizing of capacity, cost cutting, design and development including simultaneously encouraging entrepreneurs to diversify and set up new units in specified areas.

3. Background and authority of the subsidy:

The Scheme was initiated during the 10th Plan Period (2002-2007) and made applicable w.e.f 3 November 2005. The scheme was continued in 11th Plan since Nov 2008 and in 12th Plan since January 2014 respectively. Given the significance of this Industry to the overall health of the Indian economy, its employment potential and historical backlog of technology up-gradation, it was essential for the Leather Industry to have access to timely and adequate capital in order to up-grade its technology level, modernize and increase capacity/production. IDLS program is administered and implemented with aid of PIUs FDDI and CLRI by DIPP in the Ministry of Commerce and Industry. Further details of the scheme is available at: http://dipp.nic.in/English/schemes/ILDP/IDLS_15January2014.pdf

4. Form of the Subsidy (i.e. grant, tax, loan, Concession):

Grant.

5. To whom and how subsidy is provided and how determined:

The financial assistance under the Scheme is provided as investment grant to the extent of 30% of cost of plant and machinery for Micro and Small Enterprises and 20% of cost of plant and machinery for other units for technology up-gradation /modernization and/ or expansion and setting up a new unit subject to a ceiling of Rs.20 million for each product line. Investment grant is also available to units investing their own resources. All existing units in the Leather and Leather Products industry including tanneries, leather goods, saddlery, leather footwear and footwear component sector having cash profits for 2 years, undertaking viable and bankable programmes on technology up-gradation are eligible for assistance.

6. Subsidy per Unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy:

Annual Budget for IDLS sub-scheme

Year	Amount (Rs. in million)
2013-14	357.20
2014-15	399

7. Duration:

The scheme initiated in 2005, is continuing.

8. Statistical data permitting an assessment of the trade effects of the subsidy:

It is not possible to estimate trade effects, if any, may result from this program.

3 TITLE OF THE SCHEME

Technology Up- Gradation Fund (TUFS) Scheme.

1. Period covered by the Notification:

Financial years 2013-14 and 2014-15.

2. Policy objective and/or purpose of subsidy:

The objective of the Technology Up-Gradation Fund (TUFS) Scheme is to catalyze capital investments for technology upgradation and modernization of the textiles industry by providing specified interest reimbursement and capital subsidy for investment in upgradation of machinery. It is a credit linked scheme implemented through the notified lending agencies by reimbursement of subsidy claims of eligible investments.

3. Background and authority of the subsidy:

TUFS was introduced in 1999 by way of 5% interest reimbursement. The scheme was initially approved from April 1999 to 31 March 2004. Subsequently, the scheme was further restructured as Restructured TUF Scheme (R-TUFS) w.e.f 28 April 2011 to 31 March 2012. This was further extended / rolled over upto 31 March 2013. It has been further revised for the period 01 April 2013 and 31 March 2017 and renamed as Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS). In place of RR-TUFS, amended TUFS has been launched from 13 January 2016. The implementing authority of the scheme is the Ministry of Textile, Government of India. Further details of the scheme is available at:
http://www.txcindia.gov.in/tufs_home/tufs_home.htm

4. Form of the Subsidy (i.e. grant, tax, loan, Concessions):

Subsidy in the form of Interest Reimbursement (IR) and Capital Subsidy (CS) under RR-TUFS. The new ATUFS launched from 13 January 2016 has only support towards Capital Subsidy (CS).

5. To whom and how subsidy is provided and how determined:

The benefits under TUFS is available to the eligible applicants belonging to all the sub-sectors of textiles and jute industry.

6. Duration:

The scheme which was introduced in 1999, is continuing in its modified form and the New Amended TUFS is effective from 13 January 2016 to 31 March 2022.

7. Subsidy per Unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy:

It is not possible to estimate trade effects, if any, may result from this program. The Budget Estimate and expenditure for 2013-14 and 2014-15 are as given below:

(Rs. in million)

Year	Budget Allocation	Expenditure
2013-14	24000	17300
2014-15	23000	18842.80

4 TITLE OF SUBSIDY

Shipbuilding Subsidy Scheme

1. Period covered by the Notification:

Financial years 2013-14 and 2014-15.

2. Policy objective and/or purpose of subsidy:

In order to provide a level playing field to the Indian shipbuilding sector vis-à-vis foreign shipyards, the Government of India (GOI) has been operating the Shipbuilding Subsidy Scheme for both export and domestic orders.

3. Background and authority of the subsidy:

GOI has been operating the Shipbuilding Subsidy Scheme for Central Public Sector Shipyards intermittently since 1971 with some gaps and modifications from time to time. Since then, it has been extended to all the shipyards i.e. both public and private sector shipyards. Administrative Authority for the scheme is the Ministry of Shipping, in GOI. Details of the Shipbuilding Subsidy Scheme are available in the Ministry of Shipping website at http://www.shipping.nic.in/writereaddata/l892s/sbr1-29038579.pdf .

4. Form of the Subsidy (i.e. grant, tax, loan, Concession):

Grants.

5. To whom and how subsidy is provided and how determined:

GOI had extended the Shipbuilding Subsidy Scheme, for both export and domestic orders to all the Indian shipyards including private sector shipyards. Subsidy to shipyards is available only in respect of eligible shipbuilding contracts signed on or before 14 August 2007 after receipt of all requisite documents, information clarifications. 30% shipbuilding subsidy payable in the form of grants:

i. On domestic orders irrespective of size and type but limited to sea going merchant vessels of and over 80 meters in length for domestic vessels;

ii. On export orders for Sea going vessel as defined in Section 3(41) of the Merchant Shipping Act, 1958 irrespective of type and size of vessel and where a certificate from Classification Society confirming that it is a seagoing vessel is submitted by the Shipyard.

6. Subsidy per Unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy:

Non-Plan Outlay (In Million Rupees)

Year	Total subsidy (in Million Rupees)
2013-14	1844.6
2014-15	Nil

7. Duration:

The scheme had expired on 14 August 2007 and liabilities had arisen for the eligible shipbuilding orders contracts signed on or before 14 August 2007.

8. Statistical data permitting an assessment of the trade effects of the subsidy:

It is not possible to estimate what trade effects, if any, may result from this program.

5 TITLE OF SUBSIDY

Focus Market Scheme (FMS).

1. Period covered by the Notification:

Financial years 2013-2014 and 2014-15.

2. Policy objective and/or purpose of subsidy:

Objective of the Focus Market Scheme (FMS) is to offset high freight cost and other externalities to select international markets with a view to enhance India's export competitiveness in these markets.

3. Background and authority of the subsidy:

FMS came into operation with effect from 1 April 2006. It is administered by the Directorate General of Foreign Trade (DGFT) in the Ministry of Commerce & Industry.

4. Form of the Subsidy (i.e. grant, tax, loan, Concessions):

Duty Exemption allowed through Duty Credit Scrips.

5. To whom and how subsidy is provided and how determined:

Exports of all products (Except a few ineligible products and certain exports mentioned in FTP 2009-14) to specified countries, as notified in Appendix 37C of Handbook of Procedure Vol.1, are entitled for Duty Credit Scrip equivalent to 3%-4% of FOB value of exports in free foreign exchange. Prior to 27 August 2009, the entitlement was 2.5% of FOB Value of exports. Details of the scheme is given in Paragraph 3.14 of the Foreign Trade Policy (FTP), and the corresponding procedure in Chapter 3 of Handbook of Procedure Vol.1. These documents are available at dgft.gov.in.

6. Subsidy per Unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy:

As given above.

7. Duration:

FMS has been withdrawn w-e-f 1 April 2015.

8. Statistical data permitting an assessment of the trade effects of the subsidy:

It is not possible to estimate trade effects, if any, may result from this program.

6 TITLE OF SUBSIDY

Focus Product Scheme (FPS)

1. Period covered by the Notification:

Financial years 2013-2014 and 2014-15.

2. Policy objective and/or purpose of subsidy:

Objective of Focus Product Scheme (FPS) is to promote export of products which have high export intensity / employment potential, so as to offset infrastructural inefficiencies and other associated costs involved in marketing of these products.

3. Background and authority of the subsidy:

FPS came into operation with effect from 1 April 2006. It is administered by the Directorate General of Foreign Trade (DGFT) in the Ministry of Commerce & Industry.

4. Form of the Subsidy (i.e. grant, tax, loan, Concession):

Duty Exemption allowed through Duty Credit Scrips.

5. To whom and How subsidy is provided and How determined:

An exporter is eligible for the benefit under the scheme for the export of notified products (notified in Appendix 37D of Handbook of Procedure, Vol.I) to all countries (including SEZ units). In general, the exporters are entitled for Duty Credit scrip equivalent to 2%/5%/7% of FOB value of exports (in free foreign exchange) w.e.f 27 August 2009. Prior to this date, the entitlement was 2.5%. Details of the scheme are given in chapter 3 of the Foreign Trade Policy (FTP) and the corresponding procedures in Chapter 3 of Handbook of Procedure Vol.I. These documents are available at dgft.gov.in.

6. Subsidy per Unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy:

As given above.

7. Duration of subsidy and or any other Limits attached to it, including date of inception/ comment:

FPS has been withdrawn w-e-f 1 April 2015.

8. Statistical data permitting an assessment of the trade effects of the subsidy:

It is not possible to estimate trade effects, if any, may result from this program.

7 TITLE OF SUBSIDY

Market Linked Focus Product Scheme (MLFPS)

1. Period covered by the Notification:

Financial years 2013-14 and 2014-15.

2. Policy objective and/or purpose of subsidy:

Objective of Market Linked Focus Product Scheme (MLFPS) is to promote export of products which have high export intensity / employment potential, so as to offset infrastructural inefficiencies and other associated costs involved in marketing of these products in specified markets. Accordingly specified products to specified markets are entitled for the benefit under the scheme.

3. Background and authority of the subsidy:

Market Linked Focus Product Scheme (MLFPS) was introduced w.e.f. 1.4.2008. Directorate General of Foreign Trade (DGFT) in the Ministry of Commerce & Industry is the administrative and implementing authority for the scheme. Details of the scheme is given in paragraph 3.15.3 of Foreign Trade Policy and corresponding provision in Chapter 3 of the Handbook on Procedure, Vol-I. These documents are available at dgft.gov.in.

4. Form of the Subsidy (i.e. grant, tax, loan, Concession):

Duty Exemption allowed through Duty Credit Scrips.

5. To whom and how subsidy is provided and how determined:

The benefit is available to exporters in the form of Duty Credit Scrip equivalent to 2% of FOB value of export of products (listed in Table 1 of Appendix 37D of Handbook of Procedures, Vol-I) to specified countries w.e.f. 27 August 2009. Prior to this date, the entitlement was 1.25%.

6. Subsidy per Unit or in cases where there is not possible, the total amount or the annual amount budgeted for that subsidy:

Duty Credit Scrips are issued to exporters as stated above.

7. Duration:

MLFPS has been withdrawn w-e-f 1 April 2015.

8. Statistical data permitting an assessment of the trade effects of the subsidy:

It is not possible to estimate trade effects, if any, may result from this program.

सत्यमेव जयते

HIGHLIGHTS OF THE FOREIGN TRADE POLICY 2015-2020

Government of India
Department of Commerce
Ministry of Commerce and Industry

Annexure-1

I. Merchandise Exports from India Scheme

(i) Merchandise Exports from India Scheme has replaced 5 different schemes of earlier FTP (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip, VKGUY) for rewarding merchandise exports which had varying conditions (sector specific or actual user only) attached to their use.

(ii) Now all these schemes have been merged into a single scheme, namely Merchandise Export from India Scheme (MEIS) and there would be no conditionality attached to the scrips issued under the scheme. Notified goods exported to notified markets would be rewarded on realised FOB value of exports.

A. Country Groups:

Category A: Traditional Markets (30) - European Union (28), USA, Canada.
Category B: Emerging & Focus Markets (139), Africa (55), Latin America and Mexico (45), CIS countries (12), Turkey and West Asian countries (13), ASEAN countries (10), Japan, South Korea, China, Taiwan,
Category C: Other Markets (70).

B. Products supported under MEIS

Level of Support:

Higher rewards have been granted for the following category of products:

- Agricultural and Village industry products, presently covered under VKGUY.
- Value added and packaged products.
- Eco-friendly and green products that create wealth out of waste from agricultural and other waste products that generate additional income for the farmers, while improving the environment.
- Labour intensive Products with large employment potential and Products with large number of producers and /or exporters.
- Industrial Products from potential winning sectors.
- Hi-tech products with high export earning potential.

C. Markets Supported

- Most Agricultural products supported across the Globe.
- Industrial and other products supported in Traditional and/or Emerging markets only.

D. High potential products not supported earlier:

Support to 852 Tariff lines that fit in the product criteria but not provided support in the earlier FTP. Includes lines from Fruits, Vegetables, Dairy products, Oils meals, Ayush & Herbal Products, Paper, Paper Board Products.

E. Global support has been granted to the following category:

- Fruits, Flowers, vegetables
- Tea Coffee, Spices
- Cereals preparation, shellac, Essential oils
- Processed foods,
- Eco Friendly products that add value to waste
- Marine Products
- Handloom, Coir, Jute, products and Technical Textiles, Carpets Handmade. Other Textile and Readymade garments have been supported for European Union, USA, Canada and Japan.
- Handicraft, Sports Goods
- Furniture, wood articles

F. Support to major markets have been given to the following product categories

- Pharmaceuticals, Herbals, Surgicals

- Industrial Machinery, IC Engine, Machine tools, Parts, Auto Components/Parts
- Hand Tools, Pumps of All Types
- Automobiles, Two wheelers, Bicycles, Ships, Planes
- Chemicals, Plastics
- Rubber, Ceramic and Glass
- Leather garments, saddlery items, footwear
- Steel furniture, Prefabs, Lighters
- Wood , Paper, Stationary
- iron, steel, and base metals, products

G. Other sectors supported under MEIS

- 352 Defence related Product with export of US$ 17.7B consisting of Core Products (20), Dual Use products (60) ,General Purpose products (272).
- 283 Pharmaceutical products of Bulk Drugs & Drug Intermediates, Drug Formulations Biologicals, Herbal, Surgicals, and Vaccines.
- 96 lines of Environment related Goods, Machinery, Equipment's.
- 49 lines where mandatory BIS standards are prescribed.
- 7 lines of Technical Textiles.

H. Participation in global value chain of the items falling under the scheme:

- 1725 lines of Intermediate Goods - These goods become inputs in the manufacturing of other countries and will strengthen backward manufacturing linkages which is vital for India's participation in Global Value Chains.

- 1109 lines of Capital Goods sector- will also strengthen Manufacturing Base in India.
- 1730 lines of Consumer Goods sector- We hope a quantum jump in export from this sector with strengthening of Make in India Brand in near future.

I. Technology based analysis:

- 572 lines-Low skill Technology-intensive manufacturing.
- 1010 lines-Medium skill Technology-intensive manufacturing.
- 1309 lines-High Skill Technology-intensive manufacturing.

J. Women Centric Products supported under MEIS

(a) Women workers constitute 52% of plantation workers-203 lines of Tea Coffee, Spices, Cashew.

(b) 69% of the aggregate female employment is concentrated in the following sectors:

(i) Manufacture of other food products - Jelly Confectionery, tomato ketchup, cooked stuffed pasta, pawa, mudi and the like, gingerbread , papad, pastries and cakes.

(ii) Manufacture of wearing apparel-396 lines of Readymade Garments

(c) Sectors that have a significant proportion of female employment (more than 25%):

(i) Agricultural and animal husbandry service activities, except veterinary activities– 263 lines of basic Agriculture products.
(ii) Manufacture of footwear – 28 Footwear and Leather products.
(iii) Consumer Electronics and Electronic Components, watches and clocks -483 lines.

(http://www.eepcindia.com/) (http://www.makeinindia.com/home)

1. What is the MEIS scheme?

Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy of India (FTP 2015-20) is one of the two schemes introduced in Foreign Trade Policy of India 2015-20, as a part of Exports from India Scheme. (The other scheme is SEIS, Service Exports from India Scheme).

The Government of India has brought in the Merchandise Exports Incentive Scheme (MEIS), replacing five other similar incentive schemes present in the earlier Foreign Trade Policy 2009-14. The schemes that have been replaced by the MEIS scheme include:

- Focus Product Scheme (FPS)
- Focus Market Scheme (FMS)
- Market Linked Focus Product Scheme (MLFPS)
- Agri. Infrastructure incentive scheme
- Vishesh Krishi Gramin Upaj Yojna (VKGUY)

As per the present FTP, the MEIS scheme does not aim to merely replace these five schemes but also aims to rationalize the incentives and enlarges their scopes by removing various restrictions.

2. The Objective of the MEIS Scheme

To offset infrastructural inefficiencies and the associated costs of exporting products produced in India giving special emphasis on those which are of India's export interest and have the capability to generate employment and enhance India's competitiveness in the world market.

3. About the Scheme

With the aim in making India's products more competitive in the global markets, the scheme provides incentive in the form of duty credit scrip to the exporter to compensate for his loss on payment of duties. The incentive is paid as percentage of the realized FOB value (in free foreign exchange) for notified goods going to notified markets. To determine the quantity of incentive, the countries have been segregated into three groups. Incentives on export of each product at 8-digit level (ITC HS codes), depend on the group in which its destination country belong.

There are essentially three country groups. Group A has India's traditional destinations such as the EU countries and USA. Group B has the maximum number of countries and covers almost all of India's major export destinations globally. It is worth mentioning here that Group B has the highest quantum of incentive. Group C on the other hand has no incentive at all. It can be divided into, SAARC, Australia and New Zealand, some EU and African countries.

4. Revision of MEIS scheme

The first schedule of the MEIS consisting of the definition of the country groups and the incentives on the 8-digit product lines was published along with the Foreign Trade Policy 2015-20 in April, 2015. However, after repeated representations from various industry associations and export promotion councils including us on the inadequacy of the incentives, the DGFT came out with a new schedule vide Public Notice No. 06 /2015-2020 published on 4th May, 2016. While the country groups have remained same in the new schedule, there has been a re-orientation of the incentive rates and in general the incentive basket has broadened. We have studied both the earlier schedule and the new one. The key changes include

- Additions of some product lines (at 8 digits) to the list of beneficiaries under MEIS. For instance, products coming in the category of the medical and scientific instruments have been included in the MEIS schedule and incentives have been given for all three groups.
- Amendment in the incentive rates for some product lines already included in the schedule. Here the most important change has been the grant of incentives to Group A countries for some product lines. This has obviously contributed towards expansion of the incentive market and has addressed one of our concerns

About MEIS Scheme (about-MEIS-scheme.aspx)

THE WEST BENGAL STATE SUPPORT FOR INDUSTRIES SCHEME, 2013

wbidc

WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LTD.

Making things happen

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PART I __Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury etc.

Government of West Bengal
Commerce & Industries Department
Administration Branch

No.146- CI/O/ADN/GEN-INC/5/12 Dated, Kolkata, the 1st October, 2013

NOTIFICATION

WHEREAS, the Governor is of the opinion that it is necessary and expedient to extend certain financial support for promotion of industries in the State;

NOW, THEREFORE, the Governor is hereby pleased, to approve and sanction a Scheme for extending certain financial support for large scale industrial units of the State as reproduced below.

1. **Short Title:**

This Scheme may be called 'The West Bengal State Support for Industries Scheme, 2013 (hereinafter referred to as the WBSSIS-2013) for Industrial Projects of large scale units (hereinafter referred to as units) to be set up in the State.

2. **Commencement and Duration:**

Unless specifically mentioned against the respective items of incentives sanctioned under the WBSSIS-2013, it shall come into effect on and from the 1st day of September 2013 in the whole of West Bengal and shall remain valid for the period ending on the 31st August 2018.

However, for registration under this scheme, the last date for On-Line application through WBIDC website is 16.07.2018 and subsequent submission of documents to the Director of Industries (DI)for the preliminary Registration Certificate, RC in Part-I have to be completed by 31.07.2018.

3. **Definitions and applicability of WBSSIS2013:**

Unless it is repugnant to the context, in the WBSSIS-2013,

3.1. **"Approved Industrial Complex"** means any industrial complex set up in the public or private sector in the state approved by the State or the Central Government;

3.2. **"Approved Project"** means the industrial project of a unit for which final registration certificate certifying the first date of Commencement of Commercial Production has been issued under the WBSSIS- 2013.

3.3. **"Approved Location"** means the area (specifying the Block, Mouza, Dag No. & Plots) where industrial project of a unit for which final registration certificate certifying the first date of Commencement of Commercial Production has been issued under the WBSSIS- 2013. Any other activity by the same unit around that particular location but in different plots, will not be treated as new expansion project in that location if it uses the common facilities (manpower, machineries etc.) of the original establishment.

3.4. **"Anchor Unit"** means the first two manufacturing enterprises with minimum employment of 100 members and minimum investment of Rs. 50 Crore in each of the Sub-Divisions coming in Groups- B, C & D where no industrial enterprises with investment of Rs. 50 Crore and above exist at present.

3.5. **"Authorized Agent"** means the WBIDC, an agent specially authorized by the State Government, for operation of the WBSSIS-2013 in respect of large scale industries;

3.6. **"Category of Industries"** means and includes the units with investment in 'Plant & Machinery' of different scales as noted hereunder, e.g.

Scale-1 : Investment in 'Plant & Machinery' of Rs.10 Cr and up to Rs. 100 Cr.

Scale-2 :Investment in 'Plant &Machinery 'of above Rs. 100 Cr. and up to Rs. 500 Cr.

Scale-3 :Investment in 'Plant & Machinery' of above Rs. 500 Cr. and up to Rs. 1000 Cr.

Scale-4: Investment in 'Plant & Machinery' of above Rs. 1000 Cr.

3.7. **"Director of Industries"** hereinafter referred to as DI, means the Director of Industries, West Bengal;

3.8. **"Eligible Unit"** means any industrial unit in large scale sectors engaged in manufacturing process for the purpose of manufacture of goods as defined under 'manufacture' in the NIC Classification 1987 as amended from time to time, as well as defined in Section2, Clause F of the Central Excise Act,1974 as also if registered as a dealer under section 24(1)(a)/24(1)(b) of the West Bengal Value Added Tax Act, 2003 but having approval in the form of letter of intent, industrial license or registration certificate, as the case may be, under the Industries Development and Regulation Act, 1951 (65 of 1951) or an IEM from Secretariat for Industrial approval, DIPP under Government of India excluding those mentioned in the negative list of industries at Annexure-I of WBSSIS-2013, in the private, co-operative & joint sectors as also companies/undertakings owned or managed by the State & the Central Governments, started investment in Plant and Machinery on and after 01/04/2013 having final registration certificate certifying the first date of Commencement of Commercial Production issued by the DI;

3.9. **"Financial Institution"** hereinafter referred to as FI shall mean the "State Financial Institutions" and include Commercial Banks, Nationalized Banks and Financial Institutions constituted under the Acts of Parliament;

3.10. **"Fixed Capital investment"** hereinafter referred to as FCI, means investment made only on and after 01/04/2013 in the Plant and Machinery including equipment installed for pollution control measures. While making calculation of "Fixed Capital Investment", investment made only on Plant & Machinery, as indicated below shall qualify:

3.10.1 Cost of Plant & Machinery/equipment including the cost of productive equipment required directly for the purpose of manufacture of goods and erected at the approved location;

3.10.2 Cost of equipment pertaining to pollution control measures;

3.10.3 Cost of second hand Plant & Machinery as certified by DGFT required directly for the purpose of manufacture as also cost of equipment pertaining to pollution control measures as above, when imported from outside India by the unit itself and not previously used in any State in India.

3.10.4 Advances paid to the suppliers of Plant & Machinery for the approved project of the eligible unit on and after 01/04/2013.

3.11. "Incentive" shall mean financial support to be given to the industrial units in the form of different types of subsidies as provided in the scheme which are to be decided solely by the C&I Department and cannot be considered as a matter of right.

The West Bengal State Support for Industries Scheme, 2013

3.12. "New Unit" means,

3.12.1. A unit in the large scale sector for manufacturing goods in West Bengal which started investment in Plant and Machinery on and after 01/04/2013 and registered with the Director of Industries for the first time.

3.12.2. Expansion in a new location, of an existing unit already registered under a previous incentive scheme for the same or a different product which started investment in Plant and Machinery on and after 01/04/2013;

3.12.3. Expansion with the same or new product in the same location of an existing unit already registered under a previous scheme which started investment in Plant and Machinery on and after 01/04/2013.

In case of expansion by same product, the unit has to achieve production up to 70% of the installed capacity in the existing set up and Certificate from the Sales Tax Authority certifying the exact quantum of production during last three years are required for this purpose.

However, expansion in the same location shall not be entitled to the benefit under "Waiver of Electricity Duty".

3.13. **"Negative list of industries"** means the list of industries shown at Annexure-I hereto as may be amended by the State Government from time to time;

3.14. **"Para "and "Sub-para"** mean paragraph and sub-paragraph of this scheme;

3.15. **"Registration Certificate"**, hereinafter referred to as RC means final Registration Certificate issued by the DI certifying the first date of Commencement of Commercial Production also.

3.16. **"State Financial Institution"** means and includes the WBIDC, the WBFC and the West Bengal State Co-operative Bank;

3.17. **"WBFC"** means the West Bengal Financial Corporation;

3.18. **"WBIDC"** means the West Bengal Industrial Development Corporation Limited;

3.19. **"Year"** means, unless otherwise specifically stated and not repugnant to the context, the financial year commencing from the 1st April and ending on the 31st March following.

4. **Non-applicability of WBSSIS- 2013:**

The WBSSIS- 2013 shall not be applicable to:

4.1. Those units that have been registered under any previous scheme. These will continue to be governed by the provisions of the registration already issued under the respective schemes.

4.2. A unit remaining closed for whatsoever reasons for a period covering more than continuous twelve months, provided the unit shall be entitled to the benefits of WBSSIS-2013 after it is reopened and on the merit of the case to be certified by the Public Enterprise & Industrial Reconstruction department of this Government and RC having been issued afresh; Moreover, the cases where IR department specifically recommends for release of incentives following BIFR guideline.

4.3. A unit in respect of the period covered under closure for whatsoever reasons for less than continuous twelve months, provided the terms and conditions of the order of the BIFR or the court, as the case may be, shall apply if the unit is re-opened on the basis of any order of the BIFR or any Court of Law;

4.4. Eligible units having obtained RC in Part-I shall have to complete investment in the unit for obtaining RC in Part-II as per time period, counted from, the date of issuing RC in Part-I, as specified below :-

Scale of Investment	Time limit
Scale- 1&2	3 years
Scale-3	4 years
Scale-4	5years

Else, this scheme will not be applicable to the unit, provided the unit shall have the option to register de novo under any successor scheme operative at that point of time;

4.5. Units which are availing benefit by way of incentives from any other department of the State/Central Government under any other scheme will not be entitled to the benefits under this scheme or the benefits shall be adjusted while determining the entitlement of such units under WBSSIS-2013.

5. **Procedure for obtaining "Registration Certificate" (RC) and cancellation thereof:**

5.1. A unit in the large scale sector to which this scheme applies, shall be eligible for securing a RC:

Provided that

5.1.1. The project is covered by a detailed feasibility report/project report prepared for the purpose;

5.1.2. The Project has been approved and sanctioned by any FI;

5.2. A unit shall be required to submit application in Form No-I to the DI for registration of the unit for being qualified for the incentives under the WBSSIS-2013. The Form No. I shall be submitted On-Line through WBIDC website (www.wbidc.com) and the requisite fees as detailed below, to be deposited to the Bank Account of WBIDC through RTGS/NEFT. Upon successful submission of the application On Line, the hard copy of the same Form with acknowledgement no. generated by the system shall be submitted within 15 days to the DI along with the relevant documents as detailed in the Form No. I and duly filled in Check List as annexed to the Form No. I.

Fee structure:

Scale- 1	: Rs. 15,000/-
Scale- 2	: Rs. 25,000/-
Scale- 3	: Rs. 30,000/-
Scale-4	: Rs. 50,000/-

Upon receipt of such application, upon being satisfied with the information furnished by the unit, the DI shall issue the preliminary Registration Certificate, RC in Part-I. Part-I of the RC shall contain, inter alia, information as to the estimated amount of FCI, approved capacity of production of individual item of finished goods, expected date of commencement of commercial production as would be indicated by the unit in line with other provisions of the WBSSIS-2013, types of statutory clearance obtained by the unit, and the period of validity of the certificate.

While in the case of projects with an arrangement of finance from own resources, a unit has to submit either the Project appraisal report of any Financial Institution or WBIDC shall appraise the project through its Appraisal & Credit Division against a processing fee of 1% of the project cost which has to be deposited to the Bank Account of WBIDC through RTGS/NEFT.

In such cases, issue of RC, Part-I shall be considered only if the WBIDC is satisfied with the arrangement of funds and recommends for issue of RC in Part-I.

5.3. The unit shall be required to submit application in Form No. 1A to the DI for RC, Part-II within one week of commencement of commercial production. The Form No. IA shall be submitted On-Line through WBIDC website and upon successful submission of the application On Line, the hard copy of the same Form with acknowledgement no. generated by the system shall be submitted to DI along with authentic documents/certificates on actual investment in fixed capital on the date of application, estimated quantum of production of each individual item of finished goods and balance sheet of the unit for the FY 2013-2014 onwards duly certified by any Chartered Accountant Firm, and such other documents as detailed in the Form No. I-A.

Upon receipt of such application, the DI shall conduct a joint inspection of the factory with WBIDC and obtain the views of the WBIDC after such enquiry and upon being satisfied with the information furnished by the unit, the DI shall issue final registration certificate, RC in part- II, certifying the first date of Commencement of Commercial Production stating therein the approved capacity of production of each item of finished goods, actual FCI made by the unit, scale and eligibility period for each item of incentives and other terms and conditions as would be considered appropriate. Final registration certificate, RC in part- II, certifying the first date of Commencement of Commercial Production shall be uploaded to WBIDC website.

5.4. Request for change in location / product /capacity by the Units may be done before issue of RC in part- II, certifying the first date of Commencement of Commercial Production or duration of the scheme whichever is earlier. Application for request for such modification may be done On-Line through WBIDC website on or before 16/07/2018.

5.5. Notwithstanding anything contained in the scheme, the DI shall have the authority to revoke the RC,

5.5.1 If at any stage it is found on enquiry that the particulars furnished by the unit are incorrect or false, the unit concerned shall remain liable to refund the incentives enjoyed earlier and will be disqualified for enjoying further benefits of this scheme upon revocation of RC;

5.5.2 If a unit remains closed for whatsoever reasons for a period covering more than continuous twelve months:

6. **Classification of areas:**

6.1. For the purpose of determination of types and quantum of incentive available under this Scheme for the approved projects, according to their location, the districts/areas in the state shall be classified in the following groups or Zones:-

Group A- Kolkata Municipal Corporation, North 24 Parganas (Bidhannagar Municipality and Nabadiganta Industrial Township), South 24 Parganas (Alipur Subdivision) .

Group B - Howrah, North 24 Parganas (Barrackpore and BarasatSadar Subdivisions), South 24 Parganas (excluding the area under the jurisdiction of the Kolkata Municipal Corporation and Sundarban Development Board), Durgapur and Asansol Subdivisions of Burdwan District and Haldia Subdivision of PurbaMedinipur Districts.

Group C- Murshidabad, Birbhum, Nadia, Hooghly Districts, Burdwan (excluding Asansol and Durgapur Subdivisions), PurbaMedinipur District (except Haldia Subdivision), North 24 Parganas (Bongaon and Basirhat Subdivisions), South 24 Parganas (Baruipur, Canning, Diamond Harbour, Kakdwip Subdivision).

Group- D : Malda, Coochbehar, Uttar Dinajpur, DakshinDinajpur, Jalpaiguri, Darjeeling, Purulia, Bankura and PaschimMidnapur Districts and area under Sundarban Development Board.

6.2. No incentive will be granted to any unit set up in the area under Group A except to the extent provided in this Scheme.

7. **Fiscal incentives and Concessions for Investment under Scale-1 (Rs 10-100 Crore FCI):**

The total incentives under all heads shall not be more than 100% of FCI.

7.1. **Industrial Promotion Assistance (IPA)**

Industrial units under Group B, C & D and falling in the scale 1 will be granted Industrial Promotion Assistance (IPA). The total IPA for which an industrial unit would be eligible shall be equivalent to certain percentage of the tax paid by the unit in the previous year. Value Added Tax (VAT) shall be considered for the entire eligible period. However, Central Sales Tax (CST) shall be considered for the first three years from the **Commencement of Commercial Production** as certified by DI. IPA would be admissible for a number of years as given below and upto75% of the Fixed Capital Investment by the industry, whichever is reached earlier.

		Year from the Commencement of Commercial Production							
Areas	IPA for number of years	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8
B & C	8	80%	80%	80%	80%	80%	80%	80%	80%
D	8	90%	90%	90%	90%	90%	90%	90%	90%

7.2. **Waiver of Electricity Duty:**

An eligible unit with investment under scale-1, provided the unit has obtained all kinds of statutory clearance will be entitled to receive following subsidy on Electricity Duty -

Group/ Zones	No. of Years	% of Waiver	Ceiling of Waiver of Electricity Duty
'B' & 'C'	1 to 5 years	100% of Electricity Duty subject to the maximum ceiling	Maximum of Rs 25 lakhs per year / Rs 1.25 crores in 5 years
'D'	1 to 10 years	Group 'D'- 100% waiver from Year-1 to Year-5 and thereafter, 75% waiver fromYear-6 to Year-10	Rs 25 lakh per year / Rs 2.5 crores in 10 years

7.3. **Additional Incentive on Generation of Employment**

(A) The units will be entitled to reimbursement of the undernoted expenditure incurred by it if at least 50% of the employees in the unit are recruited from amongst the persons registered with the Employment Bank of the State at the time of claiming this incentive.

'Employee' will have the same meaning as defined under the Employees 'Provident fund and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948.

(B) Subject to condition as at (A) above, an eligible unit in the large sector will be entitled to reimbursement to the extent of a certain % of the expenditure incurred by it for paying its contribution towards Employees State Insurance (ESI) and employees provident Fund (EPF) depending on the location of the unit as follows :

	Reimbursement % of contribution towards ESI & EPF
Group 'B' area : 5 years	**80%**
Group 'C' area : 7 years	**80%**
Group 'D' area : 10 years	**100%**

(C) The reimbursement of the expenditure prescribed above will be payable every 6 months based on minimum statutory limit and subject to the condition that the unit has paid its contribution towards ESI & EPF on due dates.

The entitlement of the unit shall be assessed on the basis of employment created by the unit after having verified the statement of monthly contribution towards EPF for the employees in Form No. 12 under the provisions of Paragraph 38 (2) of the Employees' Provident Funds Scheme, 1952. Monthly average of the number of employees as reported in Form-12 for the successive 6 months will be taken twice during the year as the parameter for employment creation, **to the extent the employment for the persons belonging to the State of West Bengal are created**, for incentive disbursement.

In order to ascertain the residential status of the employee, the unit shall be required to submit photocopies of Electoral Photo Identity Card (EPIC), issued by the **appropriate registering authorities within the State of West Bengal and a list showing residential address of all the employees**. Copies of Form no. 3A as submitted to EPFO with Employee details has also to be submitted by the Unit. Such documents shall be required to be furnished every time it submits claim in regard to Employment Generation subsidy.

7.4. **Stamp Duty**

The new Industries under Scale 1 will be eligible for 75 % Stamp Duty refund for all the areas. The stamp duty paid by the unit has to be certified by the concerned Registering Authority.

8. **Fiscal Incentives for Investment under Scale - 2, 3 & 4:**

The total incentives under all heads shall not be more than 100% of FCI.

8.1. **Industrial Promotion Assistance [IPA]:**

Industrial units under Group B, Group C and Group D falling in the scales of 2, 3 & 4 will be granted Industrial Promotion Assistance (IPA). The IPA for which an industrial unit would be eligible shall be equivalent to certain percentage of the tax paid by the unit in the previous year. Value Added Tax (VAT) shall be considered for the entire eligible period. However, Central Sales Tax (CST) shall be considered for the first three years from the **Commencement of Commercial Production** as certified by DI. IPA would be admissible for a number of years as given below and up to 75% of the Fixed Capital Investment by the industry, whichever is reached earlier.

The percentages for units with different scales of investment are:

IPA for Scale 2 (Fixed Capital Investment above Rs 100 crores and up to 500 crores)

Areas	Year from the Commencement of Commercial Production								
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
B & C	80%	80%	80%	80%	80%	80%	80%	80%	80%
D	90%	90%	90%	90%	90%	90%	90%	90%	90%

IPA for Scale 3 (Fixed Capital Investment above Rs 500 crores and up to 1000 crores)

Areas	Year from the Commencement of Commercial Production											
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12
B & C	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
D	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%

IPA for Scale 4 (Fixed Capital Investment above Rs 1000 crores)

Areas	Year from the Commencement of Commercial Production														
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15
B & C	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
D	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%

- No benefit of IPA will be granted to any unit set up in the area under Group A except to the extent provided in this Scheme.

8.2. **Exemption from Stamp Duty:**

Stamp Duty to be paid in respect of (i) loan agreements, credit deeds, mortgage and hypothecation deeds executed for availing term loans from State Govt. and/or State Financial Corporation, Industrial Investment Development Corporation, National Level Financial Institutions, commercial Banks, RRBs, Co-operative Banks, West Bengal State SC/ST Development Corporation, West Bengal State Minority Development Corporation and other institutions which may be notified by the Government from time to time for the initial period of five years only and (ii) for lease deeds, lease-cum-sale and absolute sale deeds executed by industrial enterprises in respect of industrial plots, sheds, industrial tenements, by WBIIDC, WBIDC, WBSIDC, Industrial Co-operatives and approved private industrial estates shall be exempted as below :

Groups/ Zones	% of Stamp Duty Waiver
B	50%
C	75%
D	90%

9. **Fiscal Incentives common for Investment under Scale - 1, 2, 3 & 4:**

9.1. **Anchor Unit Subsidy:**

Anchor unit subsidy of Rs. 100 lakh shall be offered for the first two manufacturing enterprises with minimum employment of 100 members and minimum investment of Rs. 50 Crore in each of the Sub-Divisions coming in Groups- B, C & D will be offered. This subsidy will be applicable only in areas where no industrial enterprises with investment of Rs. 50 Crore and above exist at present.

9.2. **Patent Registration:**

Industrial units will be encouraged for filing their successfully generated, registered and accepted patents based on their original work/research. The State Government will provide financial assistance of 50% of the expenditure incurred, up to a maximum of Rs. 2 lakh, per patent. The expenditure incurred will include the amount spent on filing of patent, attorney fees, patent tracking etc.

9.3. **Waiver of Land conversion Fee:**

The payment of conversion fee for converting the land from agriculture use to industrial use including for development of industrial areas by private investors will be waived as detailed below:

Groups/ Zones	% of Conversion Fee Waiver
B	50%
C	75%
D	90%

**The waiver of conversion fee will be on reimbursement basis after implementation of projects.

9.4. **Waiver of Electricity Duty for EoUs, VAT/CST exempted Units and Power Intensive Units:**

100% Export- oriented units (EoU), units exempted from paying VAT/CST and Power Intensive Units as defined in WBIPS2005 will be entitled to receive Waiver of Electricity Duty without ceiling for no. of years and percentage of waiver in line with clause no. 7.2 above. However, in such case benefit of IPA will not be applicable to the Power Intensive Units.

10. **Additional Incentive for select industries:**

The following industries will get Additional Incentive as mentioned below, for a certain duration, besides the normal incentive admissible in the respective Area (A/B/C/D) and Scales (1/2/3/4).

- Garments manufacturing & Hosiery (stitching and sewing with no dyeing and affluent generating component)
- Gems and Jewellery

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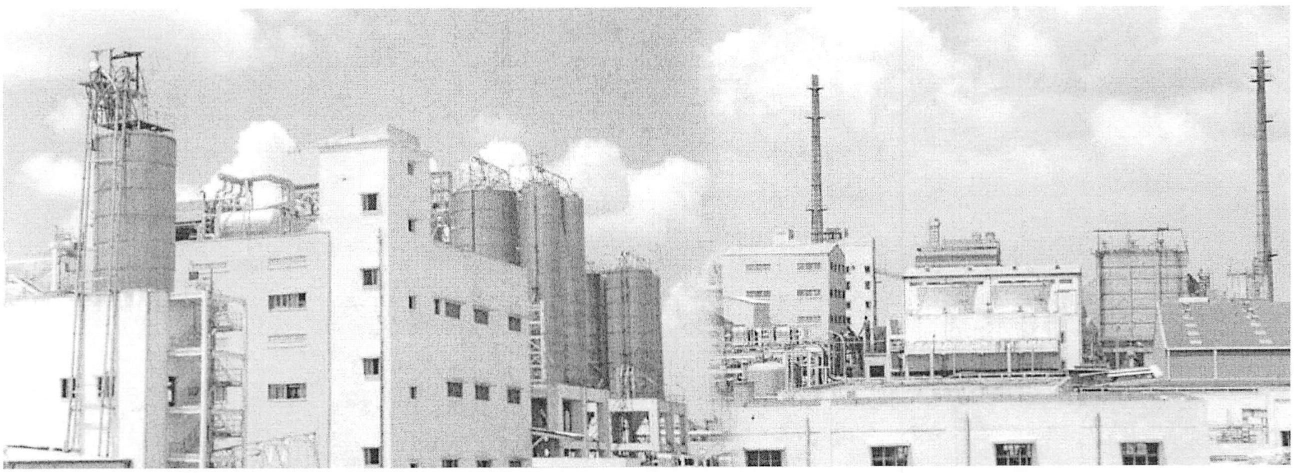

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SUBSIDIARY COMPANIES

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Park, Heliopolis Cairo-11341, Egypt

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सत्यमेव जयते

HIGHLIGHTS OF THE FOREIGN TRADE POLICY 2015-2020

Government of India
Department of Commerce
Ministry of Commerce and Industry

HIGHLIGHTS OF THE FOREIGN TRADE POLICY 2015-2020

A. SIMPLIFICATION & MERGER OF REWARD SCHEMES

Export from India Schemes:

1. Merchandise Exports from India Scheme (MEIS)

(a) Earlier there were 5 different schemes (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip, VKGUY) for rewarding merchandise exports with different kinds of duty scrips with varying conditions (sector specific or actual user only) attached to their use. Now all these schemes have been merged into a single scheme, namely Merchandise Export from India Scheme (MEIS) and there would be no conditionality attached to the scrips issued under the scheme. The main features of MEIS, including details of various groups of products supported under MEIS and the country groupings are at Annexure-1.

(b) Rewards for export of notified goods to notified markets under 'Merchandise Exports from India Scheme (MEIS) shall be payable as percentage of realized FOB value (in free foreign exchange). The debits towards basic customs duty in the transferable reward duty credit scrips would also be allowed adjustment as duty drawback. At present, only the additional duty of customs / excise duty / service tax is allowed adjustment as CENVAT credit or drawback, as per Department of Revenue rules.

2. Service Exports from India Scheme (SEIS)

(a) Served From India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS). SEIS shall apply to 'Service Providers located in India' instead of 'Indian Service Providers'. Thus SEIS provides for rewards to all Service providers of notified services, who are providing services from India, regardless of the constitution or profile of the service provider. The list of services and the rates of rewards under SEIS are at Annexure-2.

(b) The rate of reward under SEIS would be based on net foreign exchange earned. The reward issued as duty credit scrip, would no longer be with actual user condition and will no longer be restricted to usage for specified types of goods but be freely transferable and usable for all types of goods and service tax debits on procurement of services / goods. Debits would be eligible for CENVAT credit or drawback.

3. Chapter -3 Incentives (MEIS & SEIS) to be available for SEZs

It is now proposed to extend Chapter -3 Incentives (MEIS & SEIS) to units located in SEZs also.

4. Duty credit scrips to be freely transferable and usable for payment of custom duty, excise duty and service tax.

(a) All scrips issued under MEIS and SEIS and the goods imported against these scrips would be fully transferable.

(b) Scrips issued under Exports from India Schemes can be used for the following:-

(i) Payment of customs duty for import of inputs / goods including capital goods, except items listed in Appendix 3A.

(ii) Payment of excise duty on domestic procurement of inputs or goods, including capital goods as per DoR notification.

(iii) Payment of service tax on procurement of services as per DoR notification.

(c) Basic Customs Duty paid in cash or through debit under Duty Credit Scrip can be taken back as Duty Drawback as per DoR Rules, if inputs so imported are used for exports.

5. Status Holders

(a) Business leaders who have excelled in international trade and have successfully contributed to country's foreign trade are proposed to be recognized as Status Holders and given special treatment and privileges to facilitate their trade transactions, in order to reduce their transaction costs and time.

(b) The nomenclature of Export House, Star Export House, Trading House, Star Trading House, Premier Trading House certificate has been changed to One, Two, Three, Four, Five Star Export House.

(c) The criteria for export performance for recognition of status holder have been changed from Rupees to US dollar earnings. The new criteria is as under:-

Status category	Export Performance FOB / FOR (as converted) Value (in US $ million) during current and previous two years
One Star Export House	3
Two Star Export House	25
Three Star Export House	100
Four Star Export House	500
Five Star Export House	2000

(d) **Approved Exporter Scheme - Self certification by Status Holders**

Manufacturers who are also Status Holders will be enabled to self-certify their manufactured goods as originating from India with a view to qualify for preferential treatment under different Preferential Trading Agreements [PTAs], Free Trade Agreements [FTAs], Comprehensive Economic Cooperation Agreements [CECAs] and Comprehensive Economic Partnerships Agreements [CEPAs] which are in operation. They shall be permitted to self-certify the goods as manufactured as per their Industrial Entrepreneur Memorandum (IEM) / Industrial Licence (IL)/ Letter of Intent (LOI).

B. BOOST TO "MAKE IN INDIA"

6. Reduced Export Obligation (EO) for domestic procurement under EPCG scheme:

Specific Export Obligation under EPCG scheme, in case capital goods are procured from indigenous manufacturers, which is currently 90% of the normal export obligation (6 times at the duty saved amount) has been reduced to 75%, in order to promote domestic capital goods manufacturing industry.

7. Higher level of rewards under MEIS for export items with high domestic content and value addition.

It is proposed to give higher level of rewards to products with high domestic content and value addition, as compared to products with high import content and less value addition.

Government of India
MINISTRY OF COMMERCE & INDUSTRY
Directorate General of Foreign Trade
FOREIGN TRADE POLICY 2015-2020

CHAPTER-4

DUTY EXEMPTION & REMISSION SCHEMES

Duty Exemption and Remission Schemes

4.1 Duty exemption schemes enable duty free import of inputs required for export production. An Advance Licence is issued as a duty exemption scheme. A Duty Remission Scheme enables post export replenishment/ remission of duty on inputs used in the export product. Duty remission schemes consist of (a) DFRC (Duty Free Replenishment Certificate) and (b) DEPB (Duty Entitlement Passbook Scheme).

DFRC permits duty free replenishment of inputs used in the export product. DEPB allows drawback of import charges on inputs used in the export product.

Re-import of exported goods under Duty Exemption/ Remission Scheme

4.1.1 Goods exported under Advance Licence/ DFRC/ DEPB may be re-imported in the same or substantially the same form subject to such conditions as may be specified by the Department of Revenue from time to time.

Value Addition

4.1.2 The value addition for the purposes of this chapter shall be:-

$$V.A = \frac{A - B}{B} \times 100, \text{ where}$$

V.A Value Addition

A FOB value of the export realised /FOR value of supply received.

B CIF value of the imported inputs covered by the licence, plus any other imported materials used on which the benefit of duty drawback is being claimed.

ADVANCE LICENCE

Advance Licence

4.1.3 An Advance Licence is issued to allow duty free import of inputs, which are physically incorporated in the export product (making normal allowance for wastage). In addition, fuel, oil, energy, catalysts etc. which are consumed in the course of their use to obtain the export product, may also be allowed under the scheme.

Duty free import of mandatory spares upto 10% of the CIF value of the licence which are required to be exported/

supplied with the resultant product may also be allowed under Advance Licence.

Advance Licences are issued on the basis of the inputs and export items given under SION. However, they can also be issued on the basis of Adhoc norms or self declared norms as per para 4.7 of Handbook.

Duty free import of mandatory spares upto 10% of the CIF value of the licence which are required to be exported/ supplied with the resultant product may also be allowed under Advance Licence.

Advance Licence can be issued for:-

a) Physical exports:- Advance Licence may be issued for physical exports including exports to SEZ to a manufacturer exporter or merchant exporter tied to supporting manufacturer(s) for import of inputs required for the export product.

b) Intermediate supplies:- Advance Licence may be issued for intermediate supply to a manufacturer-exporter for the import of inputs required in the manufacture of goods to be supplied to the ultimate exporter/deemed exporter holding another Advance Licence

c) Deemed exports:- Advance Licence can be issued for deemed export to the main contractor for import of inputs required in the manufacture of goods to be supplied to the categories mentioned in paragraph 8.2 (b), (c), (d) (e) (f),(g) (i) and (j) of the Policy.

In addition, in respect of supply of goods to specified projects mentioned in paragraph 8.2 (d) (e) (f), (g) and (j) of the Policy, an Advance Licence for deemed export can also be availed by the sub-contractor of the main contractor to such project provided the name of the sub contractor(s) appears in the main contract.

Such licence for deemed export can also be issued for supplies made to United Nations Organisations or under the Aid Programme of the United Nations or other multilateral agencies and paid for in foreign exchange.

4.1.4 Advance Licence is issued for duty free import of inputs, as defined in paragraph 4.1.1 subject to actual user condition. Such licences (other than Advance Licence for deemed exports) are exempted from payment of basic customs duty, additional customs duty, education cess, anti dumping duty and safeguard duty, if any.

Formal approvals granted in the Board of Approvals after coming into force of SEZ Rules as on 16.02.2017						
Sl. No.	**State-wise Sl. No.**	**Name of the developer**	**Location**	**State**	**Type of SEZ**	**Area Hectares**
	Andhra Pradesh					
1	1	Divi's Laboratories Limited	Chippada Village, Visakhapatnam, Andhra Pradesh	AP	Pharmaceuticals	105.496/9.29/17.857 (Total 132.643)
2	2	Apache SEZ Development India Private Limited	Mandal Tada, Nellore District, Andhra Pradesh	AP	Footwear	126.90
3	3	Ramky Pharma City (India) Pvt. Ltd.	E-Bonangi Villages, Parawada Mandal, Visakhapatnam District, Andhra Pradesh	AP	Pharmaceuticals	247.39
4	4	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Madhurawada Village, Visakhapatnam District, Andhra Pradesh	AP	IT/ITES	16
5	5	Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)	Madhurawada Village, Visakhapatnam Rural Mandal, Andhra Pradesh	AP	IT/ITES	36 (de-notified 6.37)=29.63
6	6	L&T Hitech City Limited (formerly, Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Keesarapalli Village, Gannavaram Mandal, Krishna District, Andhra Pradesh	AP	IT/ITES	10
7	7	Hetero Infrastructure Pvt. Ltd.	Nakkapalli Mandal, Visakhapatnam District, Andhra Pradesh	AP	Pharmaceuticals	100.28
8	8	Kakinada SEZ Private Limited-1 (Kakinada SEZ Private Limited- 2 merge with KSEZ-1 letter dated 13.01.2016)	Ramanakkapeta and A. V. Nagaram Vikllages, East Godavari District, Kakinada, Andhra Pradesh (Ponnada, Mulapeta, Ramanakkapeta villages in Kakinada, East Godavari District, Andhra Pradesh)	AP	Multi-product	(KSEZ-1 - 1035.6688 ha + KSEZ-2 - 1013.64) = 2049.3088
9	9	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Atchutapuram and Rambilli Mandals, Visakhapatnam District, Andhra Pradesh	AP	Multi Product	1300.82 (2206.03 - 905.21 denotified in the BOA meeting on 14.09.2012
10	10	Whitefield Paper Mills Ltd.	Tallapudi Mandal, West Godavari District, Andhra Pradesh	AP	Writing & Printing Paper Mill	109.81

11	11	Brandix India Apparel City Private Limited	Duppituru, Doturupalem Maruture and Gurujaplen Villages in Visakhapatnam District, Andhra Pradesh	AP	Textile	404.70
12	12	Sri City Private Limited (M/S. Satyavedu Reserve Infrcity Private Ltd.)	Chengambakkam, Appaiahpalem, Gollavaripalem,Mallavaripalyam, Aroor, Moporapalle villages at Satyavedu and Vardayya Palem, Mandals, Andhra Pradesh	AP	Multi Product	1022.264/ add515.358/add 0.501 / de-notified 379.327 (Total 1158.796)
13	13	Parry Infrastructure Company Private Limited	Vakalapudi Village, Kakinada Rural Mandal, Kakinada, Andhra Pradesh	AP	Food Processing	101.12
14	14	Mas Fabric Park (India) Pvt. Ltd.	Chintavaram village, Chillakru Mandal, Nellore District, Andhra Pradesh	AP	Textile and Apparel	236.07
15	15	Bhartiya International SEZ. Limited	Nellore, Andhra Pradesh	AP	Leather sector	101.37
16	16	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Sarpavaram Viullage, Kakinada Rural East Godavari District, Andhra Pradesh	AP	IT/ITES	10.413
17	17	Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)	Village Annangi and Bodduvanipalem, Mandals Maddipadu and Korispadu, District prakasham, Andhra Pradesh	AP	Building Products	106.46
18	18	IFFCO Kisan SEZ Limited	Villages Regadichelika, Racharlapadu, Chowduputtedu, Uchaguntapatem, North Ammuluru, Mandal Kodavaluru, District Nellore, Andhra Pradesh	AP	Multi Product	1023.20 (De-notified area 20.23 and 234.70)= 768.27
19	19	Beneficent Knowledge Parks and Properties Ltd. (Formerly Rassai Properties and Industries Ltd)	Villages Parigi and Serikolum, Mandal Parigi, Ananthapur District, Andhra Pradesh.	AP	Multi Services	366.41
20	20	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Villages, Dawarkapuram and Palepolam, Mandals-Naidupeta and Pellakuru, District- Nellore, Andhra Pradesh	AP	Multi Product	1032.27

21	21	Anrak Aluminnium Ltd.	APIIC Industrial Park, Village G. Koduru, Mandal Makavarapallem, District Visakhapatanam, Andhra Pradesh	AP	Alumina/ Aluminium refining, smelting, associated processes, Products and raw material industrial	755.66
22	22	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Villages Ratchumarripalli, Peddarangapuram and Venkatampalli, Mandal Pulivendula, District Kadapa, Andhra Pradesh	AP	Biotechnology	31.99
23	23	Dr. Reddy's Laboratories Limited	Village Devunipalavalasa, Mandal Ranasthalam, District Srikakulam, Andhra Pradesh.	AP	Pharmaceutical	100.37
24	24	Krishnapatnam Infratech Pvt. Ltd.	Chillakur Mandal, Nellore District, Andhra Pradesh	AP	Multi Product	1023
25	25	Indus Gene Expressions Limited	Village Kodur and Settepalli, Mandal Chilamathur, District Anantapur, Andhra Pradesh.	AP	Biotechnology	11.45
26	26	Lepakshi Knowledge Hub Private Limited	Chillamaturu Mandal, Ananthapur District, Andhra Pradesh	AP	Aerospace & Precision Engineering	115.41
27	27	Lepakshi Knowledge Hub Private Limited	Chillamaturu and Gorantla Mandal, Ananthapur District, Andhra Pradesh	AP	Biotechnology	11.88
28	28	Lepakshi Knowledge Hub Private Limited	Chillamaturu Mandal, Ananthapur District, Andhra Pradesh	AP	FTWZ	40
29	29	WIPRO Limited	Resapuvanipalem Village, Visakhapatnam, Andhra Pradesh	AP	IT/ITES	1.22
30	30	CCL Products India Ltd	Kuvakolli village, Vardaiah Palem Mandal, Chittoor, AP	AP	Agro Based Food Processing	11.87
		Chandigarh				
31	1	Chandigarh Administration	Chandigarh	CH	Electronics Hardware, and IT/ITES	31.4966
32	2	Chandigarh Administration	Chandigarh	CH	IT/ITES	26.96
		Chattisgarh				
33	1	Naya Raipur Development Authority (NRDA)	Naya Raipur, Chhattisgarh	CG	IT/ITES	10.77
34	2	Lanco Solar Private Limited	Mahroomkala, Mahroomkurd and Chaveli villages, Rajnandgaon District, Chhattisgarh	CG	Solar	101.282
		Delhi				

35	1	Delhi State Industrial Information Development Corporation Ltd.	Baprola village, Delhi	DL	IT	10.52
36	2	Delhi State Industrial Information Development Corporation Ltd.	Baprola village, Delhi	DL	Gem and Jewellery	16.73
		Goa				
37	1	Meditab Specialities Private Limited	Bhut Kham, Kerim Industrial Estate, Taluka Ponda, Goa	GA	Pharmaceuticals	123.20
38	2	Paradigm Logistics and Distribution Private Limited	Phase IV - Verna Industrial Estate, Goa.	GA	IT/ITES	40.25
39	3	K. Raheja Corp Pvt. Ltd.	Verna Industrial Area, Goa	GA	IT/ITES	105.91
40	4	Peninsula Pharma Research Centre Pvt. Ltd.	Sancoale Tal- Mormugao, Goa	GA	Biotech	20.365
41	5	Planetview Mercantile Company Limited	Verna, Goa	GA	Gems and Jewellery	13.28
42	6	Inox Mercantile Company Private Limited	Verna, Goa	GA	Biotech	48.48
43	7	Panchbhoomi Infrastructure Private Limited	Survey No. 260, Village Socorro, Bardez Taluka, North Goa District, Goa	GA	IT	18.5
		Gujarat				
44	1	Reliance Jamnagar Infrastructure Limited	Jamnagar, Gujarat	GJ	Multi product	1764.137
45	2	Dahej SEZ Limited	Taluke Vagra, District Bharuch, Gujarat	GJ	Multi Product	1682.654
46	3	Adani Port and Special Economic Zone / (Adani Power Private Limited)/(Mundra Port and Special Economic Zone)/ (Adani Ports and SEZ)/ (Adani Ports and Special Economic Zone Ltd. (APSEZL -II) [SEZ	Village Mundra, Taluka Mundra, District Kutch, Gujarat (Villages Tunda and Siracha, Taluka Mundra, District Kutch in the State of Gujara)/Village Dhrub, Taluka Mundra, District Kutch, Gujarat/Mundra Taluka, District Kutch, Gujarat	GJ	Multi Product	6456.33/168.41/1856.5335 = 8481.2735
47	4	Zydus Infrastructure Private Limited	Ahmedabad, Gujarat	GJ	Pharmaceuticals	48.83 (1.4585 add)= 50.2885
48	5	Gujarat Industrial Development Corporation	Ahmedabad, Gujarat	GJ	Textiles and Articles of Textiles	38.0413
49	6	Gujarat Industrical Development Corpn.	Gandhinagar Electronic Estate, Gujarat	GJ	IT/ITES	26.94
50	7	CPL Infrastructure Pvt. Ltd.	Ahmedabad, Gujarat	GJ	Pharmaceuticals	122.3061
51	8	Jubilant Infrastructure Limited	Villages Vilayat and Vorasamni, Taluka Vagra, District Bharuch, Gujarat	GJ	Chemical	107.17
52	9	Aqualine Properties Private Limited	Village Koba, District Gandhinagar, Gujarat	GJ	IT/ITES	27.83

53	10	Calica Construction and Impex Private Limied	Village Ognaj, Taluka Dascroi, District Ahmedabad, Gujarat	GJ	IT/ITES	10.9369
54	11	Kandla Port Trust	Kandla, Gujarat	GJ	Port based Multi product	640
55	12	Ganesh Infrastructure Pvt. Ltd.	village Chharodi, Taluka Dascroi, District Ahmedabad, Gujarat	GJ	IT/ITES	32.71
56	13	Aspen Infrastructures Limited (formerly Synefra Engineering construction Ltd. (Suzlon Infrastrucutre Ltd.)	Taluka Waghodia, District Vadodara, Gujarat	GJ	Hightech Engineering products and related Services	115.6439
57	14	Shivganga Real Estates Holders Private Limited	Sargasan (Sarkhej-Gandhinagar Highway), Taluka Gandhinagar, District Gandhinagar, Gujarat	GJ	IT/ITES	37.56
58	15	Gujarat Industrial Development Corporation	Biotech Park, Savli GIDC Estate Village Manjusar, Disrict Vadodara, Gujarat.	GJ	Biotechnology	15.81
59	16	Gift SEZ Limited	Village Phirozpur and Ratanpur, District Gandhinagar, Gujarat	GJ	Multi Services	105.4386
60	17	Sterling SEZ and Infrastructure Limited	Jambusar, District Bharuch, Gujarat	GJ	Multi Product	1263.17
61	18	E. Complex Pvt. Ltd.	Village Rampara-II, Taluka: Rajula and Village Lunsapur, Taluka: Jafarabad, District: Amerli, Gujarat	GJ	Engineering goods	124.1199
62	19	Tata Consultancy Services Limited (TCS)	Gandhinagar, Gujarat	GJ	IT/ITES	10.319
63	20	Gujarat Industrial Development Corporation	Gandhinagar-Sarkhet Highway, Gandhinagar Gujarat	GJ	IT/ITES	22.2585
64	21	Dishman Infrastructure Limited	Villages Kalayangadh and Gangad, Taluks Bavla, District Ahmedabad, Gujarat	GJ	Pharma and chemicals sector	106.8383
65	22	J.B. SEZ Pvt. Ltd.	Village Panoli, Taluka-Ankleshwar, District-Bharuch, Gujrat	GJ	Pharmaceuticals	125.0494
66	23	Larsen & Toubro Ltd.	Village Ankhol and Bapod, Taluka Vadodara, Dist-Vadodara, Gujarat	GJ	IT/ITES	10 (add 2.1974) = 12.1974
67	24	Euro Multivision Ltd.	District Kutch, Gujarat	GJ	Non-conventional energy including solar energy equipments/cell	11.6347
68	25	Myron Realtors Private Limited	Sanathal Junction, Taluka Sanand, District Ahmedabad, Gujarat	GJ	IT/ITES	10.6862

69	26	Mexus Corporation Pvt. Ltd.	Chala, Ta. Pardi, Valsad District	GJ	Electronics Hardware, Software including IT/ITES	11.11
70	27	Gujarat Hydrocarbons and Power SEZ Limited- Kolkata	Village Vilayat, Taluka Vagra, District Bharuch Gujarat	GJ	Oil and gas	108
71	28	Akshaypatra Infrastructure Pvt. Ltd.	Village Agol Taluka Kadi, District, Mehsana, Gujarat	GJ	Food Processing	108.3
		Haryana				
72	1	Selecto Systems Pvt. Ltd.	15/1, Main Mathura Road, Faridabad, Haryana	HR	IT	3.34
73	2	Dr. Fresh Healthcare Pvt. Ltd.	Gurgaon, Haryana	HR	IT/ITES	25.27
74	3	DLF Ltd.	Village Silokhera, Tehsil and District Gurgaon, Haryana	HR	IT/ITES	14.97
75	4	Pioneer Urban Land and Infrastructure Limited	Village Ghata, Gurgaon, Haryana, very close to NH-8	HR	IT/ITES	40.48
76	5	DLF Cyber City Developers Ltd.	Gurgaon, Haryana	HR	IT/ITES	10.3
77	6	Metro Valley Business Park Private Limited	Gurgaon – Faridabad Road, Opp. Ansals Valley View Apartments, Gurgaon, Haryana	HR	IT	11.21
78	7	Ascendant Estates Private Limited	Bhondsi, Tehsil Sohna, District Gurgaon, Haryana	HR	IT/ITES	12.5975
79	8	Gurgaon Infospace Ltd.	Village Dundahera, District Gurgaon, Haryana	HR	IT/ITES	11.2021
80	9	G.P. Realtors Private Limited	Village Behrampur, District-Gurgaon, Haryana	HR	IT/ITES	25.81
81	10	G.P. Realtors Private Limited	Village Beharampur Balola and Bandhwari, Tehsil Sohna, District-Gurgaon, Haryana.	HR	IT/ITES	38.45
82	11	Mayar Infrastructure Development Pvt. Ltd.	Rahka and Nimoth Villages, Tehsil- Sohna, Gurgaon, Haryana	HR	Biotechnology	15.0877
83	12	ASF Insignia SEZ Private Ltd. (Canton Buildwell Private Limited)	Village Gwal Pahari, Tehsil Sohna, District- Gurgaon, Haryana	HR	IT/ITES	19.3028
84	13	Unitech Realty Projects Ltd.	Village Tikri, Tehsil and District Gurgaon, Haryana	HR	IT/ITES	10.041
85	14	DS Realetors Private Limited	District Gurgaon, Haryana	HR	IT	56.65
86	15	Mittal Infratech Private. Limited.	Sewah Village G T Road, Panipat District Haryana	HR	IT/ITES	10.89
87	16	Perpetual Infracon Private Limited	Sector -81, Villages Budena & Faridabad, District Faridabad, Haryana	HR	IT/ITES	21.695
88	17	Gracious Buildcon Private Limited	Sector 102, Village Kherkimajra, Tehsil and District Gurgaon, Haryana	HR	IT/ITES	11.1

89	18	Goldsouk International Gems & Jewellery SEZ Pvt. Ltd.	Village Bhondsi, Tehsil-Sohna, Gurgaon, Haryana	HR	IT/ITES	16.19
90	19	Anant Raj Industries Ltd.	Plot No. TP-1, Rai, Sonepat District, Haryana	HR	IT/ITES	10
91	20	Ansal Colours Engineering SEZ Limited (Ansal Kamdhenu Engineering SEZ Ltd.)	Village Bhagan, Tehsil-Ganaur (Sonepat) and Village Kurar Ibrahimpur, Tehsil-Sonepat, onNational Highway, Haryana	HR	Agro and Food Processing Products	25.69
92	21	Orient Craft Infrastructure Limited	Village Bans Hariya District Gurgaon, Haryana	HR	IT/ITES	26.56
93	22	Mikado Realtors Private Limited	Village Behrampur and Balola, District- Gurgaon, Haryana	HR	Electronic Hardware, IT/ITES	11.033 (de-notified 0.584/0.228) = 10.221
94	23	Natasha Housing & Urban Development Limited	Village Sarai Kohand, Tehsil Panipat, District Panipat and Village Kohand, Tehsil Gharonda, Distiect Karnal, Haryana	HR	Handicrafts	10.4872
		Jharkhand				
95	1	Adityapur Industrial area development authority	Adityapur, District Seraikela-Kharsawan, Jharkhand	JH	Automobiles and components	16.42 (change 36.4218)
		Karnataka				
96	1	Biocon Limited.	Anekal Taluk, Banglore, Karnataka	KN	Bio-technology	35.55
97	2	Shyamaraju and Company (India) Pvt. Ltd. (formerly Divyasree Technopark)	Kundalahalli Village, Krishnarajapuram, Karnataka	KN	IT/ITES enabled sevices	21.76
98	3	Manyata Embassy Business Park	Rachenhalli & Nagavara Vill., Banglore Distt., Karnataka	KN	IT/ITES	26.87
99	4	WIPRO Limited	Doddakannelli Village, Varthur Hobli, Sarjapur Road, Karnataka	KN	IT	6.47
100	5	WIPRO Limited	Doddathogur Village, Begur Hobli, Electronic City, Banglore, Karnataka	KN	IT	5.17
101	6	Vrindavan Tech Villages SEZ (formerly Vikas Telecom Limited)	Outer Ring Road, Devarabeesanhalli Village, Varthur Hoblic, Bangalore East Taluk,Karnataka	KN	IT/ITES	38.84
102	7	RMZ Ecoworld Infrastructure Pvt. Ltd. (formerly Adarsh Prime Projects Private Limited)	Devarabeesanahalli, Bhoganahalli and Doddakanahalli, Karnataka	KN	IT/ITES	10.56
103	8	Karnataka Industrial Areas Development Board (KIADB)	Villages Pajeer and Kairangala, District Mangalore Dakshina Kannada, Karnataka.	KN	IT/ITES	65.571

104	9	Cessna Business Park Pvt. Ltd. (formerly Cessna Garden Developers Pvt. Ltd.)	Kadubeesanahalli Vill, Varthur Hobli, District Banglore, Karnataka	KN	IT/ITES	17.99
105	10	Tanglin Development Ltd.(formerly Global Village SEZ)	Pattengere/Mylasandra Villages, Karnataka	KN	IT/ITES	26.673
106	11	Infosys Technologies Limited	Hebbal Industrial area, District Mysore in the State of Karnataka	KN	IT/ITES	123.61
107	12	Information Technology Park Limited	Sadaramangala and Pattandur Agrahara Village, Whitefield Road, District Bangalore, Karnataka	KN	IT/ITES	10.879
108	13	Karnataka Industrial Area Development Board (KIADB)	Village Perumenahally, Kokkanagatta, Sumudra Vally, Hamumanthapura, Taluk Hassan, Karnataka	KN	Textile	233.307 (41.32 de-notified)=191.987
109	14	Infosys Technologies Ltd	Hebbal Industrial Area, Mysore, Karnataka	KN	IT/ITES	22.04
110	15	San Engineering & Locomotive Co. Ltd	Whitefield, Bangalore, Karnataka	KN	IT/ ITES	10
111	16	HCL Technologies Ltd.	Jigani Industrial Area, Attibele Taluka, Bangalore, Karnataka	KN	IT/ ITES	10.98
112	17	Golden Gate Developers Pvt Ltd	Jala Hobli, Bangalore, Karnataka	KN	IT/ ITES	26.304
113	18	Pritech Park (formerly Primal Projects Private Limited)	Bellandur Village, Varthur Hobli, Bangalore East Taluk, Bangalore Urban District, Karnataka	KN	IT/ITES	14.69
114	19	Concord Investments (Banglore)	Banglore, Karnataka	KN	IT/ITES	13.44
115	20	Ittina Properties Pvt. Ltd.	Bagur village, Anugondanahalli Hobli, Hoskote Taluk, Banglore Rural District, Karnataka	KN	Electronic Hardware and Software including IT/ITES	14.625
116	21	Bagmane Developers Pvt. Ltd.	Raman Nagar, KR Puram, Bangalore North, Karnataka	KN	IT/ITES	15.5
117	22	Chaitanaya Infrastructure Private Limited	Whitefield Main Road, Bangalore, Karnataka	KN	IT/ITES	20.24
118	23	Karnataka Industrial Area Development Board (KIADB)	District Hassan, Karnataka	KN	Pharmaceuticals	109.295 (58.64 de-notified) = 50.655
119	24	Aspen Infrastructures Limited (formerly Synefra Engineering construction Ltd. (Suzlon Infrastrucutre Ltd.)	Nadasalu, Nandikooru, Polimaru and Hejamadi villagesin Udupi Taluk, Karnataka	KN	Engineering	259.32622 (de-notified 58.82362/102.36382) = 98.13878
120	25	Karle Infra Pojects	Nagavara Village, North Bangalore Taluka, Karnataka	KN	IT/ITES	10.876

121	26	Salarpuria Properties Pvt. Ltd.	Sonenahalli Village, K.R. Purama Hobli, Bangalore East Taluk, Karnataka	KN	IT/ITES	14.54
122	27	Gopalan Enterprises (India) Private Limited.	Hoodi Village, K.R. Puram, Whitefield, Banglore, Karnataka.	KN	IT/IT enabled services	10.3092
123	28	Kinfotech Software Private Limited	EPIP, KIADB Industrial Area, Ganjimutt, Manglore, Karnataka	KN	IT/ITES	10
124	29	Opto Infrastructure Limited	Village kallahalli, Taluka Nanjungud, District Mysore, Karnataka	KN	Electronic Hardware and Software including IT/ITES	13.345
125	30	Mangalore SEZ Limited	Baikampady Near Mangalore, Dakshina Kannada District, Karnataka	KN	Multi Product	624.786
126	31	Bagmane Construction Pvt. Ltd	Mahadevapura, K R Puram, Bangalore North, Karnataka	KN	IT/ITES	11.31 (1.05 add)= 12.36
127	32	Quest SEZ Development Private Limited	Hattargi and Mastiholi villages, Hukkeri Taluk, Belgaum District, Karnataka	KN	Precision Engineering Product	106.33
128	33	Gopalan Enterprises (India) Private Limited.	Village Mahadevpura and Kaggadaspura, K.R. Puram, Whitefield, Bangalore, Karnataka.	KN	IT/ITES	14.2903
129	34	High Street Developers Private Limited	Srirangapatna Taluk, Mandya District, Karnataka	KN	IT/ITES	44.25
130	35	Brigade Enterprises Pvt.Ltd.	Ganjimutt, EPIP Industrial Area, Taluka Mangalore, Dakshin Kannada District, Karnataka	KN	IT/ITES	10.117
131	36	Gokaldas Images Infrastructure Pvt. Ltd.	Bangalore Rural District, Karnataka	KN	IT/ITES/BPO	10.36
132	37	Heera Realcon Pvt. Ltd.	Thirupalya, Taluka Anekal, District Bangalore, Karnataka	KN	IT/ITES	25.5
133	38	Bangalore Internatioanl Airport Limited	Devenahalli, Bangalore, Karnataka	KN	Airport based SEZ	113
134	39	Milestone Buildcon Private Limited	Village Chokkanahalli, Taluka Yelahanka Hobli Bangalore North, Karnataka	KN	IT/ITES	10.11
135	40	Opto Infrastructure Limited	Village Dodda Basavanahalli and Chikkabasavanahalli, Talukas Shanthigrama Hobli and Hassan, District Hassan, Karnataka	KN	Electronic Hardware and Software including IT/ITES	101.171
136	41	Concord India Private Limited	Kadugondi Industrial Area, Kadugondi Plantation Village, Bidarahalli Hobli, Bangalore East Taluk, Karnataka	KN	IT/ITES	23.471

137	42	Renaissance Designbuild Private Limited	Plot No. 47 of Koorgally Industrial Area, Village Koorgally, Hobli Ilawala, Taluka Mysore, Distt. Mysore, Karnataka	KN	IT/ITES	10.118
138	43	Gulf Oil Corporation Limited	Village Kattigenahalli and Venkatala, Hobli Yelahanka, District Bangalore, Karnataka	KN	IT/ITES	12.14
139	44	Gopalan Enterprises India Pvt. Ltd.	Kundalahalli and Nallurahalli villages K.R. Puram Hobli, Bangalore, Karnataka	KN	Biotech	10.95
140	45	Brooke Bond Real Estates Private Limited	Bangalore, Karnataka	KN	IT/ITES/BPO/EH	10.72
141	46	Karnataka State Electronics Development Corporation Limited (KEONICS)	Village Machenahalli and Nidige, District Shimoga, Karnataka	KN	Electronics Hardware and Software/ ITES	14.5736
142	47	Larsen & Toubro Limited	KIADB Industrial Area, Taluka Hebbel-Hootagally, District Mysore, Karnataka	KN	IT/ITES	10
143	48	Poornimadevi Tech Park Private Limited	Sulikere village, Kengari Hobli, Bangalore South Taluk, Bangalore, Karnataka	KN	IT/ITES	13.11
144	49	Gopalan E-Park	Village Koorgalli, Itwala, Hobli, Mysore Taluk, Mysore District, Karnataka	KN	Electronic Hardware and Software including ITES	11.35
145	50	Infosys Technologies Limited	Villages Borgunte, surjapur and billapur, Taluka Anekal, District Bangalore, Karnataka	KN	IT/ITES	24.446
146	51	Wipro Limited	Kodathi village, Varthur Hobli, Sarjapur Road, Bangalore, Karnataka	KN	IT/ITES	19.53
147	52	Wipro Limited	Belagola Industrial Area, Mogarhalli village, Belagola Hobli, Srirangapatna Taluk, Mandya District, Mysore, Karnataka	KN	IT/ITES	29.94
148	53	Karnataka Industrial Areas Development Board (KIADB)	Village Bhatramaranahalli. Kavadadasanahalli, Dummanahalli, Talukas Bangalore North and Devanahali, Distt. Bangalore, Karnataka	KN	Aerospace and Industry	101.98
149	54	Karnataka Industrial Areas Development Board (KIADB)	Gamanagatti, Hubli Taluk, Dharwad District, Karnataka	KN	IT/ITES	12.15
150	55	ISPRL FTWZ Padur (Indian Strategic Petroleum Reserves Ltd.)	Padur, Karnataka	KN	FTWZ	41.20

151	56	Manipal ETA Infotech Limited	Agara and Jakkasandra village, Begur Hobli, Bengaluru, Karnataka	KN	Electronic Hardware and Software including IT/ITES	11.2
152	57	Jubilant Infrastructure Limited	Kallahalli village, Nanjangud Taluk, Mysore District, Karnataka	KN	Biotech (Pharma)	10
153	58	Infosys Limited	Gokul Village, within the limits of Hobli, Hubli Taluk, District Dharward, Near Airport Hubli, Karnataka	KN	IT/ITES	17.422
154	59	Amin Properties LLP	Pujanahalli Village, Devanahalli Taluk, Bangalore, Karnataka	KN	IT/ITES	2.76
155	60	Saltire Developers Private Limited	Outer Ring Road, Rachanahalli Village, Nagavara, Bangalore, Karnataka	KN	IT/ITES	4.05
156	61	Infosys Limited	Electronic City, Doddathogur Village, Begur Hobli, Bangalore, Karnataka	KN	IT/ITES	4.063
157	62	Bagmane Developers Pvt. Ltd.	Outer Ring Road, Doddanekundi Circle, Marathalli Post, Bengaluru, Karnataka	KN	IT/ITES	1.34
158	63	Information Technology Park Limited	Whitefield, Bengaluru, Karnakata	KN	IT/ITES	1.51
159	64	RGA Infrastructure	Sy. No. 31/1, Chikkankannelli village, Varthur Hobli, Bangalore	KN	IT/ITES	1.59
		Kerala				
160	1	Cochin Port Trust	Vallapadom, Mulavukadu/Fort Kochi Village, Ernakulam District, Kerala	KL	Port Based	110.47
161	2	Cochin Port Trust	Puthuvypeen, Eranakulam District, Kerala	KL	Port Based	285.8413
162	3	Infopark	Kakkanad, Ernakulam, Kerala	KL	IT/ITES	32.62
163	4	Electronics Technology Parks-Kerala	Attipura Vill. Taluk & Distt.Thiruvanthapuram, Kerala	KL	IT/ITES	34.475
164	5	Kerala Industrial Infrastructure Development Corporation. (KINFRA)	Ayiroopara and Kazhakoottam Villages, Trivandrum District, Kerala	KL	Animation & Gaming	10.121

165	6	Kerala Industrial Infrastructure Development Corporation (KINFRA)	Chelembra Village, Thirurangadi Taluk, Malappuram District, Kerala	KL	Agro Based Food Processing	12.52
166	7	Electronics Technology Parks-Kerala	Thiruvanthapuram, Kerala	KL	IT/ITES	12.55
167	8	Kerala Industrial Infrastructure Development Corporation (KINFRA)	Thrikkakara village, Kanayannur Taluk, Ernakulam District, Kerala	KL	Electronics Industries	12.141
168	9	Unitech Real Estate Project Ltd.	Village Kunnathunadu, Taluk Morkala Desam, Ernakulam, Kerala	KL	IT/ITES	10
169	10	Parsvnath Infa Ltd	Village Aluva, Kerala	KL	IT/ITES	30.76
170	11	Smart City (Kochi) Infrastructure Limited	Village Kakkanad, Taluka Kanayannur, District Ernakulam, Kerala	KL	IT/ITES	53.1809
171	12	Kerala State Information Technology Infrastructure Limited	Pallipuram Village, Chertala Taluk, Alappuzha District Kerala.	KL	IT/ITES	24.53
172	13	Kerala State Information Technology Infrastructure Limited	Village Purakkad, Taluk Ambalappuzhe, Distt. Alappuzha, Kerala	KL	IT/ITES	13.4415
173	14	Kerala State Information Technology Infrastructure Limited	Village Eramam, Taluka Thaliparambu, District Kannur, Kerala.	KL	IT/ITES	10.375
174	15	Kerala State Information Technology Infrastructure Limited	Village Cheemeni taluk Hosdurg Kasaragod Distt. Kerala	KL	IT/ITES	40.47
175	16	Electronics Technolgy Parks-Kerala	Village Pallippuram, Trivandram Talik Trivandram, Kerala	KL	IT/ITES	19.21
176	17	Electronics Technology Parks-Kerala	Village Andoorkonam, Taluk & District Thiruvananthapuram, Kerala	KL	IT/ITES	17.712
177	18	Electronics Technology Parks-Kerala (Technopark)	Village Attipra, Taluk and District Thiruvananthapuram, Kerala.	KL	IT/ITES	11.87.65 (add. 10.83.17) total 22.70.82-3.25.29=19.45.53
178	19	Kerala State Information Technology Infrastructure Limited	Village Mulavana, District Kollam, Kerala	KL	IT/ITES	18
179	20	Carborundum Universal Ltd.	Village Thrikkakara North, Taluka Kanayannur, District Ernakulam, Kerala.	KL	Solar Photovaltaic	10

180	21	Sutherland Global Services Private Limited	Village Thrikkakara North, Taluka Kanayannur, District Ernakulam, Kerala.	KL	IT/ITES	10.1175
181	22	Uralungal Labour Contract Co-operative Society Limited (ULCCS LTD)	Nellikode Village, Kozhikode District, Kerala	KL	IT/ITES	10.12
182	23	Bluestar Realtors Private Limited	Village Thrikkakara North, Taluka Kanayannur, District Ernakulam, Kerala.	KL	IT	28.329
183	24	Cochin International Airport Limited,	Angamali villages, Ernakulam, Kerala	KL	Airport Based	100
184	25	Kerala State Information Technology Infrastructure Limited (KSITIL)	Village Pantheerankavu and Nellikode, Taluka Kozhikode, District Kozhikode, Kerala.	KL	IT/ITES	12.10
185	26	Infoparks Kerala	Village Puthencruz and Kunnathunadu, Taluka Kunnathunadu, District Ernakulam, Kerala	KL	IT/ITES	39.63
186	27	Cochin Port Trust	Southern end of Willingdon Island, Survey No. 2578/4, 1166, Thoppumpady Ramesaram village, Cochin, Kerala	KL	FTWZ	40.85
187	28	Electronics Technolgy Parks	Village Pallippuram & Veiloor, Thiruvananthapuram, Kerala	KL	IT/ITES	39.37
188	29	Kerala State IT Infrastructure Ltd. (KSITIL)	Muringur and Thekkumuri Villages, Mukundapuram Talu, Koratty Panchayath, Thrissur District, Kerala	KL	IT/ITES	7.4909
		Madhya Pradesh				
189	1	Crystal IT Park SEZ (M.P. Audoyogik Kendra Vikas Nigam(Indore) Ltd.)	Indore in the State of Madhya Pradesh	MP	IT/ITES enabled sevices	7.99
190	2	Madhya Pradesh State Electronics Development Corporation Limited	Ganga Malanpur Village, Tehsil and District Gwalior, Madhya Pradesh.	MP	IT/ITES	12
191	3	Madhya Pradesh State Electronics Development Corporation (MPSEDC)	Village Purva, Jabalpur, Mahdya Pradesh	MP	IT/ITES	36.437
192	4	Madhya Pradesh State Electronics Development Corporation (MPSEDC)	Badwai, Near Airport, Bhopal, Madhya Pradesh	MP	IT/ITES	85
193	5	MAN Industries(India) Limited	Indore, Madhya Pradesh	MP	IT/ITES	10.44

194	6	Tata Consultancy Services Limited	Village Bada Bangarda & Tigariya Badshah, Madhya Pradesh	MP	IT/ITES/BPO/KPO	40.468
195	7	Infosys Ltd.	Village tigariya Badshah, Indore, Madhya Pradesh	MP	IT	52.643
196	8	M.P. Audyogik Kendra Vikas Nigam (Indore) Limited	Village Rangwasa, District Indore, Madhya Pradesh	MP	Gems & Jewellery	10.924
197	9	Impetus Infotech (India) Private Limited	Village Badiyakima district Indore, Madhya Pradesh	MP	IT/ITES	10
198	10	Chhindeara Plus Developers Ltd	Tehsil Sausar, Distt Chhindwara, MP	MP	Multi Product	1320.065
		Maharashtra				
199	1	Maharashtra Industrial Development Corporation Limited MIDC	Rajiv Gandhi Infotech Park, Hinjawadi, Phase-III, District Pune, aharashtra	MH	IT/ITES	223
200	2	Syntel International Private Limited	Talwade Software Park, District Pune, Maharashtra	MH	IT/ITES	16
201	3	Serum Bio-pharma Park	Pune, Maharashtra	MH	Pharmaceuticals & Biotechnology	23.1793 (de-notified 10.7657)=12.4136
202	4	Maharashtra Industrial Development Corporation	Village Krushnoor, Taluka Naigaon, District Nanded, Maharashtra	MH	Pharmaceuticals	150
203	5	Maharashtra Industrial Development Corporation	Latur Industrial Area, District Latur, Maharashtra	MH	Agro-processing	139
204	6	Maharashtra Industrial Development Corporation	Shendre Industrial Area, District Aurangabad, Maharashtra	MH	Engineering & Electronics	110.31 (de-notified area 53.09) = 57.22
205	7	Wokhardt Infrastructure Development Limited	Shendre Five Star Industrial Ares, Aurangabad District, Maharashtra	MH	Pharmaceutical	107
206	8	Hiranandani Builders	Village Powai, District Mumbai, Maharashtra	MH	IT/ITES	12.58
207	9	Zenus Infrastructure Private Limited	Village Mulund, Taluka Kurla, District Mumbai Suburban and Village Kopri, Taluka Thane, District Thane, Maharashtra	MH	IT/ITES	57.09
208	10	New Found Properties and Leasing Pvt. Ltd.	Trans Thane Creek Industrial Area, MIDC, Thane District, Maharashtra	MH	IT/ITES	21.26
209	11	Magarpatta Township Development and Construction Company Ltd.	Magarpatta City, Village Hadapsar, Taluka, Haveli, District Pune, Maharashtra	MH	Electronics Hardware and Software including information technology enabled Services	11.98
210	12	EON Kharadi Infrastructure Private Limited	Taluka Haveli, District Pune, Maharashtra	MH	IT/ITES	18

211	13	WIPRO Limited	Hinjawadi District, Pune, Maharashtra	MH	IT/ITES	20
212	14	Mahindra and Mahindra Limited	Village Owale, Ghodbunder Road, District Thane, Maharashtra	MH	Bio-technology	22.32
213	15	Infosys Technologies Limited	Rajiv Gandhi Infotech Park, Phase –II, village Mann, Tal. Mulshi, District Pune in the State of Maharashtra	MH	IT/ITES	31.49
214	16	Kumar Builders Townshiop Ventures Pvt. Ltd.	Hinjewadi, Pune, Maharashtra	MH	Electronics Hardware and Software including IT/ ITES	10.968
215	17	Qubix Business Park Pvt. Ltd. (formerly Neopro Technologies Pvt. Ltd. /Flagship Infrastructure Private Limited)	Village- Hinjawadi, Taluka- Mulshi, District- Pune, Maharashtra	MH	IT	10.17
216	18	Serene Properties Pvt. Ltd.	Kalwa Trans Thane Creek Industrial Area, MIDC, District Thane, Maharashtra	MH	IT/ITES	19.34 (add 0.62 = (Total 19.96)
217	19	Maharashtra Airport Development Company Limited.	Nagpur (MIHAN), District Nagpur, Mahatashtra	MH	Multi product	1511.51
218	20	International Biotech Park Ltd.	Hinjawadi, Pune, Maharashtra	MH	Biotech	13
219	21	Wardha Power Company Pvt. Ltd.	Plot No. B-2, MIDC, Warora Growth Centre, Warora, District- Chandrapur, Maharashtra	MH	Power Sector	102.159
220	21	Cornell Housing and Infrastructure Private Limited	Khari Village, Thane District, Maharashtra	MH	IT/ITES	41
221	22	Lodha Dwellers Pvt. Ltd. (formerly Lodha Developers Pvt. Ltd.)	Thane, Maharashtra	MH	IT/ITES	32
222	22	The Manjiri Stud Farm Private Limited	Village Phursungi, Taluka Haveli, Pune, Maharashtra	MH	IT/ITES	15.79
223	23	Quadron Business Parks Pvt. Ltd (Formerly Quadron Business Parks Ltd.)(Formerly DLF Akruti Inffopark (Pune) Limited)	Plot No. 28, MIDC, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, District-Pune, Maharashtra	MH	IT/ITES	10.33
224	23	Bilcare Limited	Maujhe Pimpri Budruk, Taluka Khed, Rajgurunagar, District Pune, Maharashtra	MH	IT/ITES	10
225	24	Maharashtra Industrial Development Corporation Ltd.	Airoli Software Park, District Thane, Maharashtra	MH	IT/ITES	60.7

226	24	Pune Embassy India Pvt. Ltd.(formerly Dynasty Developers Pvt. Ltd.)	Plot No. 3, Rajiv Gandhi Infotech Park, Hinjewadi,PhaseII, Village Marunji, Taluka Muslhi, District Pune, Maharashtra	MH	IT/ITES	20
227	25	Indiabulls Industrial Infrastructure Limited	Nashik, Maharashtra	MH	Multi product	1023.43
228	25	Inspira Infra (Aurangabad) Ltd. (formally Ajanta Project (India) Ltd.)	Plot No. C-22, MIDC, Shendre Five Star Industrial Area, District- Aurangabad, Maharashtra	MH	Biotechnology	10
229	26	Navi Mumbai SEZ Private Limited (Kalamboli - Ligh Engineering Division)	Kalamboli - Navi Mumbai, Maharashtra	MH	Multi-services	179
230	26	Navi Mumbai SEZ Private Limited (Kalamboli - PharmaceuticalDivision)	Kalamboli - Navi Mumbai, Maharashtra	MH	IT/ITES	133.62
231	27	Suyog Realtors Private Limited	Plot No. PL-23, IT Park, Butibori, District Nagpur, Maharashtra	MH	IT/ITES	17.4
232	27	Navi Mumbai SEZ Pvt. Ltd. (NMSEZ)	Dronagiri, Maharashtra	MH	Multi product	1250
233	28	Persipina Developers Pvt. Ltd. (PDPL) (formaly Sunny Vista Realtors Private Ltd)	Village Bhokarpada, Panvel, District Raigarh, Maharashtra	MH	Multi-services	135.12
234	28	Navi Mumbai SEZ Private Limited	Ulwe, Navi Mumbai, Maharashtra	MH	IT/ITES SEZ -A	21.13
235	29	Navi Mumbai SEZ Private Limited	Ulwe, Navi Mumbai, Maharashtra	MH	IT/ITES SEZ - B	38.28
236	29	Navi Mumbai SEZ Private Limited	Ulwe, Navi Mumbai, Maharashtra	MH	IT/ITES SEZ -C	13.53
237	30	Modern India Property Developers Limited	Village Khalapur, Taluka Khopoli District Raigad, Maharashtra	MH	Electronic Hardware Software Incl. IT/ITES	14.77
238	30	DLF Info Park (Pune) Limited	Rajiv Gandhi Infotech Park, Phase-II, Village Hinjewadi and Mann, Taluka Mulshi, Pune Maharastra	MH	IT/ITES	7.279
239	31	Maharashtra Industrial Development Corporation	Kesurde village, Satara District, Maharashtra	MH	Engineering	111.12
240	31	Khed Economic Infrastructure Limited (Bharat Forge Limited)	Khed Taluka Pune District, Maharashtra	MH	Engineering & Electronics	100
241	32	Maharashtra Industrial Development Corporation	MIDC, Phaltan, District Satara, Maharashtra	MH	Engineering	101.25
242	32	Arshiya International Limited	Village Sai, Taluka Panvel, District Raigad, Maharashtra	MH	FTWZ	68

243	33	Navi Mumbai SEZ Pvt. Ltd.	Village Ulwe, Navi Mumbai, Maharashtra	MH	Multi Services	128.4292
244	33	Navi Mumbai SEZ Pvt. Ltd.	Village Ulwe, Navi Mumbai, Maharashtra	MH	Gems and Jewellery	33.5403
245	34	Arshiya International Ltd.	Village Bori, Taluka & Distt. Nagpur, Maharashtra	MH	FTWZ	43.26
246	34	Jawaharlal Nehru Port Trust (JNPT)	Navi Mumbai, Maharashtra	MH	Port Based Multi Product	277
247	35	Gigaplex Estate Private Limited	Gigaplex, Plot No. 5, MIDC Knowledge Park, Airoli, Navi Mumbai, Maharashtra	MH	IT/ITES	12.91
248	35	SEZ Bio-Tech Services Private Limited	Manjri Budruk, Taluka Haveli, District Pune, Maharashtra	MH	Biotechnology	11.50675
249	36	iGate Global Solutions Ltd.,	Plot No. IT-3, IT-4, Airoli Knowledge Park, TTC Industrial Area, MIDC, Navi Mumbai, Maharashtra	MH	Electronic Hardware & Software including ITES	14.17
250	36	Loma IT Park, Developers Pvt. Ltd.	G-4/1, TTC Industrial Area, Ghansoli, Navi Mumbai, Maharashtra	MH	IT/ITES	6.5
		Manipur				
251	1	Manipur IT SEZ Project Development Company Ltd	Imphal, Manipur	MN	IT/ITES	10.85
		Nagaland				
252	1	H.N. Company	Dimapur, Nagaland	NG	Multi Product	290
253	2	Nagaland Industrial Development Corporation Limited	Dimapur, Nagaland	NG	Agro and Food Processing	50
		Odisha				
254	1	Orissa Industrial Infrastructure Development Corporation (IDCO)	Chandaka Industrial Estate, P.S. - Chandrasekharpur, Tehsil - Bhubaneswar, District Khurda, Odisha	OR	IT	69.96
255	2	Orissa Industrial Infrastructure Development Corporation (IDCO)	Village Gaudakahipur and Arisal, P.S. - Jatni, Tehsil - Jatni, District Khurda, Odisha	OR	IT (Knowledge Park)	106.26
256	3	Orissa Industrial Infrastructure Development Corporation (IDCO)	Bhubasnewar, P.S.- Chandrasekharpur, District- Khurda, Odisha	OR	IT/ITES	26.7
257	4	Orissa Industrial Infrastructure Development Corporation (IDCO)	Village Manoharpur (Kalinganagar Industrial Complex), P.S. - Duburi, Tehsil - Sukinda, District Jajpur, Odisha	OR	Metallurgical based engineering, ancillary and downstream industries.	101.15
258	5	Vedanta Aluminium Limited	Brundamal and Kurebaga Villages, Tehsil and District - Jharsuguda, Orissa.	OR	Manufacture & Export of Aluminium	242.81

259	6	Tata Steel Special Economic Zone Limited (formerly Gopalpur Special Economic Zone Limited)	Gopalpur, District- Ganjam, Odisha	OR	Multi Product	1173 (Notified area 500.15)
260	7	Saraf Agencies Pvt. Ltd.	Chhatrapur, District Ganjam, Odisha	OR	Mineral Based Industries	105.19
		Puducherry				
261	1	Pondicherry Special Economic Zone Company Ltd	Sedarpet, Karasur, Puducherry	PON	Multi Product	346
		Punjab				
262	1	Quarkcity India Pvt. Ltd.	Mohali, Punjab	PB	IT	20
263	2	Ranbaxy Laboratories Ltd.	Mohali, Punjab	PB	Pharmaceuticals	32
264	3	Lark Projects Private Limited	Village Landra, Mohali, Punjab	PB	Electronic hardware and software including ITES	10.89
265	4	Sukhm Infrastructure Pvt Ltd.	Mohali (SAS Nagar) District, Punjab	PB	IT	10.58
266	5	Infosys Limited	Plot No. I-3, IT City, Sector – 83, Alpha, SAS Nagar, Mohali, Punjab	PB	IT/ITES	20.241
		Rajasthan				
267	1	Mahindra Worldcity (Jaipur) Limited	Kalwara Village, District Jaipur, Rajasthan	RJ	IT/ITES	150.283
268	2	Somani Worsted Limited	Khushkera Industrial Area, Bhiwadi, Rajasthan	RJ	Electronics Hardware and Software/ ITES	20
269	3	Mansarovar Industrial Development Corporation	Kaparda, Jodhpur, Rajasthan	RJ	IT/ ITES	10
270	4	GENPACT INDIA	Jaipur, Rajasthan	RJ	Electronic Hardware and Software including IT/ ITES	10
271	5	RNB Infrastrucure Pvt. Ltd.	Bikaner, Rajasthan	RJ	Textile sector (in-principle approval was granted for woolen sector)	103.41
272	6	Mahindra Worldcity (Jaipur) Limited	Kalwara village, Tehsil-Sanganer, Dist- Jaipur, Rajasthan	RJ	Handicrafts	165.2116
273	7	Mahindra Worldcity (Jaipur) Limited	Jaipur, Rajasthan	RJ	Engineering and related industries	104.35
274	8	Mahindra World City (Jaipur) Limited	Village Kalwara, Tehsil Sanganer, District Jaipur, Rajasthan	RJ	Gems and Jewellery	10.136

275	9	Mahindra World City (Jaipur) Limited,	village Kalwara, Tehsil Sanganer, District Jaipur, Rajasthan	RJ	IT/ITES	33.2545
		Tamil Nadu				
276	1	Flextronics Technologies (India) Private Limited	Sriperumbudur, Kancheepuram, Tamil Nadu	TN	Electronics Hardware and related services	101
277	2	Tata Consultancy Services Limited	Siruseri and Egattur, Chennai, Tamil Nadu	TN	IT/ITES	70.5
278	3	IG3 Infra Limited (ETL Infrastructure Services Limited)	Pallikkarani Village, Tambaram Taluk, Kancheepuram, Tamil Nadu	TN	IT/ITES	10.5
279	4	Hexaware Technologies Ltd.	SIPCOT IT Park, Old Mahabalipuram Road, Siruseri, Chennai, Tamil Nadu	TN	IT/ITES	11
280	5	Syntel International Private Limited	Kancheepuram, Tamil Nadu	TN	IT/ITES	16
281	6	DLF Info City Developers (Chennai) Ltd.	Chennai, Tamil Nadu	TN	IT/ITES	15
282	7	Electronics Corporation of Tamil Nadu Ltd.	Vilankurichi, Coimbatore North Taluk, Coimbatore District, Tamil Nadu	TN	IT/ITES	11.76
283	8	IG3 Infra Limited (ETL Infrastructure Services Limited)	Vadamugam Kangeyampalayam Village, Perundurai Taluka, Erode District, Tamil Nadu	TN	Textiles	101.62
284	9	Shriram Properties and Infrastructure Private Limited	Perungalathur village, Chennai, Tamil Nadu	TN	IT/ITES	10
285	10	State Industries Promotion Corporation of Tamil Nadu	Footwear Park, Irungattukottai, SIPCOT Industrial Park, Sriperumbudur Taluk, Kancheepuram District, Tamil Nadu	TN	Footwear	60
286	11	State Industries Promotion Corporation of Tamilnadu Limited	SIPCOT Industrial Area Sriperumbudure, Tamil Nadu	TN	Electronics / Telecom hardware and support services, including trading and logistics activities	189.77.1(Additional area 41.36.9) (de-notified area 11.83.2 and 23.75) =195.55.8
287	12	Coimbatore Hitech Infrastructure Pvt. Ltd.	Kecranatham Village, Coimbatore(N) Taluk, Coimbatore, Tamilnadu	TN	IT/ITES	60.73
288	13	Cognizant Technology Solutions India Pvt. Ltd.	SIPCOT IT Park, Siruseri and Kazhipattur villages, Chennai, Tamil Nadu	TN	IT/ ITES	10.85.0 (Addition 5.66.7) = 16.517
289	14	L&T (Arun Excello Infrastructure Pvt. Ltd.)	Vallancheri and Potheri Villages, Chengalpet Taluk, Kancheepuram District, Tamil Nadu	TN	Electronic Hardware & software including ITES	10.93

290	15	Span Venture Pvt. Ltd.	Kurichi village, Eachanari, Coimbatore District, Tamil Nadu	TN	IT/ITES	10.441
291	16	Cheyyar SEZ Developers Pvt. Ltd.	SIPCOT Cheyyar Industrial Park in Mathur, Mangal Villages, Thiruvannamalai District, Tamil Nadu	TN	Footwear	111.34
292	17	Aspen Infrastructures Limited (formerly Synefra Engineering construction Ltd. (Suzlon Infrastrucutre Ltd.)	Karumatampatti and Kittampalayam villages, Palladam Taluk, Coimbatore District, Tamil Nadu	TN	Hi-tech Engineering Products and related services	107.28
293	18	AMRL International Tech City Ltd.	Nanguneri Taluk, Tirunelvel, Tamil Nadu	TN	Multi Product	1020
294	19	New Chennai Township Private Limited	Seekinakuppam Village, Cheyyar Taluk, Kancheepuram District, Tamil Nadu	TN	Engineering Sector including Auto Ancillaries.	126.26
295	20	New Chennai Township Private Limited	Seekinakuppam (Paramankeni and Vellur Villages), Cheyyur Taluk, Kancheepuram District, Tamil Nadu	TN	Multi services	121.41
296	21	J. Matadee Free Trade Zone Private Limited (formaly - J.Matadee Eco Parks Pvt. Ltd)	Mannur Village, Sriperembdur Taluk, Kancheepuram Distt., Tamil Nadu	TN	FTWZ	40
297	22	Kanai Techonology Parks Pvt. Ltd. (formerly Velankani Technology Parks Pvt. Ltd.)	Podavur Village, Sriperumbudur Taluk, Kanchipuram District, Tamil Nadu	TN	Electronics hardware and software and ITES	61
298	23	SNP Infrastructure Pvt. Ltd.	Zamin Pallavaram Village, Tambaram Taluk, Kancheepuram District, Tamil Nadu	TN	IT/ITES	10.19
299	24	Tril Infopark Ltd.	Kanagam village of Mambalam-Guindy Taluk and Thiruvanmiyur village of Mylapore-Triplicane Taluk, Chennai District, Tamil Nadu	TN	IT/ITES	10.11
300	25	State Industries Promotion Corporation of Tamil Nadu	SIPCOT of Tamil Nadu Industrial Growth Centres, Sriperumbudur Taluka, Kancheepuram District, Tamil Nadu	TN	Electronic hardware	140.69
301	26	ETA Technopark Pvt. Ltd.	Old Mahabalipuram Road, Chennai, Tamil Nadu	TN	IT/ITES	10.37
302	27	Rudradev Township Private Limited	Solankurini Village Madurai Taluk, Madurai District, Tamil Nadu	TN	IT/ITES	30.82

303	28	Foxconn India Developer Private Limited	Santhavelore-B, Chittur Village, Sriperumbudur Taluk, Kancheepuram District, Tamil Nadu	TN	Electronic Hardware	11
304	29	Electronics Corporation of Tamil Nadu (ELCOT)	Perumbakkam and Sholinganallur Village, Tambaram Taluk, Kancheepuram District, Tamil Nadu	TN	IT/ITES	80.81.5
305	30	Electronics Corporation of Tamil Nadu Limited (ELCOT)	Gangikondan Village, Thrunelveli Taluk, Tirunelveli District, Tamil Nadu.	TN	IT/ITES	40.48/ 76.893 (Total - 117.373
306	31	Electronics Corporation of Tamil Nadu (ELCOT)	Navalpattu Village, Tiruchirapalli Taluk, Tiruchirapalli District, Tamil Nadu	TN	IT/ITES	49.89
307	32	Electronics Corporation of Tamil Nadu Limited (ELCOT)	Viswanathapuram Village, Hosur Taluk, Krishnagiri District, Tamil Nadu	TN	IT/ITES	70.08.5
308	33	Electronics Corporation of Tamil Nadu (ELCOT)	Jagir ammapalayam Village, Salem Taluk, Salem District, Tamil Nadu	TN	IT/ITES	66.50.5
309	34	Electronics Corporation of Tamil Nadu Limited (ELCOT)	Ilandhikulam Village, Madurai I, Madurai North Taluk, Madurai District, Tamil Nadu	TN	IT/ITES	11.70.5
310	35	Pearl City (CCCL Infrastructure Limited)	Vadakkukaracheri and Thimmarajapura Villages,Tuticorin District, Tamil Nadu	TN	Food Processing	121.5
311	36	Electronics Corporation of Tamil Nadu Limited (ELCOT)	Vadapalanji Village, Madurai South Taluk and Kinnimangalam Village, Tirumangalam Taluk, Madurai II, Madurai District, Tamil Nadu	TN	IT/ITES	86.46.5

312	37	State Industries Promotion Corporation of Tamil Nadu	SIPCOT of Tamil Nadu Complex, Ranipet Phase-III, Mukuntharayapuram Village, Walajah Taluk, Vellore District, Tamil Nadu	TN	Engineering	104.76 (de-notified are 50.60.7) = 54.15.3
313	38	State Industries Promotion Corporation of Tamil Nadu Limited	SIPCOT Growth Centre, Perundurai Village, Erode District, Tamil Nadu	TN	Engineering	106.55.5
314	39	State Industries Promotion Corporation of Tamil Nadu	Tirunelveli District, Tamil Nadu	TN	Transport engineering goods including manufacture of tyres and tubes for all purposes and for transport industry sector	103.23.8
315	40	Frontier Lifeline Pvt. Ltd.	Edur Village, Gummudipundi Taluk, Thiruvallur District, Tamil Nadu	TN	Biotechnology sector	17.18
316	41	Jay Gee Hitech Infraventures Pvt. Ltd	Vengadu and Pennalur Village, Sriperumbudur Taluk, Kancheepuram District, Tamil Nadu	TN	IT/ITES	11.89
317	42	Nagarjuna Oil Corporation Limited	Kayalpattu Village Cuddalore District, Tamil Nadu	TN	Petrochemical/ Petroleum	104.0079
318	43	L&T Shipbuilding Limited	Village Kattupalli, Ponneri Taluk, District Tiruvallur, Tamil Nadu	TN	Heavy Enginnering	317.9497
319	44	State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT)	Bargur, Uthangarai and Pochampalli Taluk, Krishnagiri District, Tamil Nadu	TN	Granite processing industries and other allied machinery/ manufacturing	153.83(58.29 de-notified = 95.54)
320	45	Sterlite Industries (India) Limited	Village Therkku district Tuticorin, Tamil Nadu	TN	Copper	128
321	46	PRP Granites Exports	Kalkurichi, Chandran Kulam and Mallankinari Villages, Kariyapati Taluk, Virudhnagar District, Tamil Nadu	TN	Granite	104.373
322	47	V.V. Mineral	Thiruvambalapuram village, Radhapuram Taluk, Tirunelveli District, Tamil Nadu	TN	Mineral and Mineral based Products	166.66
323	48	Cheyyar SEZ Developers Pvt. Ltd.	SIPCOT Industrial Growth Centre, Bargur, Uthangarai and Pochampalli Taluk, Krishnagiri District, Tamil Nadu	TN	Footwear	59.3.98

		Telangana				
324	1	WIPRO Limited	Ranga Reddy District, Hyderabad, Telangana	TG	IT	6.48
325	2	Hyderabad Gems SEZ Limited	Maheshwaram Mandal, Ranga Reddy District, Telangana	TG	Gems and Jewellery	68.80
326	3	Sundew Properties Pvt. Ltd.	Madhapur, Ranga Reddy District, Hyderabad, Telangana	TG	IT/ITES	14.47
327	4	Tech Mahindra Ltd.	Bahadurpally Village, Ranga Reddy District, Hyderabad, Telangana	TG	IT/ITES	10.52
328	5	Tech Mahindra Ltd.	Hiotec City, Madhapur, District Hyderabad, Telangana	TG	IT/ITES	12.14
329	6	L&T Phoenix Infoparks Private Limited	Serilingampally Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	10
330	7	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Nanakramguda Village, Serilingampalli Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	16.48
331	8	CMC Limited	Village Gachibowli, Rajendra Nagar Taluk, Ranga Reddy District, Telangana	TG	IT/ITES	20.59
332	9	Sanghi SEZ Private Limited	Village Koheda, Ranga Reddy District, Telangana	TG	IT/ITES	202.40
333	10	FAB City SPV (India) Pvt. Ltd.	Villages Srinagar and Raviryal, Maheshwaram Mandal, Ranga Reddy District, Telangana	TG	Manufacturing and developing of semi-conductor facility with Free trade and Warehousing Zone	434.86
334	11	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Maheshwaram Mandal, Ranga Reddy District, Telangana	TG	Electronic Hardware	111
335	12	DivyaSree NSL Infrastructure Private Limited	Raidurga Village, Serilingampalli Mandal, Ranga Reddy District, Hyderabad, Telangana	TG	IT/ ITES	10.52
336	13	Lanco Hills Technology Park Private Limited	Manikonda Village, Rajendranagar Mandal, Ranga Reddy District, Telangana	TG	IT /ITES	12.43
337	14	DLF Commercial Developers Limited	Gachibowli village, Shirlingampalli Mandal, Ranga Reddy Telangana	TG	IT/ITES	10.617

338	15	Information Technology and Communication Department (IT and C), Government of Andhra Pradesh through Hyderabad Urban Development Authority (HUDA)	Kokapet Village, Serilingampalli Mandal, Ranga Reddy District Telangana	TG	IT/ITES	47.6
339	16	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Karkapatla Village, Mulugu Mandal, Medak District, Telangana	TG	Biotechnology	40.47
340	17	Brahmani Infratech Private Limited	Mamidipalli Village, Sarroornagar Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	60.70
341	18	Indu Techzone Private Limited	Mamidipalli Village, Saroornagar Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	60.07
342	19	NSL SEZ(Hyd) Pvt. Ltd. (formerly Topnotch Infrastructure Ltd.) Uppal	IDA Uppal Industrial Development Area, Hyderabad, Telangana	TG	IT/ITES	14.5
343	20	Emaar Hills Township Private Limited	Manikonda Village, Rajendranagar Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	10.52
344	21	J. T. Holdings Private Limited	Imarat Kancha, Raviriyal Village, Himarath Taluka, Maheshwaram Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	28.33
345	22	Rudradev Infopark Pvt. Ltd.	Kistapur & Antharam Villages, Chevella Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	12.25
346	23	Mahaveer Skyscrapers Limited	Chevella village, Besides Faraha Engineering College, Ranga Reddy District Telangana	TG	IT/ITES	22.78
347	24	Stargaze Properties Private Limited.	Kancha Imarat, Raviryal village, Maheshwaram Mandal, Ranga Reddy District, Telangana	TG	IT/ITES/ Electronic Hardware	68.96
348	25	Hill County SEZ Private Limited (Formerly Maytas Hill County SEZ Private Limited)	Bachupally village, Qutbullapur Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	29.87

349	26	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Pollepally village, Jedcharla Mandal, Mahaboobnagar District, Telangana	TG	Pharmaceuticals Formulation	101.17
350	27	Maytas Enterprises SEZ Private Limited	Gopanpally Village, Serilingampally Mandal, Ranga Reddy District Telangana	TG	IT/ITES	15.96
351	28	Serene Properties Pvt. Ltd.	Pocharam village, Hayathnagar Taluka, Ghatkesar Mandal, Ranga Reddy District, Hyderabad, Telangana	TG	IT/ITES	26.895
352	29	Genpact India Business Processing Private Limited	Jawaharnagar Village, Shameerpet Mandal, Ranga Reddy District, Hyderabad, Telangana	TG	IT/ITES	20.23
353	30	Navayuga Legala Estates Private Limited	Serilingampally village, Srilingampally Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	10.218
354	31	WIPRO Limited	Gopanpally and Vattinagulapally villages, Serilingampally Mandal Ranga Reddy District, Telangana	TG	IT/ITES	40
355	32	V. R. Enterprises	Ananthasagar Village, Hasanparthy Mandal, Warangal District, Telangana	TG	IT/ITES	10.12
356	33	Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)	Madikonda Village, Hanamkonda Mandal, Warangal District, Telangana	TG	IT/ITES	14.15
357	34	GMR Hyderabad International Airport Limited	GMR Hyderabad International Airport, Shamshadbad, Hyderabad District, Telangana	TG	Airport based Multi product	101.20
358	35	GMR Hyderabad International Airport Limted	Village Mamidipally, District Ranga Reddy, Telangana	TG	Aviation	101.92
359	36	Parsvnath SEZ Limited	Phase - III, Biotechnology Park, Village Karkapatla, Mandal Mulugu, District Medak,Telangana	TG	Biotechnology	10
360	37	Infosys Limited	Pocharam Village, Ghatkesar Mandal, Rangareddy District, Telangana	TG	IT	181.03
361	38	Tata Consultancy Services Limited	Adibatla village, Ibrahimpatnam Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	30.35

362	39	Cognizant Technology Solutions India Pvt. Ltd.	Survey No. 255, Adibatla Village, Ibrahimpatnam Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	16.19
363	40	Ananth Technologies Limited	Kancha Imarat, Raviryal village, Mashweram Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	10.12
364	41	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Aditya Nagar, Adibatla village, Ibrahimpatnam Mandal, Ranga Reddy District, Telangana	TG	Aerospace and Precision Engineering Industries	101.17
365	42	Lahari Infrastructure Limited	Shankarpally Village, Shankarpally Mandal, Ranga Reddy District, Telangana	TG	Biotechnology	10
366	43	Madhusheel Infra Projects Private Limited	Ranga Reddy District, Telangana	TG	IT/ITES	10.88
367	44	Telangana State Industrial Infrastructural Corporation Ltd.(TSIIC) [Formerly Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)]	Genome Valley, Village Lalgadi Malakpet, Mandal Shameerpet,Ranga Reddy, Telangana	TG	Biotechnology	20.44 (Additional area 2.136 and de-notified area 12.35)= 10.226
368	45	Shantha Biotechnics Pvt. Ltd. (Formerly Shantha Biotechnics Limited)	Village Muppireddipally, Mandal Toopran, District Medak, Telangana	TG	Biotech and related activities	10.12
369	46	Suchirindia Infrastructure Private Limited	Turkapally village, Shameerpet Mandal, Ranga Reddy District, Telangana	TG	Biotechnology	13
370	47	Radiant Corporation Private Limited	Muppireddypally Village, Telangana	TG	Electronic Hardware and Software and related activities	10.223
371	48	Mantri Developers Private Limited	Nanakramguda village, Gachibowli, Serilingampally Mandal, Ranga Reddy District, Telangana	TG	Electronic Hardware and Software including IT/ITES	1.0504
372	49	Aqua Space Developers Pvt. Ltd.	Raidurg Panmaktha village, Serilingampally Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	1.85
373	50	ValueLabs Infra LLP	Kokapet Village, Rajender Nagar Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	3.12
374	51	GAR Corporation Private Limited	Sy. No. 107, Kokapet Village, Rajendranagar Mandal, Telangana	TG	IT/ITES	2.22

375	52	Cognizant Technologies Services Private Limited	Nanakramguda village, Serilingampally Mandal, Ranga Reddy District, Telangana	TG	IT/ITES	2.5161
376	53	Phoenix Embassy Tech Zone Pvt. Ltd	Nanakramguda Village Serilingampally Mandal, Ranga Reddy Distt,	TG	IT/ITES	6.07
377	54	Phoenix Living Spaces Pvt. Ltd	Ameenpur Village, patancheru Mandal Medak Distt,	TG	IT/ITES	5.67
378	55	GAR Corporation Private Limited	Sy. No. 89 (P), Kokapet Village, Serilingampally Mandal, Telangana	TG	IT/ITES	1.66
379	56	GAR Corporation Private Limited	Sy No. 21 (P), 22 (P) 23 and 24, Kokapet Village, Serilingampally Mandal, Talangana	TG	IT/ITES	2.56
380	57	Vaxanic India Pvt. Ltd	Kolthur village, Shameerprt Mandal, Ranga Reddy Distt, Telangana	TG	Biotechnology & Bio-Pharmaceuticals	11.473
		Uttar Pradesh				
381	1	Wipro Ltd.	Greater Noida, Uttar Pradesh	UP	IT/ITES	20
382	2	Moser Bear India Litd.	Greater Noida, Uttar Pradesh	UP	Non-Conventional Energy including Solar Energy equipment	11.9
383	3	Ansal IT City and Parks Ltd.	Greater Noida, Uttar Pradesh	UP	IT/ITES	30.41
384	4	Seaview Develpers Ltd.	Noida, Uttar Pradesh	UP	IT/ITES	12.15
385	5	HCL Technologies	Noida, Uttar Pradesh	UP	IT/ ITES	16.91
386	6	NIIT Technologies Limited SEZ	Plot No.TZ-02, Sector-Tech Zone, ITES Park, Greater Noida, Uttar Pradesh	UP	IT/ ITES	10.12
387	7	OSE Infrastructure Limited	Plot No. 001, Block C, Sector 67, Noida, Uttar Pradesh	UP	IT	10.12
388	8	Unitech Infra-con Limited	Greater Noida, Uttar Pradesh	UP	IT/ITES	30.25
389	9	Perfect IT SEZ Private Limited	Plot No.6, Sector 144, Noida Uttar Pradesh	UP	IT/ITES	10
390	10	Uppals IT Projects Pvt. Limited	Greater Noida, District Gautam Budh Nagar, Uttar Pradesh	UP	Electronic hardware and software including IT/ITES	30.83
391	11	Aachvis Softech Pvt. Ltd. (Formerly Falcon Commercial Developers Limited)	Plot No. 7, Sector 144, Noida, Uttar Pradesh	UP	IT/ITES	10

392	12	Unitech Hi-tech Projects Private Limited	Plot No. 1, Sector 144, Noida, Uttar Pradesh	UP	IT/ITES	10.08
393	13	Hari Fertilizers Limited (Jhunjhunwala Vanaspati Ltd.)	Sahupuri, Distt. Chandauli, Uttar Pradesh	UP	Multi servic es SEZ with FTWZ and 25 MW Captive Power Plant	103.63
394	14	Uttar Pradesh State Indistrial Development Corporation (UPSIDC)	Bhadohi, District Sant Ravidas Nagar, Uttar Pradesh	UP	Carpet and Handicrafts	103.96
395	15	Gallant Infrastructure Private Limited	Plot No. 202, Sector KP-V, Greater Noida, Uttar Pradesh	UP	IT/ITES	33
396	16	Jubilant Infracon Private Limited	Plot No. 3, Sector 140A, Noida, Uttar Pradesh	UP	IT/ITES	10.17
397	17	Diamond IT Infracon Pvt. Limited	Greater Noida, Uttar Pradesh	UP	IT	10
398	18	Golden Tower Infratech Pvt. Ltd.	Noida, Uttar Pradesh	UP	IT/ITES	10
399	19	Arshiya Northern FTWZ Limited	Village Ibrahimpur, Junaidpur Urf, Moujpur, Bulandshar, Uttar Pradesh	UP	FTWZ	51.4394
400	20	Artha Infratech Private Limited	Plot No. 21, Sector Techzone-IV, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh	UP	Electronic Hardware & Software including IT/ITES	10
401	21	Infosys Limited	Sector -85, Noida, District Gautam Budh Nagar, Uttar Pradesh	UP	IT/ITES	11.161
402	22	HCL IT City Lucknow Private Limited	Village Kanjehara & Mastemau, Chack Gajaria Farms, Sultanpur Road, Lucknow, Uttar Pradesh	UP	IT/ITES	40.469
403	23	UP State Industrial Development Corporation (UPSIDC)	Moradabad, Uttar Pradesh	UP	Textile and broad banded product	50.763
404	24	UP State Industrial Development Corporation (UPSIDC)	Moradabad, Uttar Pradesh	UP	IT/ITES/Electroni c Components & Hardware manufacturing	10.084
		West Bengal				
405	1	M.L. Dalmiya and Company Ltd.	Kolkata, West Bengal	WB	IT/ITES	48
406	2	DLF Limited	Plot No. II/1, Block-II F, Action Area - II, New Kolkata Township, Rajarhat, Kolkata, West Bengal	WB	IT/ITES	10.12
407	3	Enfield Infrastructure Limited	Chandpur Champagachi, near Rajarhat (24 pgns. North), West Bengal	WB	IT/ITES	20

408	4	Unitech Hi-tech Structures Limited,	Rajarhat Dist. North 24 Parganas, Kolkata, West Bengal	WB	IT/ITES	19.58
409	5	Enfield Infrastructure Ltd	Uttar Gazipur, South 24 Parganas (earlier Kalyani) West Bengal	WB	IT/ ITES	16
410	6	Tata Consultancy Services Limited	IT Plot IIF/3, Action Area II, New Town Kolkata, West Bengal	WB	IT/ITES	16.19
411	7	Bengal Shriram Hi-tech City Pvt Ltd.	Utarpara, Kolkata	WB	IT/ITES cum auto ancillary software development	24.2

List of Operational SEZ of India

Central Government SEZs set up prior to the enactment of SEZs Act, 2005

Sl. No.	Name of the SEZ	Location	Type of SEZ
1	Kandla Special Economic Zone	Kandla, Gujarat	Multi product
2	SEEPZ Special Economic Zone	Mumbai, Maharashtra	Electronics and Gems and Jewellery
3	Noida Special Economic Zone	Uttar Pradesh	Multi product
4	MEPZ Special Economic Zone	Chennai, Tamil Nadu	Multi product
5	Cochin Special Economic Zone	Cochin, Kerala	Multi product
6	Falta Special Economic Zone	Falta, West Bengal	Multi product
7	Visakhapatnam SEZ	Vishakhapatnam, Andhra Pradesh	Multi product

State Government/ Private Sector SEZs set up prior to the enactment of SEZs Act, 2005

	Name of the SEZ	Location	Type of SEZ
1	Surat Special Economic Zone	Surat, Gujarat	Multi product
2	Manikanchan SEZ, W. Bengal	Kolkatta, West Bengal	Gems and Jewellery
3	Jaipur SEZ	Jaipur, Rajasthan	Gems and Jewellery
4	Indore SEZ	Sector-3, Pithampur Distt. Dhar (MP)	Multi product
5	Salt Lake Electronic City - WIPRO, West Bengal	Kolkatta, West Bengal	Software development and ITES
6	Mahindra City SEZ (IT), T. Nadu	Tamil Nadu	IT/Hardware and Bio-informatics
7	Mahindra City SEZ (Auto ancillary), T. Nadu	Tamil Nadu	Auto
8	Mahindra City SEZ (Textiles), Tamil Nadu	Tamil Nadu	Apparel and fashion accessories
9	Nokia SEZ	Sriperumbudur, Tamil Nadu	Telecom equipments/R&D services
10	Moradabad SEZ	Moradabad, UP	Handicrafts
11	Surat Apparel Park	Surat, Gujarat	Apparel

SEZs notified under the SEZ Act, 2005:

Sl. No.	State-wise Sl. No.	Name of the SEZ	Location	Type of SEZ
		Andhra Pradesh		
1	1	Divi's Laboratories Limited	Chippada Village, Visakhapatnam, Andhra Pradesh	Pharmaceuticals
2	2	Apache SEZ Development India Private Limited	Mandal Tada, Nellore District, Andhra Pradesh	Footwear

3	3	Ramky Pharma City (India) Pvt. Ltd.	E-Bonangi Villages, Parawada Mandal, Visakhapatnam District, Andhra Pradesh	Pharmaceuitacals
4	4	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Madhurawada Village, Visakhapatnam District, Andhra Pradesh	IT/ITES
5	5	Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)	Madhurawada Village, Visakhapatnam Rural Mandal, Andhra Pradesh	IT/ITES
6	6	L&T Hitech City Limited (formerly, Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Keesarapalli Village, Gannavaram Mandal, Krishna District, Andhra Pradesh	IT/ITES
7	7	Hetero Infrastructure Pvt. Ltd.	Nakkapalli Mandal, Visakhapatnam District, Andhra Pradesh	Pharmaceuticals
8	8	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Atchutapuram and Rambilli Mandals, Visakhapatnam District, Andhra Pradesh	Multi Product
9	9	Brandix India Apparel City Private Limited	Duppituru, Doturupalem Maruture and Gurujaplen Villages in Visakhapatnam District, Andhra Pradesh	Textile
10	10	Sri City Private Limited (M/S. Satyavedu Reserve Infrcity Private Ltd.)	Chengambakkam, Appaiahpalem, Gollavaripalem,Mallavaripalyam, Aroor, Moporapalle villages at Satyavedu and Vardayya Palem, Mandals, Andhra Pradesh	Multi Product
11	11	Parry Infrastructure Company Private Limited	Vakalapudi Village, Kakinada Rural Mandal, Kakinada, Andhra Pradesh	Food Processing
12	12	Mas Fabric Park (India) Pvt. Ltd.	Chintavaram village, Chillakru Mandal, Nellore District, Andhra Pradesh	Textile and Apparel
13	13	Bhartiya International SEZ. Limited	Nellore, Andhra Pradesh	Leather sector
14	14	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Sarpavaram Viullage, Kakinada Rural East Godavari District, Andhra Pradesh	IT/ITES
15	15	Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)	Village Annangi and Bodduvanipalem, Mandals Maddipadu and Korispadu, District prakasham, Andhra Pradesh	Building Products
16	16	IFFCO Kisan SEZ Limited	Villages Regadichelika, Racharlapadu, Chowduputtedu, Uchaguntapatem, North Ammuluru, Mandal Kodavaluru, District Nellore, Andhra Pradesh	Multi Product

17	17	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Villages, Dawarkapuram and Palepolam, Mandals-Naidupeta and Pellakuru, District- Nellore, Andhra Pradesh	Multi Product
18	18	Dr. Reddy's Laboratories Limited	Village Devunipalavalasa, Mandal Ranasthalam, District Srikakulam, Andhra Pradesh.	Pharmaceutical
		Chandigarh		
19	1	Chandigarh Administration	Chandigarh	Electronics Hardware, and IT/ITES
20	2	Chandigarh Administration	Chandigarh	IT/ITES
		Chattisgarh		
21	1	Lanco Solar Private Limited	Mahroomkala, Mahroomkurd and Chaveli villages, Rajnandgaon District, Chhattisgarh	Solar
		Gujarat		
22	1	Reliance Jamnagar Infrastructure Limited	Jamnagar, Gujarat	Multi product
23	2	Dahej SEZ Limited	Taluke Vagra, District Bharuch, Gujarat	Multi Product
24	3	Mundra Port and Special Economic Zone (Adani Power Private Limited) (Mundra Port and Special Economic Zone)	Village Mundra, Taluka Mundra, District Kutch, Gujarat (Villages Tunda and Siracha, Taluka Mundra, District Kutch in the State of Gujara)	Multi Product
25	4	Zydus Infrastructure Private Limited	Ahmedabad, Gujarat	Pharmaceuticals
26	5	Gujarat Industrial Development Corporation	Ahmedabad, Gujarat	Apparel
27	6	Gujarat Industrical Development Corpn.	Gandhinagar Electronic Estate, Gujarat	IT/ITES
28	7	Jubilant Infrastructure Limited	Villages Vilayat and Vorasamni, Taluka Vagra, District Bharuch, Gujarat	Chemical
29	8	Aqualine Properties Private Limited	Village Koba, District Gandhinagar, Gujarat	IT/ITES
30	9	Aspen Infrastructures Limited (formerly Synefra Engineering construction Ltd. (Suzlon Infrastrucutre Ltd.)	Taluka Waghodia, District Vadodara, Gujarat	Hightech Engineering products and related Services
31	10	Gift SEZ Limited	Village Phirozpur and Ratanpur, District Gandhinagar, Gujarat	Multi Services
32	11	Sterling SEZ and Infrastructure Limited	Jambusar, District Bharuch, Gujarat	Multi Product

33	12	E. Complex Pvt. Ltd.	Village Rampara-II, Taluka: Rajula and Village Lunsapur, Taluka: Jafarabad, District: Amerli, Gujarat	Engineering goods
34	13	Tata Consultancy Services Limited (TCS)	Gandhinagar, Gujarat	IT/ITES
35	14	Larsen & Toubro Ltd.	Village Ankhol and Bapod, Taluka Vadodara, Dist- Vadodara, Gujarat	IT/ITES
36	15	Euro Multivision Ltd.	District Kutch, Gujarat	Non-conventional energy including solar energy equipments/cell
		Haryana		
37	1	Dr. Fresh Healthcare Pvt. Ltd.	Gurgaon, Haryana	IT/ITES
38	2	DLF Ltd.	Village Silokhera, Tehsil and District Gurgaon, Haryana	IT/ITES
39	3	DLF Cyber City Developers Ltd.	Gurgaon, Haryana	IT/ITES
40	4	Gurgaon Infospace Ltd.	Village Dundahera, District Gurgaon, Haryana	IT/ITES
41	5	ASF Insignia SEZ Private Ltd. (Canton Buildwell Private Limited)	Village Gwal Pahari, Tehsil Sohna, District- Gurgaon, Haryana	IT/ITES
42	6	Unitech Realty Projects Ltd.	Village Tikri, Tehsil and District Gurgaon, Haryana	IT/ITES
43	7	Anant Raj Industries Ltd.	Plot No. TP-1, Rai, Sonepat District, Haryana	IT/ITES
		Karnataka		
44	1	Biocon Limited.	Anekal Taluk, Banglore, Karnataka	Bio-technology
45	2	Shyamaraju and Company (India) Pvt. Ltd. (formerly Divyasree Technopark)	Kundalahalli Village, Krishnarajapuram, Karnataka	IT/ITES enabled sevices
46	3	Manyata Embassy Business Park	Rachenhalli & Nagavara Vill., Banglore Distt., Karnataka	IT/ITES
47	4	WIPRO Limited	Doddakannelli Village, Varthur Hobli, Sarjapur Road, Karnataka	IT
48	5	WIPRO Limited	Doddathogur Village, Begur Hobli, Electronic City, Banglore, Karnataka	IT
49	6	Vrindavan Tech Villages SEZ (formerly Vikas Telecom Limited)	Outer Ring Road, Devarabeesanhalli Village, Varthur Hoblic, Bangalore East Taluk,Karnataka	IT/ITES
50	7	RMZ Ecoworld Infrastructure Pvt. Ltd. (formerly Adarsh Prime Projects Private Limited)	Devarabeesanahalli, Bhoganahalli and Doddakanahalli, Karnataka	IT/ITES

51	8	Cessna Business Park Pvt. Ltd. (formerly Cessna Garden Developers Pvt. Ltd.)	Kadubeesanahalli Vill, Varthur Hobli, District Banglore, Karnataka	IT/ITES
52	9	Tanglin Development Ltd.(formerly Global Village SEZ)	Pattengere/Mylasandra Villages, Karnataka	IT/ITES
53	10	Infosys Technologies Limited	Hebbal Industrial area, District Mysore in the State of Karnataka	IT/ITES
54	11	Information Technology Park Limited	Sadaramangala and Pattandur Agrahara Village, Whitefield Road, District Bangalore, Karnataka	IT/ITES
55	12	Karnataka Industrial Area Development Board (KIADB)	Village Perumenahally, Kokkanagatta, Sumudra Vally, Hamumanthapura, Taluk Hassan, Karnataka	Textile
56	13	Infosys Technologies Ltd	Hebbal Industrial Area, Mysore, Karnataka	IT/ITES
57	14	HCL Technologies Ltd.	Jigani Industrial Area, Attibele Taluka, Bangalore, Karnataka	IT/ ITES
58	15	Pritech Park (formerly Primal Projects Private Limited)	Bellandur Village, Varthur Hobli, Bangalore East Taluk, Bangalore Urban District, Karnataka	IT/ITES
59	16	Karnataka Industrial Area Development Board (KIADB)	District Hassan, Karnataka	Pharmaceuticals
60	17	Aspen Infrastructures Limited (formerly Synefra Engineering construction Ltd. (Suzlon Infrastrucutre Ltd.)	Nadasalu, Nandikooru, Polimaru and Hejamadi villagesin Udupi Taluk, Karnataka	Hi-tech Engineering Products and related services
61	18	Karle Infra Pojects	Nagavara Village, North Bangalore Taluka, Karnataka	IT/ITES
62	19	Mangalore SEZ Limited	Baikampady Near Mangalore, Dakshina Kannada District, Karnataka	Multi Product
63	20	Bagmane Construction Pvt. Ltd	Mahadevapura, K R Puram, Bangalore North, Karnataka	IT/ITES
64	21	Quest SEZ Development Private Limited	Hattargi and Mastiholi villages, Hukkeri Taluk, Belgaum District, Karnataka	Precision Engineering Product
65	22	Gopalan Enterprises (India) Private Limited.	Village Mahadevpura and Kaggadaspura, K.R. Puram, Whitefield, Bangalore, Karnataka.	IT/ITES
66	23	Karnataka State Electronics Development Corporation Limited (KEONICS)	Village Machenahalli and Nidige, District Shimoga, Karnataka	Electronics Hardware and Software/ ITES
67	24	Larsen & Toubro Limited	KIADB Industrial Area, Taluka Hebbel-Hootagally, District Mysore, Karnataka	IT/ITES

68	25	Karnataka Industrial Areas Development Board (KIADB)	Village Bhatramaranahalli. Kavadadasanahalli, Dummanahalli, Talukas Bangalore North and Devanahali, Distt. Bangalore, Karnataka	Aerospace and Industry
		Kerala		
69	1	Cochin Port Trust	Vallapadom, Mulavukadu/Fort Kochi Village, Ernakulam District, Kerala	Port Based
70	2	Cochin Port Trust	Puthuvypeen, Eranakulam District, Kerala	Port Based
71	3	Infopark	Kakkanad, Ernakulam, Kerala	IT/ITES
72	4	Electronics Technology Parks-Kerala	Attipura Vill. Taluk & Distt.Thiruvanthapuram, Kerala	IT/ITES
73	5	Kerala Industrial Infrastructure Development Corporation. (KINFRA)	Ayiroopara and Kazhakoottam Villages, Trivandrum District, Kerala	Animation & Gaming
74	6	Kerala Industrial Infrastructure Development Corporation (KINFRA)	Chelembra Village, Thirurangadi Taluk, Malappuram District, Kerala	Agro Based Food Processing
75	7	Electronics Technology Parks-Kerala	Thiruvanthapuram, Kerala	IT/ITES
76	8	Kerala Industrial Infrastructure Development Corporation (KINFRA)	Thrikkakara village, Kanayannur Taluk, Ernakulam District, Kerala	Electronics Industries
77	9	Kerala State Information Technology Infrastructure Limited	Pallipuram Village, Chertala Taluk, Alappuzha District Kerala.	IT/ITES
78	10	Electronics Technology Parks-Kerala (Technopark)	Village Attipra, Taluk and District Thiruvananthapuram, Kerala.	IT/ITES
79	11	Kerala State Information Technology Infrastructure Limited	Village Mulavana, District Kollam, Kerala	IT/ITES
80	12	Carborundum Universal Ltd.	Village Thrikkakara North, Taluka Kanayannur, District Ernakulam, Kerala.	Solar Photovaltaic
81	13	Sutherland Global Services Private Limited	Village Thrikkakara North, Taluka Kanayannur, District Ernakulam, Kerala.	IT/ITES
82	14	Kerala State Information Technology Infrastructure Limited (KSITIL)	Village Pantheerankavu and Nellikode, Taluka Kozhikode, District Kozhikode, Kerala.	IT/ITES
83	15	Infoparks Kerala	Village Puthencruz and Kunnathunadu, Taluka Kunnathunadu, District Ernakulam, Kerala	IT/ITES
		Madhya Pradesh		
84	1	Crystal IT Park SEZ (M.P. Audoyogik Kendra Vikas Nigam(Indore) Ltd.)	Indore in the State of Madhya Pradesh	IT/ITES enabled sevices
		Maharashtra		

85	1	Maharashtra Industrial Development Corporation Limited MIDC	Rajiv Gandhi Infotech Park, Hinjawadi, Phase-III, District Pune, aharashtra	IT/ITES
86	2	Syntel International Private Limited	Talwade Software Park, District Pune, Maharashtra	IT/ITES
87	3	Serum Bio-pharma Park	Pune, Maharashtra	Pharmaceuticals & Biotechnology
88	4	Maharashtra Industrial Development Corporation	Village Krushnoor, Taluka Naigaon, District Nanded, Maharashtra	Pharmaceuticals
89	5	Maharashtra Industrial Development Corporation	Shendre Industrial Area, District Aurangabad, Maharashtra	Engineering & Electronics
90	6	Wokhardt Infrastructure Development Limited	Shendre Five Star Industrial Ares, Aurangabad District, Maharashtra	Pharmaceutical
91	7	Hiranandani Builders	Village Powai, District Mumbai, Maharashtra	IT/ITES
92	8	Zeus Infrastructure Private Limited	Village Mulund, Taluka Kurla, District Mumbai Suburban and Village Kopri, Taluka Thane, District Thane, Maharashtra	IT/ITES
93	9	Magarpatta Township Development and Construction Company Ltd.	Magarpatta City, Village Hadapsar, Taluka, Haveli, District Pune, Maharashtra	Electronics Hardware and Software including information technology enabled Services
94	10	EON Kharadi Infrastructure Private Limited	Taluka Haveli, District Pune, Maharashtra	IT/ITES
95	11	WIPRO Limited	Hinjawadi District, Pune, Maharashtra	IT/ITES
96	12	Infosys Technologies Limited	Rajiv Gandhi Infotech Park, Phase –II, village Mann, Tal. Mulshi, District Pune in the State of Maharashtra	IT/ITES
97	13	Qubix Business Park Pvt. Ltd. (formerly Neopro Technologies Pvt. Ltd. /Flagship Infrastructure Private Limited)	Village- Hinjawadi, Taluka- Mulshi, District- Pune, Maharashtra	IT
98	14	Serene Properties Pvt. Ltd.	Kalwa Trans Thane Creek Industrial Area, MIDC, District Thane, Maharashtra	IT/ITES
99	15	Maharashtra Airport Development Company Limited.	Nagpur (MIHAN), District Nagpur, Mahatashtra	Multi product
100	16	Wardha Power Company Pvt. Ltd.	Plot No. B-2, MIDC, Warora Growth Centre, Warora, District-Chandrapur, Maharashtra	Power Sector
101	17	The Manjiri Stud Farm Private Limited	Village Phursungi, Taluka Haveli, Pune, Maharashtra	IT/ITES

102	18	Quadron Business Parks Pvt. Ltd (Formerly Quadron Business Parks Ltd.)(Formerly DLF Akruti Inffopark (Pune) Limited)	Plot No. 28, MIDC, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, District-Pune, Maharashtra	IT/ITES
103	19	Pune Embassy India Pvt. Ltd.(formerly Dynasty Developers Pvt. Ltd.)	Plot No. 3, Rajiv Gandhi Infotech Park, Hinjewadi,PhaseII, Village Marunji, Taluka Muslhi, District Pune, Maharashtra	IT/ITES
104	20	Maharashtra Industrial Development Corporation	Kesurde village, Satara District, Maharashtra	Engineering
105	21	Khed Economic Infrastructure Limited (Bharat Forge Limited)	Khed Taluka Pune District, Maharashtra	Engineering & Electronics
106	22	Maharashtra Industrial Development Corporation	MIDC, Phaltan, District Satara, Maharashtra	Engineering
107	23	Arshiya International Limited	Village Sai, Taluka Panvel, District Raigad, Maharashtra	FTWZ
108	24	Gigaplex Estate Private Limited	Gigaplex, Plot No. 5, MIDC Knowledge Park, Airoli, Navi Mumbai, Maharashtra	IT/ITES
109	25	Indiabulls Industrial Infrastructure Limited	Nashik, Maharashtra	Multi product
		Odisha		
110	1	Orissa Industrial Infrastructure Development Corporation (IDCO)	Chandaka Industrial Estate, P.S. - Chandrasekharpur, Tehsil - Bhubaneswar, District Khurda, Odisha	IT
111	2	Orissa Industrial Infrastructure Development Corporation (IDCO)	Village Gaudakahipur and Arisal, P.S. - Jatni, Tehsil - Jatni, District Khurda, Odisha	IT (Knowledge Park)
112	3	Vedanta Aluminium Limited	Brundamal and Kurebaga Villages, Tehsil and District - Jharsuguda, Orissa.	Manufacture & Export of Aluminium
		Punjab		
113	1	Quarkcity India Pvt. Ltd.	Mohali, Punjab	IT
114	2	Ranbaxy Laboratories Ltd.	Mohali, Punjab	Pharmaceuticals
		Rajasthan		
115	1	Mahindra Worldcity (Jaipur) Limited	Kalwara Village, District Jaipur, Rajasthan	IT/ITES
116	2	Mahindra Worldcity (Jaipur) Limited	Kalwara village, Tehsil- Sanganer, Dist- Jaipur, Rajasthan	Handicrafts
117	3	Mahindra Worldcity (Jaipur) Limited	Jaipur, Rajasthan	Engineering and related industries
		Tamil Nadu		
118	1	Flextronics Technologies (India) Private Limited	Sriperumbudur, Kancheepuram, Tamil Nadu	Electronics Hardware and related services
119	2	Tata Consultancy Services Limited	Siruseri and Egattur, Chennai, Tamil Nadu	IT/ITES

120	3	IG3 Infra Limited (ETL Infrastructure Services Limited)	Pallikkarani Village, Tambaram Taluk, Kancheepuram, Tamil Nadu	IT/ITES
121	4	Hexaware Technologies Ltd.	SIPCOT IT Park, Old Mahabalipuram Road, Siruseri, Chennai, Tamil Nadu	IT/ITES
122	5	Syntel International Private Limited	Kancheepuram, Tamil Nadu	IT/ITES
123	6	DLF Info City Developers (Chennai) Ltd.	Chennai, Tamil Nadu	IT/ITES
124	7	Electronics Corporation of Tamil Nadu Ltd.	Vilankurichi, Coimbatore North Taluk, Coimbatore District, Tamil Nadu	IT/ITES
125	8	IG3 Infra Limited (ETL Infrastructure Services Limited)	Vadamugam Kangeyampalayam Village, Perundurai Taluka, Erode District, Tamil Nadu	Textiles
126	9	Shriram Properties and Infrastructure Private Limited	Perungalathur village, Chennai, Tamil Nadu	IT/ITES
127	10	State Industries Promotion Corporation of Tamilnadu Limited	SIPCOT Industrial Area Sriperumbudure, Tamil Nadu	Electronics / Telecom hardware and support services, including trading and logistics activities
128	11	Coimbatore Hitech Infrastructure Pvt. Ltd.	Kecranatham Village, Coimbatore(N) Taluk, Coimbatore, Tamilnadu	IT/ITES
129	12	Cognizant Technology Solutions India Pvt. Ltd.	SIPCOT IT Park, Siruseri and Kazhipattur villages, Chennai, Tamil Nadu	IT/ ITES
130	13	L&T (Arun Excello Infrastructure Pvt. Ltd.)	Vallancheri and Potheri Villages, Chengalpet Taluk, Kancheepuram District, Tamil Nadu	Electronic Hardware & software including ITES
131	14	Span Venture Pvt. Ltd.	Kurichi village, Eachanari, Coimbatore District, Tamil Nadu	IT/ITES
132	15	Cheyyar SEZ Developers Pvt. Ltd.	SIPCOT Cheyyar Industrial Park in Mathur, Mangal Villages, Thiruvannamalai District, Tamil Nadu	Footwear
133	16	Aspen Infrastructures Limited (formerly Synefra Engineering construction Ltd. (Suzlon Infrastrucutre Ltd.)	Karumatampatti and Kittampalayam villages, Palladam Taluk, Coimbatore District, Tamil Nadu	Hi-tech Engineering Products and related services
134	17	AMRL International Tech City Ltd.	Nanguneri Taluk, Tirunelvel, Tamil Nadu	Multi Product
135	18	New Chennai Township Private Limited	Seekinakuppam Village, Cheyyar Taluk, Kancheepuram District, Tamil Nadu	Engineering Sector including Auto Ancillaries.

136	19	New Chennai Township Private Limited	Seekinakuppam (Paramankeni and Vellur Villages), Cheyyur Taluk, Kancheepuram District, Tamil Nadu	Multi services
137	20	J. Matadee Free Trade Zone Private Limited (formaly - J.Matadee Eco Parks Pvt. Ltd)	Mannur Village, Sriperembdur Taluk, Kancheepuram Distt., Tamil Nadu	FTWZ
138	21	Tril Infopark Ltd.	Kanagam village of Mambalam-Guindy Taluk and Thiruvanmiyur village of Mylapore-Triplicane Taluk, Chennai District, Tamil Nadu	IT/ITES
139	22	State Industries Promotion Corporation of Tamil Nadu	SIPCOT of Tamil Nadu Industrial Growth Centres, Sriperumbudur Taluka, Kancheepuram District, Tamil Nadu	Electronic hardware
140	23	ETA Technopark Pvt. Ltd.	Old Mahabalipuram Road, Chennai	IT/ITES
141	24	Electronics Corporation of Tamil Nadu (ELCOT)	Perumbakkam and Sholinganallur Village, Tambaram Taluk, Kancheepuram District, Tamil Nadu	IT/ITES
142	25	Electronics Corporation of Tamil Nadu (ELCOT)	Navalpattu Village, Tiruchirapalli Taluk, Tiruchirapalli District, Tamil Nadu	IT/ITES
143	26	Electronics Corporation of Tamil Nadu Limited (ELCOT)	Ilandhikulam Village, Madurai I, Madurai North Taluk, Madurai District, Tamil Nadu	IT/ITES
144	27	Pearl City (CCCL Infrastructure Limited)	Vadakkukaracheri and Thimmarajapura Villages,Tuticorin District, Tamil Nadu	Food Processing
145	28	State Industries Promotion Corporation of Tamil Nadu	SIPCOT of Tamil Nadu Complex, Ranipet Phase-III, Mukuntharayapuram Village, Walajah Taluk, Vellore District, Tamil Nadu	Engineering
146	29	State Industries Promotion Corporation of Tamil Nadu Limited	SIPCOT Growth Centre, Perundurai Village, Erode District, Tamil Nadu	Engineering

147	30	State Industries Promotion Corporation of Tamil Nadu	Tirunelveli District, Tamil Nadu	Transport engineering goods including manufacture of tyres and tubes for all purposes and for transport industry sector
148	31	L&T Shipbuilding Limited	Village Kattupalli, Ponneri Taluk, District Tiruvallur, Tamil Nadu	Heavy Enginnering
		Telangana		
149	1	WIPRO Limited	Ranga Reddy District, Hyderabad, Telangana	IT
150	2	Hyderabad Gems SEZ Limited	Maheshwaram Mandal, Ranga Reddy District, Telangana	Gems and Jewellery
151	3	Sundew Properties Pvt. Ltd.	Madhapur, Ranga Reddy District, Hyderabad, Telangana	IT/ITES
152	4	Tech Mahindra Ltd.	Bahadurpally Village, Ranga Reddy District, Hyderabad, Andhra Pradesh	IT/ITES
153	5	Tech Mahindra Ltd.	Hiotec City, Madhapur, District Hyderabad, Andhra Pradesh	IT/ITES
154	6	L&T Phoenix Infoparks Private Limited	Serilingampally Mandal, Ranga Reddy District, Telangana	IT/ITES
155	7	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Nanakramguda Village, Serilingampalli Mandal, Ranga Reddy District, Telangana	IT/ITES
156	8	CMC Limited	Village Gachibowli, Rajendra Nagar Taluk, Ranga Reddy District, Telangana	IT/ITES
157	9	FAB City SPV (India) Pvt. Ltd.	Villages Srinagar and Raviryal, Maheshwaram Mandal, Ranga Reddy District, Telangana	Manufacturing and developing of semi-conductor facility with Free trade and Warehousing Zone
158	10	DivyaSree NSL Infrastructure Private Limited	Raidurga Village, Serilingampalli Mandal, Ranga Reddy District, Hyderabad, Telangana	IT/ ITES
159	11	Lanco Hills Technology Park Private Limited	Manikonda Village, Rajendranagar Mandal, Ranga Reddy District, Telangana	IT /ITES
160	12	DLF Commercial Developers Limited	Gachibowli village, Shirlingampalli Mandal, Ranga Reddy Telangana	IT/ITES
161	13	Indu Techzone Private Limited	Mamidipalli Village, Saroornagar Mandal, Ranga Reddy District, Telangana	IT/ITES

162	14	NSL SEZ(Hyd) Pvt. Ltd. (formerly Topnotch Infrastructure Ltd.) Uppal	IDA Uppal Industrial Development Area, Hyderabad, Telangana	IT/ITES
163	15	J. T. Holdings Private Limited	Imarat Kancha, Raviriyal Village, Himarath Taluka, Maheshwaram Mandal, Ranga Reddy District, Telangana	IT/ITES
164	16	Stargaze Properties Private Limited.	Kancha Imarat, Raviryal village, Maheshwaram Mandal, Ranga Reddy District, Telangana	IT/ITES/ Electronic Hardware
165	17	Hill County SEZ Private Limited (Formerly Maytas Hill County SEZ Private Limited)	Bachupally village, Qutbullapur Mandal, Ranga Reddy District, Telangana	IT/ITES
166	18	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Pollepally village, Jedcharla Mandal, Mahaboobnagar District, Telangana	Pharmaceuticals Formulation
167	19	Serene Properties Pvt. Ltd.	Pocharam village, Hayathnagar Taluka, Ghatkesar Mandal, Ranga Reddy District, Hyderabad, Telangana	IT/ITES
168	20	Navayuga Legala Estates Private Limited	Serilingampally village, Srilingampally Mandal, Ranga Reddy District, Telangana	IT/ITES
169	21	WIPRO Limited	Gopanpally and Vattinagulapally villages, Serilingampally Mandal Ranga Reddy District, Telangana	IT/ITES
170	22	GMR Hyderabad International Airport Limted	Village Mamidipally, District Ranga Reddy, Telangana	Aviation
171	23	Infosys Limited	Pocharam Village, Ghatkesar Mandal, Rangareddy District, Telangana	IT
172	24	Tata Consultancy Services Limited	Adibatla village, Ibrahimpatnam Mandal, Ranga Reddy District, Telangana	IT/ITES
173	25	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Aditya Nagar, Adibatla village, Ibrahimpatnam Mandal, Ranga Reddy District, Telangana	Aerospace and Precision Engineering Industries
174	26	Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Genome Valley, Village Lalgadi Malakpet, Mandal Shameerpet,Ranga Reddy, Telangana	Biotechnology
175	27	Mantri Developers Private Limited	Nanakramguda village, Gachibowli, Serilingampally Mandal, Ranga Reddy District, Telangana	Electronic Hardware and Software including IT/ITES
		Uttar Pradesh		
176	1	Wipro Ltd.	Greater Noida, Uttar Pradesh	IT/ITES

177	2	Moser Bear India Ltd.	Greater Noida, Uttar Pradesh	Non-Conventional Energy including Solar Energy equipment
178	3	Ansal IT City and Parks Ltd.	Greater Noida, Uttar Pradesh	IT/ITES
179	4	Seaview Develpers Ltd.	Noida, Uttar Pradesh	IT/ITES
180	5	HCL Technologies	Noida, Uttar Pradesh	IT/ ITES
181	6	NIIT Technologies Limited SEZ	Plot No.TZ-02, Sector-Tech Zone, ITES Park, Greater Noida, Uttar Pradesh	IT/ ITES
182	7	Aachvis Softech Pvt. Ltd. (Formerly Falcon Commercial Developers Limited)	Plot No. 7, Sector 144, Noida, Uttar Pradesh	IT/ITES
183	8	Arshiya Northern FTWZ Limited	Village Ibrahimpur, Junaidpur Urf, Moujpur, Bulandshar, Uttar Pradesh	FTWZ
184	9	Artha Infratech Private Limited	Plot No. 21, Sector Techzone-IV, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh	Electronic Hardware & Software including IT/ITES
		West Bengal		
185	1	M.L. Dalmiya and Company Ltd.	Kolkata, West Bengal	IT/ITES
186	2	DLF Limited	Plot No. II/1, Block-II F, Action Area - II, New Kolkata Township, Rajarhat, Kolkata, West Bengal	IT/ITES
187	3	Unitech Hi-tech Structures Limited,	Rajarhat Dist. North 24 Parganas, Kolkata, West Bengal	IT/ITES
188	4	Tata Consultancy Services Limited	IT Plot IIF/3, Action Area II, New Town Kolkata, West Bengal	IT/ITES

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August 18, 2014

MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty (CVD) Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2012

Summary

The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on polyethylene terephthalate film, sheet and strip (PET film) from India in response to a request from the domestic interested parties, Polyplex USA LLC and Flex Films (USA) Inc. (collectively Domestic Parties). The period of review (POR) is January 1, 2012 through December 31, 2012. We preliminarily determine that SRF Limited (SRF) and Jindal Poly Films Ltd. (Jindal) benefitted from countervailable subsidies during the POR.

Background

On July 1, 2002, the Department published in the Federal Register the CVD order on PET film from India.[1] On July 2, 2013, the Department published a notice of opportunity to request an administrative review of the CVD order.[2] In response, on July 29, 2013, SRF requested a review of itself. On July 30, 2013, domestic parties[3] requested reviews of SRF, Jindal, Polyplex Corporation Ltd. (Polyplex), Garware Polyester Ltd. (Garware), Ester Industries Ltd. (Ester), Uflex Limited (Uflex), MTZ Polyesters Ltd. (MTZ), and Vacmet. On July 31, 2013, DuPont Teijin Films, Mitsubishi Polyester Film, Inc., and SKC, Inc. (collectively Petitioners) also requested reviews of the same companies requested by domestic parties, with the exception of Uflex Limited and MTZ Polyesters Ltd. On August 28, 2013, the Department initiated a CVD

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[1] See Notice of Countervailing Duty Order: Polyethylene Terephthalate Film, Sheet and Strip (PET Film) from India, 67 FR 44179 (July 1, 2002).

[2] See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review, 78 FR 39710, 39711 (July 2, 2013).

[3] Polyplex, USA LLC (Polyplex USA) and Flex Films (USA) Inc. (Flex USA).

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administrative review on the aforementioned eight companies.[4] On September 25, 2013, the Department placed on the record U.S. Customs and Border protection import data for purposes of respondent selection, and invited parties to comment. Subsequently, on December 12, 2013, petitioners and SRF each timely withdrew their requests for review. On the same day, domestic parties also timely withdrew their request for reviews of all companies previously requested, with the exception of SRF and Jindal.

On December 18, 2013, SRF and Jindal objected to domestic parties' request for review, alleging domestic parties did not have requisite standing to request the reviews. On December 24, 2013, the Department issued a questionnaire to domestic parties to determine their standing as domestic interested parties, and each company (Polyplex USA and Flex USA) timely filed their responses. On January 9, 2014, SRF and Jindal jointly filed comments on domestic parties' questionnaire responses. On January 13, 2014 domestic parties filed rebuttal comments. On March 20, 2014, the Department made an interested party determination, concluding that Polyplex USA and Flex USA were eligible to request administrative reviews for this proceeding.[5]

On October 18, 2013, the Department exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013.[6] Thus, all deadlines in this review were extended by 16 days. Additionally, on March 18, 2014, the Department postponed the preliminary results deadline until August 18, 2014, in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2).[7]

The Department issued its initial CVD questionnaire to the Government of India (GOI) and respondent companies SRF and Jindal on January 13, 2014 and received timely responses from all parties. On June 2, 16 and 24, 2014, the Department issued its first supplemental questionnaire to Jindal, SRF, and the GOI, respectively, and again received timely responses from all parties.

Partial Rescission

As noted above, Petitioners', Polyplex USA's, and Flex USA's review and withdrawal requests were timely filed. We are therefore rescinding this administrative review with respect to Polyplex, Garware, Ester, Uflex, MTZ, and Vacmet (pursuant to 19 CFR 351.213(d)(1)), and proceeding with the reviews of SRF and Jindal.

[4] See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, 78 FR 53128 (August 28, 2013).
[5] See Memorandum to Edward Yang, Director, Office VII, AD/CVD Operations, Interested party Status in the Antidumping Duty (AD) and Countervailing Duty (CVD) Administrative Reviews: Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2012 – 2013 (March 20, 2014).
[6] See Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (October 18, 2013).
[7] See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, Polyethylene Terephthalate Film, Sheet and Strip from India: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review – 2012-2013 and Countervailing Duty Administrative Review – 2012 (March 18, 2013).

Scope of the Order
For purposes of the order, the products covered are all gauges of raw, pretreated, or primed polyethylene terephthalate film, sheet and strip, whether extruded or coextruded. Excluded are metallized films and other finished films that have had at least one of their surfaces modified by the application of a performance-enhancing resinous or inorganic layer of more than 0.00001 inches thick. Imports of PET film are classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 3920.62.00.90. HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of this proceeding is dispositive.

Period of Review (POR)
The POR is January 1, 2012 through December 31, 2012.

Subsidies Valuation Information

Allocation Period

Under 19 CFR 351.524(d)(2)(i), we will presume the allocation period for non-recurring subsidies to be the average useful life (AUL) prescribed by the Internal Revenue Service (IRS) for renewable physical assets of the industry under consideration (as listed in the IRS's 2006 Class Life Asset Depreciation Range System, and as updated by the Department of the Treasury). This presumption will apply unless a party claims and establishes that these tables do not reasonably reflect the AUL of the renewable physical assets of the company or industry under investigation. Specifically, the party must establish that the difference between the AUL from the tables and the company-specific AUL or country-wide AUL for the industry under investigation is significant, pursuant to 19 CFR 351.524(d)(2)(i) and (ii). In the IRS Tables, PET Film falls under the category "Manufactured Chemicals and Allied Products." For that category, the IRS tables specify a class life of 9.5 years, which is rounded to establish an AUL of 10 years. SRF has not disputed this allocation period for this administrative review.[8] In the 2003 administrative review, the Department determined that Jindal had rebutted the presumption and applied a company-specific AUL of 17 years for Jindal.[9] Because there is no new evidence on the record that would cause the Department to reconsider this decision in this review, the Department continues to use an AUL of 17 years for Jindal in allocating non-recurring subsidies.

Benchmark Interest Rates and Discount Rates

For programs requiring the application of a benchmark interest rate or discount rate, 19 CFR 351.505(a)(1) states a preference for using an interest rate that the company would pay on a comparable commercial loan that the company could obtain on the market. Also, 19 CFR 351.505(a)(3)(i) states that when selecting a comparable commercial loan that the recipient "could actually obtain on the market" the Department will normally rely on actual

[8] See SRF Initial Questionnaire Response (February 26, 2014) (SRF IQR) at 145.
[9] See Final Results of Countervailing Duty Administrative Review: Polyethylene Terephthalate Film, Sheet, and Strip from India, 71 FR 7534 (February 13, 2006) (PET Film Final Results of 2003 Review), and accompanying Issues and Decision Memorandum (IDM) at "Subsidies Valuation Information".

short-term and long-term loans obtained by the firm. However, when there are no comparable commercial loans, the Department may use a national average interest rate, pursuant to 19 CFR 351.505(a)(3)(ii).

Pursuant to 19 CFR 351.505(a)(2)(iv), if a program under review is a government-provided, short-term loan program, the preference would be to use a company-specific annual average of the interest rates on comparable commercial loans during the year in which the government-provided loan was taken out, weighted by the principal amount of each loan. For this review, the Department required a dollar-denominated short-term loan benchmark rate to determine benefits received by SRF and Jindal under the Pre-Shipment Export Financing program. For further information regarding this program, see the "Pre- and Post-Shipment Export Financing" section below.

In prior reviews, the Department determined that U.S. dollar-denominated working capital demand loans (WCDL) are comparable to U.S. dollar-denominated pre-shipment export financing and post-shipment export financing, because these loans and WCDLs are used to finance both inventories and receivables.[10] There is no new information or evidence of changed circumstances which would warrant reconsidering this finding. In these preliminary results, the Department calculated SRF's and Jindal's U.S. dollar-denominated short-term benchmark rates based on its U.S. dollar-denominated WCDLs. We derived an annual weighted average of the interest rates on SRF's and Jindal's commercial loans, weighted by the principal amount of each loan.

SRF received exemptions from import duties and central sales taxes (CST) on the importation of capital equipment and discounts on land fees under the Special Economic Zones (SEZ) programs, and Jindal received exemptions from import duties and CST under the Export Promotion Capital Goods Scheme (EPCGS), which we determined to be non-recurring benefits in accordance with 19 CFR 351.524(c). Thus, unless an exception applies, the Department must identify an appropriate discount rate for purposes of allocating the non-recurring benefits over time.

Pursuant to 19 CFR 351.505(a)(2)(iii), in selecting a comparable loan if a program under review is a government-provided, long-term loan program, the preference would be to use a loan for which the terms were established during, or immediately before, the year in which the terms of the government-provided loan were established. Pursuant to 19 CFR 351.505(a)(2)(ii), the Department will not consider a loan provided by a government-owned special purpose bank to be a commercial loan for purposes of selecting a loan to compare with a government-provided loan. The Department has previously determined that the Industrial Development Bank of India (IDBI)

[10] See Notice of Preliminary Results and Rescission in Part of Countervailing Duty Administrative Review: Polyethylene Terephthalate Film, Sheet, and Strip from India, 70 FR 46483, 46485 (August 10, 2005) (PET Film Preliminary Results of 2003 Review), unchanged in PET Film Final Results of 2003 Review, and accompanying IDM at "Benchmarks for Loans and Discount Rate".

is a government-owned special purpose bank.[11] As such, the Department does not use loans from the IDBI, IFCI, or EXIM as a basis for a commercial loan benchmark.

In this review, SRF and Jindal did not have comparable commercial long-term rupee-denominated loans for all required years; therefore, for those years for which we did not have company-specific information, and where the relevant information was on the record, we relied on comparable long-term rupee-denominated benchmark interest rates from the immediately preceding year as directed by 19 CFR 351.505(a)(2)(iii). When there were no comparable long-term, rupee-denominated loans from commercial banks either during the year under consideration or the preceding year, we used national average long-term interest rates, pursuant to 19 CFR 351.505(a)(3)(ii), from the International Financial Statistics, a publication of the International Monetary Fund (IMF Statistics).[12] Finally, 19 CFR 351.524(d)(3) directs us regarding the selection of a discount rate for the purposes of allocating non-recurring benefits over time. The regulations provide several options in order of preference. The first among these is the cost of long-term fixed-rate loans of the firm in question, excluding any loans which have been determined to be countervailable, for each year in which non-recurring subsidies have been received. The second option directs us to use the average cost of long-term, fixed-rate loans in the country in question. Thus, for those years for which SRF and Jindal, respectively, did not report any long-term fixed-rate commercial loans, we used the yearly average long-term lending rate in India from the IMF Statistics.

Denominator

When selecting an appropriate denominator for use in calculating the ad valorem subsidy rate, the Department considers the basis for the respondent's receipt of benefits under each program at issue. As discussed in further detail below, we determine that the benefits received by SRF under all of the programs found countervailable, were tied to export performance. We further determine that the benefits received by Jindal under all but three of the programs found countervailable, were tied to export performance. Therefore, for those programs tied to export performance, except as cited below for pre-shipment export financing and duty drawback (DDB), we use total export sales, including deemed exports, as the denominator for our calculations.[13] Because pre-shipment export financing requires that the recipient demonstrate physical exports, we used total export sales net of deemed exports. Likewise, because we are able to tie the benefits earned under the DDB to exports of subject merchandise to the United States, we used exports of subject merchandise to the United States as the denominator. For the three programs not tied to export performance, state and union territory sales tax incentive programs and the State Government of Maharashtra (SGOM) package scheme of incentives (IPS) 1993 and 2007, we used total sales as the denominator.

[11] See PET Film Final Results of 2003 Review, and accompanying IDM at Comment 3. Further, the Department previously determined that the Industrial Finance Corporation of India (IFCI) and the Export-Import Bank of India (EXIM) are government-owned special purpose banks. See Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review, 73 FR 7708 (February 11, 2008) (PET Film Final Results of 2005 Review) and accompanying IDM at "Benchmark Interest Rates and Discount Rates."
[12] See preliminary results calculation memoranda for SRF and Jindal.
[13] See 19 CFR 351.525(b)(2).

Analysis of Programs

Programs Preliminarily Determined to be Countervailable

1. Pre- and Post-Shipment Export Financing

The Reserve Bank of India (RBI), through commercial banks, provides short-term pre-shipment financing, or "packing credits," to exporters. Upon presentation of a confirmed export order or letter of credit to a bank, companies may receive pre-shipment loans for working capital purposes (i.e., purchasing raw materials, warehousing, packing, transportation, etc.) for merchandise destined for exportation. Companies may also establish pre-shipment credit lines upon which they can draw as needed. Limits on credit lines are established by commercial banks and are based on a company's creditworthiness and past export performance. Credit lines may be denominated either in Indian rupees or in a foreign currency.

Post-shipment export financing consists of loans in the form of discounted trade bills or advances by commercial banks. Exporters qualify for this program by presenting their export documents to the lending bank. The credit covers the period from the date of shipment of the goods to the date of realization of the proceeds from the sale to the overseas customer. Under the Foreign Exchange Management Act of 1999, exporters are required to realize proceeds from their export sales within 180 days of shipment. Post-shipment financing is, therefore, a working capital program used to finance export receivables. In general, post-shipment loans are granted for a period of not more than 180 days.

In the original investigation, the Department determined that the pre-shipment and post-shipment export financing programs conferred countervailable subsidies on the subject merchandise because: (1) the provision of the export financing constitutes a financial contribution pursuant to section 771(5)(D)(i) of the Tariff Act of 1930, as amended (Act) as a direct transfer of funds in the form of loans; (2) the provision of the export financing confers benefits on the respondents under section 771(5)(E)(ii) of the Act inasmuch as the interest rates, which are determined by the RBI, provided under these programs are lower than commercially available interest rates; and (3) these programs are specific under section 771(5A)(B) of the Act because they are contingent upon export performance.[14]

With respect to the rupee-denominated export financing, RBI previously capped the interest rate that commercial banks could charge on these loans.[15] However, beginning on July 1, 2010, the RBI eliminated the interest rate cap and set only a floor rate for these loans.[16] At the same time, the RBI instituted an interest subvention program for certain exporting companies, including

[14] See Notice of Final Affirmative Countervailing Duty Determination: Polyethylene Terephthalate Film, Sheet and Strip (PET Film) From India, 67 FR 34905 (May 16, 2002) (PET Film Final Determination), and accompanying IDM at "Pre-Shipment and Post-Shipment Financing."
[15] See, e.g., id., and accompanying IDM at "Pre-Shipment and Post-Shipment Export Financing."
[16] See Government of India (GOI) Initial Response, dated March 5, 2014 (GOI IQR), at 6-9; see also Certain Frozen Warmwater Shrimp from India: Final Affirmative Countervailing Duty Determination, 78 FR 50385 (August 19, 2013) (Shrimp from India) and accompanying IDM at 17.

small and medium enterprises. In order to receive this interest assistance, the interest rate on the rupee-denominated export financing had to be less than the bank's benchmark prime lending rate minus 4.5 percent. Thus, rupee-denominated pre-shipment and post-shipment export financing that was eligible for the subvention was subject to an interest-rate cap. None of the respondent companies reported receiving export financing in Indian rupees.[17]

With respect to export financing denominated in foreign currencies, the RBI requires banks to fix interest rates with reference to LIBOR, EURO LIBOR, or EURIBOR; these rates are subject to caps, with the size of the cap depending on the duration of the loan.[18] However, effective May 5, 2012, banks are free to determine the interest rates on export credit in foreign currency, to provide export credit to exporters at internationally competitive rates under the programs of Pre-shipment Credit in Foreign Currency (PCFC) and Rediscounting of Export Bills Abroad (EBR).[19]

SRF and Jindal reported that they did not receive any post-shipment export financing during the POR.[20] However, both companies reported receiving pre-shipment export financing in U.S. dollars during the POR.[21] With regard to pre-shipment loans, the benefit conferred is the difference between the amount of interest the company paid on the government loan and the amount of interest it would have paid on a comparable commercial loan (i.e., the short-term benchmark). Because pre-shipment loans are not tied to exports of subject merchandise, we calculated the subsidy rate for these loans by dividing the total benefit received by SRF and Jindal under this program during the POR by the value of the respective company's total exports sales net of deemed exports during the POR.[22] On this basis, we determined the net countervailable subsidy from pre-shipment export financing for SRF to be 0.05percent ad valorem, and for Jindal to be 0.01 percent ad valorem during the POR.

2. Export Promotion Capital Goods Scheme (EPCGS)

The EPCGS provides for a reduction or exemption of customs duties and excise taxes on imports of capital goods used in the production of exported products. Under this program, producers pay reduced duty rates on imported capital equipment by committing to earn convertible foreign currency equal to four to five times the value of the capital goods within a period of eight years. Once a company has met its export obligation, the GOI will formally waive the duties on the imported goods. If a company fails to meet the export obligation, the company is subject to payment of all or part of the duty reduction, depending on the extent of the shortfall in foreign currency earnings, plus a penalty interest.

In the investigation, the Department determined that import duty reductions provided under the EPCGS are countervailable export subsidies because: (1) the scheme provides a financial

[17] Id.; GOI IQR at Exhibit 3, p.31.
[18] See GOI IQR at 9 and Exhibit 3, p.26 and 33-36.
[19] Id., at 9-10 and Exhibit 3, p. 33-35.
[20] See SRF IQR at 16, and Jindal IQR at 22 and Jindal SQR1 at 8-9 and 14.
[21] Id.
[22] See 19 CFR 351.525(b)(2).

contribution pursuant to section 771(5)(D)(ii) of the Act in the form of revenue forgone for not collecting import duties; (2) respondents receive two different benefits under section 771(5)(E) of the Act; and (3) the program is contingent upon export performance, and is specific under section 771(5A)(A) and (B) of the Act.[23] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.

The first benefit is the amount of unpaid import duties that would have to be paid to the GOI if the accompanying export obligations are not met. The repayment of this liability is contingent on subsequent events and, in such instances, it is the Department's practice to treat any balance on an unpaid liability as a contingent liability interest-free loan, pursuant to 19 CFR 351.505(d)(1).[24] The second benefit is the waiver of duty on imports of capital equipment covered by those EPCGS licenses for which the export requirement has already been met. For those licenses for which companies demonstrate that they have completed their export obligation, we treat the import duty savings as grants received in the year in which the GOI waived the contingent liability on the import duty exemption, pursuant to 19 CFR 351.505(d)(2).

Import duty exemptions under this program are provided for the purchase of capital equipment. The preamble to our regulations states that if a government provides an import duty exemption tied to major equipment purchases, "it may be reasonable to conclude that, because these duty exemptions are tied to capital assets, the benefits from such duty exemptions should be considered non-recurring . . ."[25] In accordance with 19 CFR 351.524(c)(2)(iii), we are treating these exemptions as non-recurring benefits.

SRF reported that it imported capital goods under the EPCGS in the years prior to the POR. SRF received various EPCGS licenses, which it reported were for the production of subject merchandise and non-subject merchandise. SRF provided complete license documentation on the record of this review, including copies of the original licenses issued by the GOI.[26] Thus, based on the information and documentation submitted by SRF, we were able to determine that the EPCGS licenses are tied to the production of a particular product within the meaning of 19 CFR 351.525(b)(5). As such, we find that some of SRF's EPCGS license(s) benefit from the company's exports of subject merchandise.

Jindal reported that it imported capital goods under the EPCGS in the years prior to and during the POR. Jindal received various EPCGS licenses, which it reported were for the production of: (1) subject merchandise, and (2) non-subject merchandise. However, information provided by Jindal indicates that some of the licenses were issued for the purchase of capital goods and materials that could be used in the production of both subject and non-subject merchandise.[27]

[23] See PET Film Final Determination, and accompanying IDM at "EPCGS."
[24] Id.
[25] See Countervailing Duties; Final Rule, 63 FR 65348, 65393 (November 25, 1998).
[26] See SRF IQR at Exhibit 18(a) and SRF's First Supplemental Response (July 14, 2014) (SRF SQR1) at Exhibit S1-17.a.-17.a.3.
[27] See Jindal lnitial Questionnaire Response (March 5, 2014) (Jindal IQR) at 42 and Exhibits 20(a), 20(b), 20(c),

Specifically, information included in Jindal's most recent supplemental response indicates that the GOI approved certain licenses for export of both subject and non-subject merchandise. Based on the information and documentation submitted by Jindal, we cannot reliably determine that the EPCGS licenses are tied to the production of a particular product within the meaning of 19 CFR 351.525(b)(5). As such, we find that all of Jindal's EPCGS licenses benefit all of the company's exports.[28]

SRF and Jindal met the export requirements for certain EPCGS licenses prior to December 31, 2012, and the GOI formally waived payments of the relevant import duties. For most of its licenses, however, Jindal has not yet met its export obligation as required under the program.[29] Therefore, although Jindal received a deferral from paying import duties when the capital goods were imported, the final waiver of the obligation to pay the duties has not yet been granted for many of these imports.

To calculate the benefit received from the GOI's formal waiver of import duties on SRF's and Jindal's capital equipment imports where their export obligation was met prior to December 31, 2012, we considered the total amount of duties waived (net of required application fees) to be the benefit, and treated these amounts as grants pursuant to 19 CFR 351.504. Further, consistent with the approach followed in the investigation, we determine the year of receipt of the benefit to be the year in which the GOI formally waived SRF's and Jindal's outstanding import duties.[30] Next, we performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2), for each year in which the GOI granted SRF and Jindal an import duty waiver. All of SRF's license(s) tied to subject merchandise had values of less than 0.5 percent of SRF's total export sales and were expensed in the year of receipt. Therefore, we determine that SRF did not receive any benefits from this program during the POR. With respect to Jindal, for those license(s), which were not expensed in the year of receipt, we then calculated the benefit from these allocable grants using the methodology set forth in 19 CFR 351.504 to determine the benefit in the POR from these grants. We summed the benefits from these grants to determine the total benefit for Jindal of these waivers.

As noted above, import duty reductions that Jindal received on the imports of capital equipment for which it has not yet met export obligations may have to be repaid to the GOI if the obligations under the licenses are not met.[31] Consistent with our practice and prior determinations, we will treat the unpaid import duty liability as an interest-free loan.

22(a), and 22(b), and Jindal First Supplemental Response (June 24, 2014) (Jindal SQR1) at Exhibit S1-1 and S1-20(b).

[28] Note: To alleviate the burden of reporting for Jindal, the Department granted Jindal limited reporting of the license documentation. Thus, the analysis of the EPCGS license documentation is based on a sample of license documents. See Letter from Jindal to the Department (June 10, 2014).

[29] See SRF IQR at 35 and 39, and Jindal IQR at 47 and 51.

[30] See PET Film Final Determination, and accompanying IDM at Comment 5.

[31] See 19 CFR 351.505(d)(1); PET Film Final Determination, and accompanying IDM at "EPCGS"; see also Final Affirmative Countervailing Duty Determination: Bottle-Grade Polyethylene Terephthalate (PET) Resin From India, 70 FR 13460 (March 21, 2005) (Indian PET Resin Final Determination), and accompanying IDM at "d. Export Promotion Capital Goods Scheme (EPCGS).".

The amount of the unpaid duty liabilities to be treated as an interest-free loan is the amount of the import duty reduction or exemption for which the respondent applied, but, as of the end of the POR, had not been finally waived by the GOI. Accordingly, we find the benefit to be the interest that Jindal would have paid during the POR on the full amount of the duty reduction or exemption at the time of importation.[32] As stated above, under the EPCGS program, the time period for fulfilling the export commitment expires eight years after importation of the capital good. As such, pursuant to 19 CFR 351.505(d)(1), the benchmark for measuring the benefit is a long-term interest rate because the event upon which repayment of the duties depends occurs at a point in time that is more than one year after the date of importation of the capital goods (i.e., under the EPCGS program, the time period for fulfilling the export commitment is more than one year after importation of the capital good). As the benchmark interest rate, we used the weighted-average interest rate from all comparable commercial long-term, rupee-denominated loans for the year in which the capital good was imported. See the "Benchmarks for Loans and Discount Rate" section above for a discussion of the applicable benchmark. We then multiplied the total amount of unpaid duties under each license by the long-term benchmark interest rate for the year in which the license was approved and summed these amounts to determine the total benefit to Jindal from these interest-free loans.

Thus, the total benefit received under the EPCGS is the sum of: (1) the benefit attributable to the POR from the formally waived duties for imports of capital equipment for which respondents met export requirements by December 31, 2014, and (2) interest due on the contingent liability loans for imports of capital equipment that have not met export requirements. We then divided the total benefit by Jindal's total exports to determine a subsidy of 2.18 percent ad valorem.

3. Duty Drawback (DDB) Program

The DDB program provides rebates of duties or taxes chargeable on any (a) imported or excisable materials and (b) input services used in the manufacture of export goods.[33] Specifically, the duties and tax "neutralized" under the program are (i) the customs and union excise duties on inputs and (ii) the service tax in respect of input services.[34] The DDB is generally fixed as a percentage of the FOB price of the exported product.[35]

Import duty exemptions on inputs for exported products are not countervailable so long as the exemption extends only to inputs consumed in the production of the exported product, making normal allowances for waste.[36] However, the government in question must have in place and apply a system to confirm which inputs are consumed in the production of the exported products,

[32] See, e.g., PET Film Preliminary Results of 2003 Review, 70 FR at 46488 (unchanged in PET Film Final Results of 2003 Review); see also Indian PET Resin Final Determination, and accompanying IDM at "d. Export Promotion Capital Goods Scheme (EPCGS).
[33] See GOI IQR at 62 and Exhibit 23; see also Certain Oil Country Tubular Goods from India: Final Affirmative Countervailing Duty Determination and Partial Affirmative Determination of Critical Circumstances, 79 FR 41967 (July 18, 2014) (OCTG from India 2012), and accompanying IDM at "Duty Drawback;" Shrimp from India, and accompanying IDM at 12 ("Duty Drawback").
[34] See GOI IQR at 62 and Exhibit 23.
[35] Id., at 69.
[36] See 19 CFR 351.519(a)(1)(ii).

and in what amounts.[37] This system must be reasonable, effective for the purposes intended, and based on generally accepted commercial practices in the country of export.[38] If such a system does not exist, if it is not applied effectively, or if the government in question does not carry out an examination of the actual inputs involved to confirm which are consumed in the production of the exported product, the entire amount of any exemption, deferral, remission or drawback is countervailable.[39]

Regarding its establishment of applicable DDB rates, the GOI stated the following:[40]

> The rates are determined following a specified procedure that is undertaken by an independent committee appointed by the GOI. The committee makes its recommendations after discussions with all stake holder including Export Promotion Councils, Trade Associations, and individual exporters to solicit relevant data, which includes the data on procurement prices of inputs, indigenous as well as imported, applicable duty rates, consumption ratios and FOB values of exports products. Corroborating data is also collected from Central Excise and Customs field formations. This data is analyzed and this information is used to form the basis for the rate of Duty Drawback.[41]

As submitted by the GOI, Rule 3(2) of the Drawback Rules 1995, states that in determining the amount of drawback, "the Central Government shall have regard to" the average quantity and value of an input, component or intermediate product, whether produced in India or imported, the import duties or excise duties paid thereon, as well as account for waste, re-use or sale of a by-product, and packing and input services rendered.[42]

In its first supplemental questionnaire, the Department asked the GOI to discuss in detail how it was determined to include PET film in the list of products eligible for duty drawback, and to provide all documentation from all entities involved in the process for including PET film and the applied DDB rate(s). The Department also asked the GOI to include all documentation from the Export Promotion Councils, Trade Associations, and individual exporters, as well as the data on procurement prices of inputs (indigenous and imported), applicable duty rates, consumption ratios and FOB values of exports products, as well as corroborating data collected from Central Excise and Customs field formations. However, the GOI only repeated that the rates are determined following a specified procedure, undertaken by an independent committee appointed by the GOI.

According to the GOI, the independent committee:

[37] See, e.g., PET Film Final Determination, and accompanying IDM at "Duty Entitlement Passbook Scheme (DEPS/DEPB)."
[38] See 19 CFR 351.519(a)(4); see also id.
[39] See 19 CFR 351.519(a)(4)(i)-(ii).
[40] See GOI IQR at 76-79; see also Shrimp from India, and accompanying IDM, at 12-13, "Duty Drawback."
[41] See GOI IQR at 76-79.
[42] Id.

> "makes its recommendations after discussions with all stake holder including Export Promotion Councils, Trade Associations, and individual exporters to solicit relevant data, which includes the data on procurement prices of inputs, indigenous as well as imported, applicable duty rates, consumption ratios and FOB values of exports products. Corroborating data is also collected from Central Excise and Customs field formations. This data is analyzed and this information is used to form the basis for the rate of Duty Drawback."[43]

We find in these preliminary results that these statements by the GOI are not supported by any data collected or committee reports to support the above claim. Based on the GOI's questionnaire responses and lacking the documentation to support that the GOI has a system in place, we conclude for these preliminary results that the GOI has not supported its claim that its system is reasonable or effective for the purposes intended.[44]

Under 19 CFR 351.519(a)(4), in the absence of an adequate drawback system, the entire amount of customs and excise duties and service taxes rebated during the POR constitutes a benefit. Pursuant to 19 CFR 351.519(b)(1), we find that benefits from the DDB program are conferred on the dates of exportation of the shipments for which the pertinent drawbacks were earned.[45] We calculated the benefit on an as-earned basis. Drawbacks under the program are provided as a percentage of the value of the exported merchandise on a shipment-by-shipment basis. As such, it is at the time of exportation that recipients know the exact amount of the benefit (i.e., the value of the drawback).

The GOI, SRF and Jindal reported that they received drawbacks under the DDB program during the POR.[46] We are able to tie the benefits received to specific markets and to specific products, in accordance with 19 CFR 351.525(b)(4) and (5). Therefore, we calculated the subsidy rates using the value of all DDB rebates that were earned on U.S. sales of subject merchandise during the POR.[47] We divided the total amounts by each company's total exports of subject merchandise to the United States during the POR. On this basis, we determine a countervailable subsidy rate of 0.04 percent ad valorem for SRF, and a countervailable subsidy of 3.17 percent ad valorem for Jindal.[48]

5. Status Holder Incentive Scrip (SHIS)

The SHIS scheme was introduced in 2009 with the objective to promote investment in upgrading technology in specific sectors.[49] Status Holders under the GOI's listing of specific exported products receive incentive scrip (or credit) equal to one percent of the FOB value of the exports

[43] See GOI IQR at 76-77 and GOI First Supplemental Questionnaire (July 21, 2014) (GOI SQR1), at 32-33.
[44] Id; see also Shrimp from India, and accompanying IDM at 12-13.
[45] See, e.g., Final Affirmative Countervailing Duty Determination: Certain Cut-To-Length Carbon Quality Steel Plate from India, 64 FR 73131, 73134 and 73140 (December 29, 1999) (Steel Plate Final Determination).
[46] See GOI IQR at 62, SRF IQR at 74 and Exhibit 31(b) and SRF SQRS1-5, and Jindal IQR at 2 and 17-19, and Exhibit 26(a).
[47] See, e.g., Steel Plate Final Determination, 64 FR at 73134 and 73140.
[48] See preliminary results calculation memoranda for SRF and Jindal.
[49] See GOI IQR at 80-89 and Exhibits 6 and 7, and GOI SQR at 37.

in the form of a duty credit. The SHIS license can only be used for imports of capital goods and it can be transferred to another Status Holder for the import of capital goods.[50]

In Steel Threaded Rod,[51] the Department determined this program to be countervailable because it provides a financial contribution in the form of revenue forgone under section 771(5)(D)(ii) of the Act because duty free import of goods represents revenue forgone by the GOI. Further, the Department determined that it is specific under sections 771(5A)(A) and (B) of the Act because it is limited to exporters. A benefit is also provided under the SHIS program under 771(5)(E) and 19 CFR 351.519 in the amount of exempted duties on imported capital equipment.

Import duty exemptions under this program are solely provided for the purchase of capital equipment.[52] The preamble of the Department's regulations states that, if a government provides an import duty exemption tied to major equipment purchases, "it may be reasonable to conclude that, because these duty exemptions are tied to capital assets, the benefits from such duty exemptions should be considered non-recurring…."[53] In accordance with 19 CFR 351.524(c)(2)(iii) and past practice, we are treating these import duty exemptions on capital equipment as non-recurring benefits.[54]

Jindal reported that it received SHIS license scripts to import capital goods duty-free during the POR. Information provided by Jindal indicates that its SHIS license scripts were issued for the purchase of capital goods used for the production of exported goods, so we are attributing the SHIS benefits received by Jindal to the company's total exports.[55]

The SHIS scrip represents a non-recurring benefit that is not automatically received and is known to the recipient at the time of receipt of the scrip.[56] Although the Department's regulations stipulate that we will normally consider the benefit as having been received as of the date of exportation, see 19 CFR 351.519(b)(1), because the SHIS benefit amount is not automatic and is not known to the exporter until well after the exports are made, the SHIS licenses, which contain the date of validity and the duty exemption amount, as issued by the GOI, are the best method to determine and account for when the benefit is received.[57]

We performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2), for the total value of the exempted customs duties for the year in which Jindal received the SHIS scrip and

[50] Id.
[51] See Steel Threaded Rod From India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances, 79 FR 40712 (July 14, 2014) (Steel Threaded Rod from India Final), and accompanying IDM, at "Status Holder Incentive Scrip."
[52] Id.
[53] See Countervailing Duties, 63 FR at 65393.
[54] See Steel Threaded Rod from India Final, and accompanying IDM at "Status Holder Incentive Scrip."
[55] See Jindal IQR at 94 and Exhibit 27, and Jindal SQR1 at 28-32 and Exhibit S1-29.
[56] Id., Jindal SQR1 at 32-33 and GOI IQR at 83.
[57] The Department determined, and was upheld by the CIT in Essar Steel v. United States, 395 F. Supp. 2d 1275, 1278 (CIT 2005) (Essar Steel) in the similar but discontinued GOI program, the Duty Entitlement Passbook Scheme ("DEPS"), benefits were conferred when earned, rather than when the credits were used.

determined to allocate the benefits across the AUL.[58] We then calculated the benefits according to the calculation provided for in 19 CFR 351.524(d)(1). On this basis, we determine a countervailable subsidy of 0.88 percent ad valorem for Jindal.

The GOI stated that that this program was discontinued effective April 1, 2013; however, companies may apply for licenses for up to three years after the program has ended (i.e., through 2016).[59] Additionally, because this program applies to capital goods and the AUL for this proceeding is 10 years, companies may receive residual benefits from this program through at least 2026.[60]

8. Special Economic Zones (SEZs) formerly known as Export Process Zones/Export Oriented Units (EPZs/EOUs)

This program was found countervailable in SRF's new shipper review.[61] An SEZ may be established jointly or individually by the Central Government, the State Government or a person, to manufacture goods or provide services, or both, as well as to serve as a Free Trade and Warehousing Zone. Entities that want to set up an SEZ in an identified area may submit their proposal to the relevant State Government. To be eligible under the SEZ Act, the companies inside an SEZ must commit to export their production of goods and/or services. Specifically, all products produced, excluding rejects and certain domestic sales, must be exported and must achieve a net foreign exchange (NFE), calculated cumulatively for a period of five years from the commencement of production. In return, the companies inside the SEZ are eligible to receive various forms of assistance.

Companies in a designated SEZ may receive the following benefits: (1) duty-free importation of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material; (2) purchase of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material without the payment of CST thereon; (3) exemption from the services tax for the services consumed within the SEZ; (4) exemption from stamp duty for all transactions and transfers of immovable property, or documents related thereto within the SEZ; (5) exemption from electricity duty and cess thereon on the sale or supply to the SEZ unit; (6) income tax exemptions under the Income Tax Exemption Scheme Section 10A;[62] and (7) discounted land in an SEZ.

SRF reported that it produced subject and non-subject merchandise in an SEZ unit located in Indore during the POR. Specifically, SRF reported using the SEZ program to obtain: (1) duty-free importation of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material; (2) purchase of capital goods and raw materials, components,

[58] See preliminary results calculation memorandum Jindal, at Attachment 1.
[59] See GOI SQR1 at 41 and GOI IQR at 81-83; see also Steel Threaded Rod from India Final, and accompanying IDM at "Status Holder Incentive Scrip."
[60] Note: Jindal's company-specific AUL is seventeen years; see "Allocation Period," above.
[61] See Polyethylene Terephthalate Film, Sheet and Strip From India: Final Results of Countervailing Duty New Shipper Review, 76 FR 30910 (May 27, 2011) (SRF New Shipper Review), and accompanying IDM at 13-19.
[62] See GOI IQR at 37-61 and Exhibits 17-21.

consumables, intermediates, spare parts and packing material without the payment of CST thereon; (3) exemption from stamp duty of all transactions and transfers of immovable property, or documents related thereto within the SEZ; (4) exemption from electricity duty and cess thereon on the sale or supply to the SEZ unit; (5) income tax exemptions under Income Tax Exemption Scheme Section 10A; and (6) discounted land in an SEZ.[63]

Since eligibility for the SEZ program is contingent upon export performance, we find that the assistance provided under the SEZ program is specific within the meaning of sections 771(5A)(A) and (B) of the Act.

a. ***Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material***

Companies in SEZs are entitled to import capital goods and raw materials, components, consumables, intermediates, spare parts and packing material duty-free in exchange for committing to export all of the products it produces, excluding rejects and certain domestic sales. Additionally, such companies have to achieve an NFE calculated cumulatively for a period of five years from the commencement of production.

We determine that the duty-free importation of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material, provide a financial contribution pursuant to section 771(5)(D)(ii) of the Act through the foregoing of duty payments. This SEZ program confers benefits in the amounts of exemptions of customs duties not collected in accordance with section 771(5)(E) of the Act.

In the SRF New Shipper Review, the Department determined that, with regard to these import duty exemptions provided on goods, such as raw materials, that may be consumed in the production of the exported product, the GOI did not claim or provide any information to demonstrate that such exemptions meet the criteria for non-countervailability set forth in 19 CFR 351.519(a)(4). Thus, the Department determined that the entire amount of the import duty deferral or exemption provided to the respondent constitutes a benefit under section 771(5)(E) of the Act.[64] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.[65]

Further, based on the information provided by SRF in its "Executed Legal Agreement for SEZ Unit" with the GOI, until an SEZ demonstrates that it has fully met its export requirement, the company remains contingently liable for the import duties.[66] SRF has not yet met its export requirement under this program[67] and will owe the unpaid duties if the export requirement is not met. Therefore, consistent with 19 CFR 351.505(d)(1), until the contingent liability for the unpaid duties is officially waived by the GOI, we consider the unpaid duties to be an interest-free

[63] See SRF QR at 45-66.
[64] See SRF New Shipper Review, and accompanying IDM at 14-15.
[65] See GOI IQR at 55-57.
[66] See SRF IQR at Exhibit 21(a).
[67] Id.

loan made to SRF at the time of importation. We determine the benefit to be the interest that SRF would have paid during the POR had it borrowed the full amount of the duty reduction or exemption at the time of importation.

Pursuant to 19 CFR 351.505(d)(1), the benchmark for measuring the benefit is a long-term interest rate because the event upon which repayment of the duties depends (i.e., the date of expiration of the time period to fulfill the export commitment) occurs at a point in time that is more than one year after the date of importation of the capital goods (i.e., under the SEZ program, the time period for fulfilling the export commitment is more than one year after importation of the capital good). We used the long-term, rupee-denominated benchmark interest rate discussed in the "Benchmarks for Interest Rates and Discount Rates" section above for each year in which capital goods were imported as the benchmark.

We calculated the benefit from these exemptions by multiplying the value of the item imported by the applicable duty rates for customs duty and cess, and multiplied these amounts by the appropriate interest rate. We then summed the results, and divided that total by SRF's exports to determine the countervailable subsidy of 1.23 percent ad valorem.

b. Exemption from Payment of Central Sales Tax (CST) on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material

Under this program, SRF was exempt from paying CST on capital goods, raw materials, and other goods, such as packaging materials procured domestically. We determine that the exemption from payment of CST on purchases of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material provides a financial contribution pursuant to section 771(5)(D)(ii) of the Act through the foregoing of CST payments. This SEZ program confers benefits in the amount of CST not collected, in accordance with section 771(5)(E) of the Act. Specifically, the benefit associated with domestically purchased materials is the amount of CST due and uncollected on those purchases by SRF during that period.

Normally, uncollected indirect taxes, such as the CST, are considered to be recurring benefits. However, a portion of the benefit of this program is tied to the purchase of capital goods. Pursuant to 19 CFR 351.524(c)(2)(iii), we normally treat uncollected taxes due on purchases of capital goods as non-recurring benefits. However, we performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2) and found that the amount of uncollected CST that was tied to the purchase of capital goods during the POR was less than 0.5 percent of total export sales during the POR. We also performed the "0.5 percent test" on SRF's uncollected CST that was tied to its purchases of capital goods in the years 2004 through 2010, and found that each year's uncollected CST was less than 0.5 percent of total export sales for each year. Therefore, each annual benefit from 2004 through 2012 was allocated to the year of receipt and the only benefit attributable to the POR was the amount of the uncollected CST on purchases of capital goods under this program during the POR.[68]

[68] See 19 CFR 351.524(b)(2).

The Department found this program countervailable in the SRF New Shipper Review.[69] Specifically, the Department found that for the CST exemptions on goods, such as raw materials, that may be consumed in the production of the exported product, the GOI did not provide any information to demonstrate that such exemptions meet the criteria for non-countervailability set forth in 19 CFR 351.518. There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to treat all other CST exemptions on all purchases (other than capital goods) as recurring benefits pursuant to 19 CFR 351.524.

To calculate the benefit, we summed the total value of uncollected CST for capital goods purchased during the POR and the total value of uncollected CST due on all other purchases during the POR. We then divided this amount by the total value of SRF's export sales during the POR. On this basis, we determine the countervailable subsidy provided to SRF through the CST exemptions under the SEZ program to be 0.39 percent ad valorem.

c. Exemption from Stamp Duty of all Transactions and Transfers of Immovable Property within the SEZ (Stamp Duty)

According to SRF, "{t}he Indian Stamp Act, 1899, is a Central enactment and States have powers to adopt the Indian Stamp Act, 1899, with amendments to the same to suit the transactions peculiar to each State," and the State Government of Madhya Pradesh has made amendments and imposed various types of Stamp Duty.[70] These amendments include the Stamp Duty, Surcharge on Stamp Duty, Gram Panchyat Taxes, and Municipalities Tax.[71] Further, SRF states that under Section 13(2) of The Indore Special Economic Zone (Special Provisions) Act, 2003, the transfers of immovable property or documents related thereto within the SEZ shall be exempt from the stamp duty, and that SRF has been exempted from payment of the stamp duty on its land lease deed.[72]

In the SRF New Shipper Review, the Department determined that the program provides a financial contribution in the form of revenue foregone by the State Government of Madhya Pradesh pursuant to section 771(5)(D)(ii) of the Act, and confers a benefit equal to the amount of the tax exemption, pursuant to section 771(5)(E) of the Act.[73] The Department further determined that the SEZ exemption from stamp duty/taxes provides a non-recurring benefit under 19 CFR 351.524(c)(2)(i).[74] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.

To calculate the benefit, we first calculated the value of the uncollected stamp duties and taxes, as listed above, which SRF did not pay upon registration of the land deed for the SEZ, by

[69] See SRF New Shipper Review, and accompanying IDM at 15-16.
[70] See SRF IQR, at 54-55 and Exhibit 24(a) and (b).
[71] Id.
[72] Id. at 45-55 and Exhibit 24(b); see also GOI IQR at 5 and Exhibits 18 and 21.
[73] See SRF New Shipper Review, and accompanying IDM at 16.
[74] Id., and accompanying IDM at 16 and 35 (Comment 7).

multiplying the value of the immovable property by the tax rates provided. As discussed above, pursuant to 19 CFR 351.524(c)(2)(i), we will treat SRF's uncollected stamp duties due on the lease of the SEZ land as non-recurring benefits. However, we performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2) and found that the value of uncollected stamp duties on the lease of the SEZ land was less than 0.5 percent of total export sales during the year in which the benefit was received. Therefore, we allocated the benefit received on stamp duty to the year it was received. As a result, there is no benefit from this exemption to SRF during the POR.

d. Exemption from Electricity Duty and Cess thereon on the Sale or Supply to the SEZ Unit

SRF reported that under Section 11(4) of the Indore Special Economic Zone (Special Provisions) Act, 2003, the supply of electricity to an SEZ is exempt from electricity duty and cess.[75] In response to the Department's request to explain its monitoring procedure, the GOI cited to Section 11(4) of the Indore Special Economic Zone (Special Provisions) Act, 2003, stating that the unit for which electricity duty is exempted must be located within the SEZ as approved by the GOI.[76] In addition, SRF provided an exhibit including the Madhya Pradesh Electricity Duty (Amendment) Act, 1995 and the Madhya Pradesh Ordinance No.18 of 200 -- the state's laws governing the taxation of electricity, which establish the applicable rates of electricity duty and cess,[77] demonstrating that this program is within the control of the state government.

In the SRF New Shipper Review, the Department determined that the electricity duty and cess exemptions provide a financial contribution in the form of revenue foregone by the State Government of Madhya Pradesh pursuant to section 771(5)(D)(ii) of the Act, and confers a benefit equal to the amount of the tax exemption, pursuant to section 771(5)(E) of the Act. The Department also determined that the SEZ exemption from electricity duty and cess provides a recurring benefit under 19 CFR 351.524(c).[78] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.

To calculate the benefit, we first calculated the uncollected electricity duty and cess which SRF did not pay during the POR, by multiplying the monthly billed amount of electricity consumed by the tax rates provided. We then divided this amount by SRF's total export sales during the POR to calculate a countervailable subsidy of 0.21 percent ad valorem.

e. SEZ Income Tax Exemption Scheme (Section 10A)

In accordance with Section 10A of the Indian Income Tax Act, 1961, companies in an SEZ are allowed to deduct profits derived from the export sales of an SEZ, as defined in the Foreign Trade Policy, from its taxable income. Specifically, Section 10A states that:

[75] See SRF IQR at 55 and Exhibits 25(a) and (b).
[76] See GOI IQR at 40-41 and Exhibit 18.
[77] See SRF IQR at 55 and Exhibits 25(a) and (b), see also GOI IQR at 40-41 and Exhibit 22.
[78] See SRF New Shipper Review, and accompanying IDM at 17.

> Subject to the provisions of this section, a deduction of such profits and gains as are derived by an undertaking from the export of articles or things or computer software for a period of ten consecutive assessment years beginning with the assessment year relevant to the previous year in which the undertaking begins to manufacture or produce such articles or things or computer software, as the case may be, shall be allowed from the total income of the assesse.[79]

In the SRF New Shipper Review, the Department determined that, pursuant to section 771(5)(D)(ii) of the Act, the GOI provides a financial contribution in the form of revenue forgone.[80] The benefit equals the difference between the amount of income taxes that would be payable absent this program and the actual amount of taxes payable by SRF, pursuant to section 771(5)(E) of the Act.[81] We also determined that the SEZ income tax exemption provides a recurring benefit under 19 CFR 351.524(c).[82] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.

To determine the benefit, we calculated the amount of income tax SRF would have had to pay on the income tax return filed during the POR less the amount SRF actually paid during the POR.[83] We divided this benefit by SRF's total export sales during the POR, to determine a countervailable subsidy of 0.14 percent ad valorem.

f. Discounted Land Fees in an SEZ

The GOI states that, in accordance with Chapter II, Rule 5, of the SEZ Rules, "States which have the SEZ units, have specific provisions in respect of exemption from the State and local taxes, levies and duties . . . ."[84] The Indore SEZ, where SRF has its plant, is located in the State of Madhya Pradesh and as such, the State SEZ Act of Madhya Pradesh State, i.e., the Indore Special Economic Zone (Special Provisions) Act, 2003, applies.[85] The State Government of Madhya Pradesh is in control of SRF's land lease agreement within the SEZ. SRF reported that, because its SEZ unit is a Mega Project by virtue of its large investment, the State Government of Madhya Pradesh has allowed a one-time concession of 75 percent of the lease premium on the land.[86] This is confirmed by the directive of the Government of Madhya Pradesh, Department of Commerce, Industry and Employment Ministry, submitted by SRF.[87]

In the SRF New Shipper Review, the Department determined that, pursuant to section 771(5)(D)(ii) of the Act, the State Government of Madhya Pradesh provides a financial

[79] Id., GOI IQR at 41-51 and SRF IQR at 56-62.
[80] See SRF New Shipper Review, and accompanying IDM at 18.
[81] Id.
[82] Id.
[83] See 19 CFR 351.509(c).
[84] See GOI IQR at 52.
[85] Id.; see also SRF IQR at 62-63.
[86] Id. SRF IQR at 62-63.
[87] Id., at Exhibit 27(b).

contribution in the form of revenue forgone.[88] The benefit equals the difference between the land premium that would be payable absent this program and the actual amount paid by SRF, net of advances, i.e., down payments on the lease made by SRF, pursuant to section 771(5)(E) of the Act.[89] Further, the discount is a one-time occurrence given at the time of the original land lease agreement, i.e., the 75 percent discount is applied only to the first year's annual all-inclusive lease premium. As such, the Department determined this benefit to be non-recurring under 19 CFR 351.524(c)(2)(i).[90] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable. To determine the benefit, we multiplied the lease premium by the amount of the discount provided on the lease. We then performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2), and found that the value of the SEZ land concession exceeds 0.5 percent of SRF's total export sales in the year the concession was granted. Therefore, we allocated over the AUL, using the appropriate discount rate.[91] We then divided the benefit allocated to the POR by SRF's total export sales during the POR, to determine a countervailable subsidy of 0.02 percent ad valorem.

6. State and Union Territory Sales Tax Incentive Programs

Certain state governments in India grant exemptions to, or deferrals from, sales taxes in order to encourage regional development. These incentives allow privately-owned (i.e., not 100 percent owned by the GOI) manufacturers, that are in selected industries and are located in the designated regions, to sell goods without charging or collecting state sales taxes.[92]

In the original CVD investigation, we determined that the operation of these types of state sales tax programs confer countervailable subsidies.[93] Specifically, the Department found that these programs provide a financial contribution in the form of revenue foregone by the respective state governments pursuant to section 771(5)(D)(ii) of the Act, and confer a benefit equal to the amount of the tax exemption, pursuant to section 771(5)(E) of the Act. Pursuant to section 771(5A)(A) and (D)(iv) of the Act, these programs are specific because they are limited to certain geographical regions within the respective states administering the programs.

Jindal reported not having to pay state sales tax and central sales tax for certain purchases of inputs and supplies from certain locations within India for both subject- and non-subject merchandise.[94] To calculate the benefit, we first calculated the total sales tax reduction or

[88] See SRF New Shipper Review, and accompanying IDM at 19.
[89] Id.
[90] Id. at 18-19.
[91] See "Allocation Period" and "Benchmark Interest Rates and Discount Rates" sections of this memorandum, supra.
[92] See Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review, 72 FR 6530 (February12, 2007), and accompanying IDM at "State Sales Tax Incentive Programs."
[93] See PET Film Final Determination, and accompanying IDM at "State of Maharashtra Programs" and "State of Uttar Pradesh Programs:" Sales Tax Incentives;" see also PET Film Final Results of 2005 Review, and accompanying IDM at "State Sales Tax Incentive Programs."
[94] See Jindal IQR at 78-83 and Exhibit 26.

exemption Jindal received during the POR by subtracting taxes paid from the amount that would have been paid on its purchases during the POR absent these programs. We then divided this amount by Jindal's total sales during the POR to calculate a net countervailable subsidy of 0.36 percent ad valorem.

7. State Government of Maharashtra (SGOM) Subsidies Under the Package Scheme of Incentives (PSI) 1993 and 2007

Under the PSI, incentives are offered to encourage dispersal of industries to the less industrially developed areas of the state of Maharashtra to achieve higher and sustainable economic development. Pursuant to this objective, Annexure I of the PSI-2007 places all "*talukas*," *i.e.*, district subdivisions, into six different development zones: A, B, C, D, D+, and "no industry." The zones cover the entire state of Maharashtra. Benefits under the PSI-2007 vary by zone.[95] The Department previously determined this program to be countervailable.[96]

The GOI has amended or extended the PSI from time to time. Under the PSI of 2007 (PSI-2007), brought into effect on April 1, 2007, the program was initially scheduled to be in effect until March 31, 2011, but was extended through subsequent amendments and then terminated effective March 31, 2013.[97]

Jindal reported that it participated in the PSI under the provisions for "mega projects," and specifically the Industrial Promotion Subsidy (IPS) under this program[98] According to paragraph 5.10, "Mega Projects:"

> The quantum of incentives within the approved limit will be decided by the High Power Committee under the chairmanship of Chief Secretary, Government of Maharashtra. The Infrastructure Committee under the chairmanship of the Chief Minister of Maharashtra will have the power to customize and offer special/extra incentives for the prestigious Mega Projects on a case to case basis.[99]

Industrial Promotion Subsidy (IPS)

The IPS, at paragraph 5.1, is part of the PSI-2007 is offered for new or expanding projects.[100] The Department has previously determined this program to be countervailable.[101] The extent of the benefits is determined by the zone the project is located in or by whether the project qualifies as a "mega project." The amount of the subsidy is also linked to the fixed capital investment.[102]

[95] See Jindal IQR at 72-75 and Exhibits 215(a), (b), and (c) and SQR1 at 31-36 and Exhibits S-30 and S-31.
[96] See OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007."
[97] Id.
[98] See Jindal IQR, at 70-75 and Jindal SQR1, at 32.
[99] Id., at Exhibit 25(a); see also OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007."
[100] See Jindal IQR at Exhibit 25(a).
[101] Id.; see also OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007 – c. Industrial Promotion Subsidy."
[102] See Jindal IQR at Exhibit 25(a)

As stated in OCTG from India 2012, the SGOM's *Modalities of Sanction and Disbursement of Industrial Promotion Subsidy to Mega Projects under the PSI 2001 and PSI 2007*, at 1.1:

> "Industrial Promotion Subsidy" in respect of Mega Projects under PSI 2001 & 2007 means an amount equivalent to the percentage of "Eligible Investments" which has been agreed to as a part of the customized package, or the amount of tax payable under Maharashtra Valued Added Tax Act (MVAT) 2002 and Central Sales Tax (CST) Act, 1956 by the eligible Mega Projects in respect of sale of finished products eligible for incentives before adjustment of set off or other credit available for such period as may be sanctioned by the State Government, less the amount of benefits by way of Electricity Duty exemption, exemption form payment of Stamp Duty, refund of royalty and any other benefits (as may be specified by the Government) availed by the eligible Mega Projects under PSI 2001/2007, whichever is lower.[103]

Jindal is eligible for this benefit for seven years. The annual amount of the benefit is determined by SGOM each year through an annual application. Because its project in Maharashtra meets the criteria of a "mega project," Jindal was allowed to propose the means through which it would receive its benefits. It chose exemption of state VAT and CST payments.[104] Thus, the amount of the benefit determined each year is based on the state VAT and CST Jindal SAW paid that year.

We find that this program provides a financial contribution in the form of revenue foregone by the SGOM pursuant to section 771(5)(D)(ii) of the Act.

Under the SGOM's VAT system, taxpayers are required to remit VAT collected from customers (output VAT) to the SGOM.[105] Before doing so, they reduce the amount of output VAT collected by the amount of VAT they have paid to their own suppliers (input VAT). Alternatively, instead of crediting output VAT with input VAT in this manner, they may receive a rebate of input VAT paid to their suppliers. Either way, the net amount of VAT the taxpayer pays to the SGOM equals the difference between output VAT and input VAT. Under the IPS program as applied to Jindal, however, that amount is refunded.[106] A refund for this amount would not be available absent the IPS program. Likewise, under the SGOM's CST system, the taxpayer pays to the SGOM the difference between the CST it collects from its customers and the CST it pays to its suppliers. Under the IPS program as applied to Jindal, however, that amount is also refunded; a refund that would not be available absent the IPS program.[107] The excessive refund of VAT provides a benefit under 19 CFR 351.510(a) (the refunded output VAT is only collected on domestic sales) and the remission of CST otherwise due provides a benefit under 19 CFR 351.509(a).

[103] See OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007 – c. Industrial Promotion Subsidy."
[104] See Jindal SQR1 at 32-37 and Exhibits S-30 and S-31.
[105] See OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007 – c. Industrial Promotion Subsidy."
[106] See Jindal SQR1, at 36.
[107] See Jindal SQR at 35-36.

Pursuant to section 771(5A)(D)(iv) of the Act, the program is specific because it is limited to certain geographical regions within the state of Maharashtra. In order to calculate the benefit, we divided the total amount of the refunds Jindal received during the POR by its total sales during the POR. On this basis, we determined a countervailable subsidy rate of 1.77 percent ad valorem for Jindal.

Programs Preliminarily Determined To Be Not Used

Based on the questionnaire responses, we determined that SRF and Jindal did not apply for or receive benefits during the POR under the programs listed below:

GOI Programs

1. Duty Free Replenishment Certificate (DFRC)
2. Target Plus Scheme
3. Capital Subsidy
4. Exemption of Export Credit from Interest Taxes
5. Loan Guarantees from the GOI
6. Export Oriented Units
7. Duty Entitlement Passbook Scheme
8. Focus Market Scheme/Focus Product Scheme
9. Advance License Program (ALP)/Advance Authorization Scheme (AAS)

State Programs

10. Octroi Refund Scheme State of Maharashtra (SOM)
11. Waiving of Interest on Loans by SICOM Limited (SOM)
12. State of Uttar Pradesh Capital Incentive Scheme
13. Infrastructure Assistance Schemes (State of Gujarat)
14. Capital Incentive Scheme Uttaranchel
15. Capital Incentive Schemes (SGOM)

16. Electricity Duty Exemption Scheme (SGOM IPS 2007)

Recommendation

Based on our analysis of the comments received, we recommend adopting the above positions. If these recommendations are accepted, we will publish the preliminary results of the review in the Federal Register.

✓
Agree

Disagree

Ronald K Lorentzen

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

August 18, 2014
Date

Non-Confidential Attachment C-1.7.

Summary of Countervailable programs identified for India and Vietnam.

I. India

The following programs are considered to provide countervailable benefits to Indian exporters of galvanized steel to Australia:

1. Focus Product Scheme Program;
2. Export Promotion Capital Goods Scheme program;
3. Electricity duty exemption of the State Government of Maharashtra (“SGOM”) program;
4. Stamp duty benefit of SGOM program;
5. Sales and VAT Tax exemptions of SGOM program;
6. Duty exemption/remission schemes – Advance Authorization Scheme;
7. Duty Drawback Exemption/Remission program.

The following additional programs have been identified as operating (however, BlueScope has been unable to confirm whether the exporters have received benefits under the programs):

Program 1. Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)
Program 2. Export Income Tax Exemptions in SEZs
Program 3. Exemption in SEZs from Minimum Alternate Tax
Program 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
Program 5. Exemption in SEZs from Service Tax
Program 6. Discounted Land Fees and Leases in SEZs
Program 7. Discounted Electricity Rates in SEZs
Program 8. Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments
Program 9. Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)
Program 10. Reimbursement to EOUs of Central Sales Tax
Program 11. Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies
Program 12. Credit for Service Tax paid by EOUs
Program 13. Exemptions from Income Tax for EOUs
Program 14. Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India
Program 15. Assistance to States for Developing Export Infrastructure and Allied Activities
Program 16. Market Access Initiative
Program 17. Market Development Assistance
Program 18. Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters
Program 19. Brand Promotion and Quality
Program 20. Test Houses
Program 21. Focus Product Scheme (*covered by Program 1 above*)
Program 22. Rupee/Foreign Currency Export Credit & Customer Service to Exporters
Program 23. Export Promotion Capital Goods Scheme (*covered by Program 2 above*)
Program 24. Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme
Program 25. Duty Exemption/Remission Schemes – Advance Authorization Scheme (*covered by Program 6 above*)
Program 26. Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme
Program 27. Duty Exemption/Remission Schemes – Duty Drawback Scheme (*covered by Program 7 above*)
Program 28. Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal
Program 29. Purchase of Iron Ore From State-owned Enterprises for Less Than Fair Market Value
Program 30. 80-IB Income Deduction Program
Program 31. 80-IA Income Tax Deduction Program
Program 32. Steel Development Fund Loans
Program 33. Steel Development Fund R&D Grants
Program 34. State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy
Program 35. SGOM – Exemption from Electricity Duty (*covered by Program 3 above*)
Program 36. SGOM – Waiver of Stamp Duty (*covered by Program 4 above*)
Program 37. SGOM – Power Tariff Subsidy
Program 38. SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)
Program 39. SGOM – Special Incentives of the SGOM for Mega Projects
Program 40. State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy

Program 41. SGOG – Assistance to MSMEs – Quality Certification
Program 42. SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods (*covered by Program 5 above*)
Program 43. SGOG – VAT Remission Scheme
Program 44. SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions
Program 45. SGOG – Critical Infrastructure Projects
Program 46. State Government of Chhattisgargh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy
Program 47. SGOC – Industrial Policy 2009-2014: Interest Subsidy
Program 48. SGOC – Industrial Policy 2009-2014: Quality Certification
Program 49. SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption
Program 50. SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption
Program 51. SGOC – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration
Program 52. State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy
Program 53. SGOJ – Stamp Duty and Registration
Program 54. SGOJ – Incentive for Quality Certification
Program 55. SGOJ – VAT and Tax Incentives

II. Vietnam

The following programs are considered to provide countervailable benefits to the major Vietnamese exporter of galvanized steel to Australia, the Hoa Sen Group:

1. Preferential Import Tariff Rates for enterprises investing in regions or sectors entitled to investment incentives;
2. Incentives on corporate income tax for enterprises operating in regions or sectors entitled to incentives;
3. Incentives on Non-Agricultural Land Use Tax to encourage enterprises to invest in sectors or regions which require investment;

The financial statements of the Hoa Sen Group highlighted short term loans at reduced rates of interest (i.e. less than commercial rates). Concessional loans are included in the full range of additional programs included in Vietnam's Notification of Subsidies Programs to the WTO in 2013:

1. Preferential Import Tariff Rates contingent upon Localisation Ratios with respect to products and Parts of Mechanical-Electric-Electronic Industries (updating Programme II of Notification of Subsidies period 2003-2004);
2. Support for the Implementation of Projects Manufacturing Priority Industrial Products (Updating Programme III of 2003-2004);
3. Investment Incentives Contingent upon Export Performance For Domestic Businesses (Updating Programme IV of 2003-2004);
4. Other Investment Incentives for Domestic Businesses (Updating Program V of Period 2003-2004);
5. Investment Incentives Contingent upon Export Performance for Foreign Invested Enterprises (Updating Programme VI of the Period 2003-2004);
6. Other Investment Incentives for Foreign Invested Enterprises (Updating Programme VII for Period 2003-2004);
7. Preferential Investment Credit for Development Contingent upon Export Criteria (Updating Programme VIII of Period 2003-2004);
8. Preferential Development Credit for Investment Contingent Upon Localisation Ratios (Updating Programme IX of Period 2003-2004);
9. Other Preferential Investment Credit for Development (Updating Program X of Period 2003-2004);
10. Export Promotion (Updating Program XII of Period 2003-2004);
11. Trade Promotion (Updating of Programme XIII of Period 2003-2004);
12. Support for Mechanical Products (Updating Program XV of Period2003-2004);
13. Support for Shipbuilding Industry (Updating of Programme XV of Period 2003-2004);
14. Assistance for Commercial Development in Mountainous, Island and Ethnic Minority Areas (Updating Programme XVI of Period 2003-2004);

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15. Assistance to Enterprises Facing Difficulties Due to Objective Reasons (Updating of Programme XVII of Period 2003-2004);
16. Incentives for Investment Projects in Science and Technology (Updating Programme XVIII of Period 2003-2004).

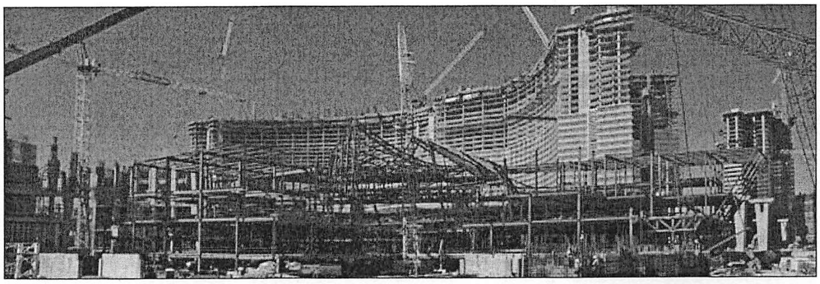
09 March 2017

हिन्दी

Government of India

Special Economic Zones in India

Ministry of
Commerce & Industry
Department of Commerce



About SEZs
- Introduction
- Facilities and Incentives
- Export Performances
- Operational SEZs in India
- Approved SEZs in India
- List of notified SEZs
- Updated Factsheet on SEZs

Develop SEZ

GOI Acts / Policies

State Acts / Policies

Board of Approval

SEZs in India

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Facilities and Incentives

Incentives and facilities offered to the SEZs

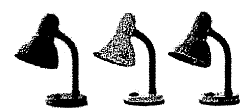
The incentives and facilities offered to the units in SEZs for attracting investments into the SEZs, including foreign investment include:-

- Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units
- 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years.
- Exemption from minimum alternate tax under section 115JB of the Income Tax Act.
- External commercial borrowing by SEZ units upto US $ 500 million in a year without any maturity restriction through recognized banking channels.
- Exemption from Central Sales Tax.
- Exemption from Service Tax.
- Single window clearance for Central and State level approvals.
- Exemption from State sales tax and other levies as extended by the respective State Governments.

The major incentives and facilities available to SEZ developers include:-

- Exemption from customs/excise duties for development of SEZs for authorized operations approved by the BOA.
- Income Tax exemption on income derived from the business of development of the SEZ in a block of 10 years in 15 years under Section 80-IAB of the Income Tax Act.
- Exemption from minimum alternate tax under Section 115 JB of the Income Tax Act.
- Exemption from dividend distribution tax under Section 115O of the Income Tax Act.
- Exemption from Central Sales Tax (CST).
- Exemption from Service Tax (Section 7, 26 and Second Schedule of the SEZ Act).

Deloitte.



International tax

India Highlights 2016

Investment basics:

Currency – Indian Rupee (INR)

Foreign exchange control – There is a simplified regulatory regime for foreign exchange transactions and liberalized capital account transactions. Current account transactions are permitted unless specifically prohibited and are monitored by the central bank. Full foreign investment is permitted in most industries, although sector-specific caps have been set for foreign investment in certain industries, such as defense, civil aviation, telecommunications, banking, insurance, retail trade, etc.

Foreign direct investment (FDI) in limited liability partnerships (LLPs) is allowed under the "automatic route" for LLPs operating in sectors/activities where 100% FDI is allowed and there are no FDI-linked performance conditions. FDI up to 49% by one or more nonresident entities is permitted in single-brand product retail trading under the automatic route and FDI exceeding 49% is allowed under the approval route, subject to the fulfillment of certain conditions. FDI up to 51% is permitted in multi-brand product retail trading under the approval route and FDI up to 100% is permitted in specified railway infrastructure activities under the automatic route.

Nonresident Indians (NRIs) are allowed to invest through entities (companies, trusts and partnership firms) formed outside India that are owned and controlled by such NRIs on a nonrepatriation basis—this will be treated as domestic investment on par with the investments made by residents.

Manufacturers are allowed to sell their products manufactured in India through wholesale and/or retail, including through e-commerce, without government approval.

Accounting principles/financial statements – Accounting standards issued by the Institute of Chartered Accountants of India apply, which largely are based on IAS. Indian accounting standards are to be converged with IFRS from the 2016-17 financial year, with the figures of the previous year, 2015-16, made comparable. Financial statements must be prepared annually.

Principal business entities – Various forms of business entity are permitted. These include the public/private limited liability company, one-person company (owned by a resident individual), partnership firm, limited liability partnership, sole proprietorship, branch office, liaison office, project office or site office of a foreign corporation.

Corporate taxation:

Residence – A corporation is resident if it is incorporated in India or if its place of effective management, in that year, is in India.

Basis – Residents are taxed on worldwide income; nonresidents are taxed on Indian-source income only. Indian-source income may include capital gains arising from the transfer of any share or interest in a company or entity registered or incorporated outside India if the share or interest directly or indirectly derives its substantial value from assets located in India. Foreign-source income derived by a resident company is subject to corporation tax in the same way as Indian income. A branch of a foreign corporation is taxed as a foreign corporation.

Taxable income – Tax is imposed on a company's profits, which consist of business/trading income, passive income and capital gains. Income resulting from the indirect transfer of assets located in India is included. Normal business expenses, as well as other specified items, may be deducted in computing taxable income.

Taxation of dividends – Dividends paid by a domestic company are subject to dividend distribution tax (DDT) at 15% of the aggregate dividend declared, distributed or paid. The DDT payable is required to be grossed up. The effective rate is 20.3576% (increased from 19.9941% as from 1 April 2015), including a 12% surcharge (increased from 10% as from 1 April 2015) and a 3% education cess. Dividends subject to DDT are exempt from tax in the hands of the recipient.

Dividends received from a foreign company generally are subject to corporation tax, with a credit for any foreign tax paid. However, dividends received by an Indian company from a foreign company in which the Indian company holds at least 26% of the equity shares are subject to tax at a reduced base rate of 15% on the gross income. A surcharge and cess also are imposed.

Dividends paid by a domestic company that are liable to DDT may be reduced by: (1) the amount of dividends received from a domestic subsidiary company during the financial year, if the subsidiary has paid DDT; and (2) dividends received from a foreign subsidiary company, provided tax is payable on such dividend income by the domestic company at the reduced base rate of 15%.

Capital gains – The tax treatment depends on whether gains are long or short term. Gains are long term if the asset is held for more than three years (one year in the case of listed shares and specified securities). Long-term gains on listed shares and specified securities are exempt if the transaction is subject to securities transaction tax (STT). Where such gains are not subject to STT, a 10% tax applies (without the benefit of an inflation adjustment). The applicable tax rate on long-term capital gains derived by a nonresident from the sale of unlisted securities is 10% (without the benefit of foreign currency conversion or an inflation adjustment). Gains on other long-term assets are taxed at 20%, but with the benefit of an inflation adjustment.

Short-term gains on listed shares and specified securities that are subject to STT are taxed at 15%; gains from other short-term assets are taxed at the normal tax rates. A surcharge and cess are also imposed.

An unlisted domestic company is liable to pay an additional tax of 20% on income distributed to a shareholder on account of a buyback of the company's shares. The distributed income is the amount of consideration paid by the company on the buyback, reduced by the amount received by the company on account of the issue of the shares. The shareholders will not be charged to tax on any income arising from the buyback of shares.

Losses – Business losses and capital losses may be carried forward for eight years, with short-term capital losses offsetting capital gains on both long and short-term assets, and long-term capital losses offsetting only long-term capital gains. Other than unabsorbed depreciation (which may be carried forward indefinitely), losses may be carried forward only if the tax return is filed by the due date. Unabsorbed depreciation may be offset against any income, whereas business losses may be offset only against business profits in subsequent years.

Rate – The rate is 30% for domestic companies and 40% for foreign companies and branches of foreign companies. Taking into account the surcharge and cess, the highest effective rate is 34.608% for domestic companies and 43.26% for foreign companies.

Surtax – A 7% surcharge (increased from 5% as from 1 April 2015) applies to domestic companies if income exceeds INR 10 million (2% for foreign companies), and a 12% surcharge (increased from 10% as from 1 April 2015) applies if income exceeds INR 100 million (5% for foreign companies). An additional 3% cess is payable in all cases.

Alternative minimum tax – A Minimum Alternate Tax (MAT) is imposed at 18.5% (plus any applicable surcharge and cess) on the adjusted book profits of corporations whose tax liability is less than 18.5% of their book profits. As from 1 April 2015, MAT does not apply to certain income of foreign companies, including capital gains on transactions involving securities, interest, royalties and fees for technical services (the government has announced it will retroactively amend the MAT provisions to clarify the applicability to foreign companies prior to 1 April 2015). A credit is available for MAT paid against tax payable on normal income, which may be carried forward for offset against income tax payable in the following 10 years.

Any person other than a corporation (including an LLP) is liable to an alternate minimum tax (AMT) at 18.5% (plus any applicable surcharge and cess) of the adjusted total income where the normal income tax payable is less than the AMT. AMT also is imposed on a person eligible for investment-linked incentives. The adjusted total income is the total income before giving effect to the AMT provisions, as increased by certain deductions claimed in computing the total income, including the tax holiday claimed by units in a Special Economic Zone (SEZ). The base for computation of AMT for noncorporate taxpayers therefore differs from that for computing MAT in the case of corporations. A tax credit is allowed for the AMT paid against tax payable on normal income. The tax credit may be carried forward up to 10 years.

Foreign tax credit – Foreign tax paid may be credited against Indian tax on the same profits, but the credit is limited to the amount of Indian tax payable on the foreign income.

Participation exemption – No, except for DDT in some cases.

Holding company regime – No

Incentives – A deduction of up to 200% is available in respect of capital and revenue expenditure on scientific research conducted in-house by specified industries, and for payments made to specified organizations for scientific research.

A deduction is available for 15% of the cost of new plant or machinery acquired and installed from 1 April 2014 until 31 March 2017, where the aggregate cost acquired and installed in a year exceeds INR 250 million, in addition to the normal depreciation allowance.

A deduction of 150% is available for expenditure incurred on a "notified" agricultural extension or skill development project.

A deduction of 100% is available for capital expenditure (other than expenditure incurred on the acquisition of land, goodwill or financial instruments) incurred by specified businesses, including laying and operating cross-country natural gas or crude or petroleum oil pipeline networks for distribution (including integral storage facilities); setting up and operating an inland container depot or freight station; housing projects under a slum redevelopment scheme; building and operating a two-star hotel; bee-keeping and associated activities; setting up and operating a warehousing facility for storage of sugar; laying and operating a slurry pipeline for the transportation of iron ore; and setting up and operating a semi-conductor wafer fabrication manufacturing unit.

A deduction of 150% is available for capital expenditure (other than expenditure incurred on the acquisition of land, goodwill or financial instruments) incurred by businesses on setting up and operating cold chain facilities or warehousing facilities, building and operating a hospital with 100 beds, investing in housing projects under a scheme for affordable housing or producing fertilizers in India.

Undertakings set up in SEZs are exempt from tax on their export profits, subject to compliance with other conditions. Other tax holidays are available based on industry and region.

Withholding tax:

Dividends – Dividends are not subject to withholding tax. However, the company paying the dividends is subject to DDT.

Interest – Interest paid to a nonresident on a foreign currency borrowing or debt generally is subject to a 20% withholding tax, plus the applicable surcharge and cess. The rate may be reduced under a tax treaty.

Interest paid to a nonresident on an infrastructure debt fund set up in accordance with guidelines prescribed by the government is subject to a 5% withholding tax, plus the applicable surcharge and cess.

Interest paid to a nonresident on debt incurred under a loan agreement or through the issue of long-term bonds, including long-term infrastructure bonds issued by an Indian company in foreign currency, is subject to a 5% withholding tax, plus the applicable surcharge and cess, if the loan agreement is approved by the central government and the funds are borrowed between 1 July 2012 and 30 June 2017. The 5% withholding tax (plus applicable surcharge and cess) also is applicable to interest paid between 1 June 2013 and 30 June 2017 on a rupee-denominated bond of an Indian company, or a government security subscribed for by a foreign institutional investor or a qualified foreign investor.

If the nonresident does not have a Permanent Account Number (PAN), i.e. a tax registration number, tax must be withheld at the applicable tax treaty rate or 20%, whichever is higher.

If the interest income derived by a nonresident does not fulfill certain prescribed conditions for concessional withholding tax rates, a withholding tax rate of 30% (for individuals and entities other than a foreign company) or 40% (for a foreign company), plus the applicable surcharge and cess, will apply.

Royalties – Royalties paid to a nonresident are subject to a 10% withholding tax (reduced from 25% as from 1 April 2015), plus the applicable surcharge and cess. The rate may be reduced under a tax treaty.

If a treaty applies, but the nonresident does not have a PAN, tax must be withheld at the applicable tax treaty rate or 20%, whichever is higher.

Technical service fees – Technical service fees paid to a nonresident are subject to a 10% withholding tax (reduced from 25% as from 1 April 2015), plus the applicable surcharge and cess. The rate may be reduced under a tax treaty.

If a treaty applies, but the nonresident does not have a PAN, tax must be withheld at the applicable tax treaty rate or 20%, whichever is higher.

Branch remittance tax – No

Other taxes on corporations:

Capital duty – No

Payroll tax – The employer is responsible for withholding tax on salary income.

Real property tax – Each state levies property tax, with rates varying from state to state.

Social security – The employer generally contributes 12% of eligible wages per month to the Provident Fund. From that contribution, 8.33% of the wages (up to INR 15,000) are applied to the pension fund, with the balance paid to the Provident Fund. The employer also must pay a gratuity to workers who have rendered continuous service for at least five years at the time of retirement, resignation, superannuation, etc., at the rate of 15 days' wages for every completed year of service (up to a maximum of INR 1 million).

Stamp duty – Financial instruments, real property and other specified transactions (including a court order for an amalgamation/ demerger) in India attract stamp duties that are levied under the Indian Stamp Act and the stamp acts of the various states (with rates varying significantly between states).

Transfer tax – STT is levied on the purchase or sale of equity shares, derivatives or units in an equity-oriented fund listed on a recognized stock exchange in India.

Other – The 1% wealth tax that applied on the aggregate value exceeding INR 3 million of certain nonproductive assets was abolished as from 1 April 2015.

Customs duty is levied on the import of goods into India, although certain exported goods also are liable to customs duties. Certain incentives (e.g. concessional rates of duty and duty-free transactions) are available under various schemes.

Anti-avoidance rules:

Transfer pricing – The transfer pricing regime is influenced by OECD norms, although the penalty provisions in India are stringent compared to those in certain other countries. The definition of "associated enterprise" extends beyond a shareholding or management relationship, since it includes some deeming clauses. The scope of the transfer pricing provisions also cover "specified domestic transactions" (including payments to related parties) if the aggregate value of those transactions exceeds INR 200 million in one year.

The pricing of these transactions must be determined with regard to arm's length principles, using methods prescribed under India's transfer pricing rules, which are similar to the methods prescribed in the OECD guidelines, with an additional sixth method, i.e. an "other method." The arm's length price is determined based on multiple-year data, and based on a range or the arithmetic mean (depending on certain prescribed conditions).

The taxpayer is required to maintain detailed information and transfer pricing documents substantiating the arm's length nature of related-party transactions. Companies also may be required to submit a certificate to the tax authorities (in a prescribed format) from a practicing chartered accountant that sets out the details of associated enterprises, international transactions, etc., along with the methods used to determine an arm's length price. The certificate must be submitted by the due date for companies required to submit such a certificate to file the annual tax return, i.e. 30 November.

Where the application of the arm's length price would reduce the income chargeable to tax in India or increase a loss, no adjustment will be made to the income or loss. If a taxpayer that benefits from a tax holiday is subject to a transfer pricing adjustment, the benefit will be denied to the extent of the adjustment. The allowable variation in computing the arm's length price will be as provided by the government. (See "Other" below, for application of the transfer pricing rules to transactions involving jurisdictions that do not effectively exchange information with India.)

Advance pricing agreements (APAs) may be obtained for a maximum period of five future years, with a rollback to the four years preceding the year in which APA becomes effective.

Thin capitalization – No

Controlled foreign companies – No

Disclosure requirements – A nonresident with a liaison office in India is required to prepare financial statements, annual activity certificates, etc. on its activities and submit this information to the Indian tax officer within 60 days from the end of the financial year.

Other – To discourage transactions with persons located in jurisdictions that do not effectively exchange information with India, transactions with persons situated in certain jurisdictions designated by the government will be subject to the Indian transfer pricing rules and income paid to persons in those jurisdictions will be subject to a minimum withholding tax of 30%. India has designated Cyprus as such a jurisdiction.

A general anti-avoidance rule is expected to apply to investments made after 1 April 2017.

Compliance for corporations:

Tax year – The tax year is the fiscal year (1 April to 31 March).

Consolidated returns – Consolidated returns are not permitted; each company must file a separate return.

Filing requirements – Taxes on income in a fiscal year usually are paid in the next fiscal year ("assessment" year). Companies must submit a final return by 30 September (30 November for companies required to file a certificate on international transactions (see "Transfer pricing" above)) of the assessment year, stating income, expenses, taxes paid and taxes due for the preceding tax year. Returns for noncorporate taxpayers that are required by law to have their accounts audited also are due on 30 September. All other taxpayers must submit a return by 31 July. Taxpayers claiming tax holidays or carrying forward tax losses must file their returns on or before the due date.

Companies must make four advance payments of their income tax liabilities during the accounting year on: 15 June (15% of total tax payable); 15 September (30% of total tax payable, cumulative amount 45% of total tax payable); 15 December (30% of total tax payable, cumulative amount 75% of total tax payable); and 15 March (25% of total tax payable, cumulative amount 100% of total tax payable).

Penalties – Penalties apply for failure to file a return and certificate of international transactions, failure to comply with withholding tax obligations and concealment of income.

Rulings – The Authority for Advance Rulings (AAR) issues rulings on the tax consequences of transactions or proposed transactions with nonresidents. It also is able to issue rulings in relation to the tax liability of residents in prescribed cases. From 1 April 2015, the AAR is able to issue rulings on whether an arrangement is an impermissible avoidance arrangement. Rulings are binding on the applicant and the tax authorities for the specific transaction(s). APAs also are possible.

Personal taxation:

Basis – An individual who is resident and ordinarily resident in India normally is taxed on worldwide income, subject to the provisions of a relevant tax treaty. A person who is not ordinarily resident generally does not pay tax on income earned outside India unless it is derived from a business or profession controlled or established in India, or the income is accrued or received in India or deemed to have accrued or been received in India. A nonresident is subject to tax only on Indian-source income.

Residence – An individual is resident in India if he/she spends at least 182 days in the country in a given year, or at least 60 days if the individual has spent at least 365 days in India in the preceding four years. For an Indian citizen leaving India for the purpose of employment or as a member of the crew of an Indian ship, and for an Indian citizen/person of Indian origin working abroad who visits India while on vacation, the threshold is 182 days in the given year, instead of 60 days. An individual is "not ordinarily resident" if he/she has not been a resident in nine out of the 10 preceding years, or has been in India for less than 730 days during the preceding seven years.

Filing status – Each taxpayer must file a return; the concept of joint filing does not exist in India.

Taxable income – Income from employment, including most employment benefits, is fully taxable after considering applicable exemptions. Profits derived by an individual from the carrying on of a trade or profession generally are taxed in the hands of the individual, after applying available tax exemptions and tax-free thresholds (see "Rates" below).

Capital gains – See under "Corporate taxation."

Deductions and allowances – Deductions are available in respect of certain payments and investments, such as contributions to the Provident Fund, pension funds, medical insurance or life assurance policies and some savings schemes, etc., subject to applicable limits.

Rates – Rates are progressive up to 30%, plus the applicable cess. A 12% surcharge (increased from 10% as from 1 April 2015) applies if income exceeds INR 10 million, subject to applicable marginal relief. The first INR 300,000 is exempt for resident senior citizens (aged 60 years or over, but under 80 years), and INR 500,000 is exempt for very senior citizens (at least 80 years of age); for all others, the first INR 250,000 is exempt. A tax rebate up to INR 2,000 is allowed for individuals with taxable income of up to INR 500,000.

Other – See under "Corporate taxation" regarding the AMT. AMT is not applicable to individuals, associations of persons and bodies of individuals if their adjusted total income does not exceed INR 2 million.

Other taxes on individuals:

Capital duty – No

Stamp duty – Financial instruments and transactions in India attract stamp duties that are levied under the Indian Stamp Act and the stamp acts of the various states (with rates varying significantly between states).

Capital acquisitions tax – No

Real property tax – Each state levies property tax, with rates varying between states.

Inheritance/estate tax – No

Net wealth/net worth tax – The 1% wealth tax that applied on the aggregate value exceeding INR 3 million of certain nonproductive assets was abolished as from 1 April 2015.

Social security – All employees (including "international workers" but not "excluded employees," as defined in the Provident Fund Act) contribute 12% of eligible wages per month to the Provident Fund, with a matching 12% contribution by the employer. However, where India has entered into Social Security Agreement (SSA) with the relevant overseas country, the international worker (subject to certain conditions) is not liable to contribute to the Provident Fund in India. An international worker may be either: (1) a foreign employee working for an establishment in India to which the Provident Fund Act applies; or (2) an Indian employee seconded to a country with which India has entered into an SSA and who has not obtained a "certificate of coverage" and eligible for SSA benefits.

Other – Customs duty is levied on the import of goods into India, although certain exported goods also are liable to customs duties.

Compliance for individuals:

Tax year – The tax year is the fiscal year (1 April to 31 March).

Filing and payment – The employer withholds tax on salary income. All individual taxpayers are required to file an individual tax return. Individuals must prepay 100% of the final tax due by the end of the fiscal year, either via withholding at source or by making advance payments in three installments (with interest payable on underpayments). Returns are due by 31 July (30 September for specified individuals) of the assessment year. Electronic filing of tax returns is mandatory if: (1) taxable income exceeds INR 500,000;

(2) the individual has foreign assets (including a financial interest in any entity or signing authority for any account); (3) the individual is claiming any relief for foreign taxes; or (4) any refund is claimed in the return.

Penalties – Penalties apply for failure to file a return, failure to comply with withholding tax obligations and concealment of income.

Value added tax:

Taxable transactions – All Indian states impose a "consumption-type destination-based VAT," driven by the invoice tax credit method, on the sale of most types of movable goods and specified intangible goods (barring a few exempt goods), the list of which varies from state to state.

Sales involving the movement of goods from one state to another are governed by the Central Sales Tax (CST).

Rates – The standard VAT rate in the various states ranges from 12.5% to 15%, depending on the state, with reduced rates of 1% and 5% in most states. Commodities like liquor and petroleum products attract a higher rate in the range of 20% to 30%.

The CST rate is 2% against the submission of specified forms or the applicable local VAT rate.

Registration – The turnover limit for compulsory registration for businesses is INR 500,000, although this may vary by state. State VAT laws also specify monetary amounts of sales and/or purchases required for registration.

Filing and payment – VAT returns must be filed and payments made monthly, quarterly or half yearly, based on the tax liability. The filing and payment deadlines may vary from state to state.

Other – Central excise duty is levied on the manufacture of excisable goods in India. The top rate of central excise duty is 12.5%.

The effective rate of service tax is 14.5% (including the "Swachh Baharat cess of 0.5% that applies from 15 November 2015 onward), which is payable on the provision of all taxable services that are not included on the negative list of services. No service tax is payable on services that are specifically exempted (nontaxable services) by notifications issued by the tax authorities.

Source of tax law: Income-tax Act; Annual Finance Acts; Customs Act; Central Excise Act; Finance Act, 1994; Foreign Trade Policy 2015-2020; State VAT and Central Sales Tax laws

Tax treaties: India has comprehensive tax treaties with more than 94 countries.

Tax authorities: Income Tax Department, Authority for Advance Rulings

respect of profits and gains by an undertaking or enterprise engaged in development of Special Economic Zone.	being a Developer, includes any profits and gains derived by an undertaking or an enterprise from any business of developing a Special Economic Zone, notified on or after the 1st day of April, 2005 under the Special Economic Zone Act, 2005, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent. of the profits and gains derived from such business for ten consecutive assessment years.	
	(*2*) The deduction specified in sub-section (*1*) may, at the option of the assessee, be claimed by him for any ten consecutive assessment years out of fifteen years beginning from the year in which a Special Economic Zone has been notified by the Central Government: Provided that where in computing the total income of any undertaking, being a Developer for any assessment year, its profits and gains had not been included by application of the provisions of sub-section (*13*) of section 80-1A, the undertaking being the Developer shall be entitled to deduction referred to in this section only for the unexpired period of ten consecutive assessment years and thereafter it shall be eligible for deduction from income as provided in sub-section (*1*) or sub-section (*2*) as the case may be:	
	Provided further that in a case where an undertaking, being a Developer who develops a Special Economic Zone on or after the 1st day of April, 2005 and transfers the operation and maintenance of such Special Economic Zone to another Developer (hereafter in this section referred to as the transferee Developer), the deduction under sub-section (*1*) shall be allowed to such transferee Developer for the remaining period in the ten consecutive assessment years as if the operation and maintenance were not so transferred to the transferee Developer.	
	(3) The provisions of sub-sections (*5*) and sub-sections (*7*) to (*12*) of section 80-IA shall apply to the Special Economic Zones for the purpose of allowing deductions under sub-section (*1*). *Explanation*.- For the purposes of this section, “Developer” and “Special Economic Zone” shall have the same meanings respectively as assigned to them in clauses (*g*) and (*za*) of section 2 of the Special Economic Zones Act, 2005”;	
.	(g) for section 80LA, the following section shall be substituted, namely:–	Deduction in respect of certain incomes of Offshore

	'80LA. (*1*) Where the gross total income of an assessee,— (*i*) being a scheduled bank, or, any bank incorporated by or under the laws of a country outside India; and having an Offshore Banking Unit in a Special Economic Zone; or (*ii*) being a Unit of an International Financial Services Centre, includes any income referred to in sub-section (*2*), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to—	Banking Units and International Financial Services Centre
10 of 1949. 15 of 1992	(*a*) one hundred per cent of such income for five consecutive assessment years beginning with the assessment year relevant to the previous year in which the permission, under clause (*a*) of sub-section (*1*) of section 23 of the Banking Regulation Act, 1949 or permission or registration under the Securities and Exchange Board of India Act, 1992 or any other relevant law was obtained, and thereafter; (*b*) fifty per cent. of such income for five consecutive assessment years.	
10 of 1949.	(*2*) The income referred to in sub-section (*1*) shall be the income— (a) from an Offshore Banking Unit in a Special Economic Zone; or (b) from the business referred to in sub-section (*1*) of section 6 of the Banking Regulation Act, 1949 with an undertaking located in a Special Economic Zone or any other undertaking which develops, develops and operates or develops, operates and maintains a Special Economic Zone; or (*c*) from any Unit of the International Financial Services Centre from its business for which it has been approved for setting up in such a Centre in a Special Economic Zone.	
	(*3*) No deduction under this section shall be allowed unless the assessee furnishes along with the return of income,— (*i*) the report, in the form specified by the Central Board of Direct Taxes under clause (i) of sub-section (2) of section 80LA, as it stood immediately before its substitution by this section, of an accountant as defined in the Explanation below sub-section (*2*) of section 288, certifying that the deduction has been correctly claimed in accordance with the provisions of this section; and	

10 of 1949	(*ii*) a copy of the permission obtained under clause (*a*) of sub-section (*1*) of section 23 of the Banking Regulation Act, 1949. *Explanation*.—For the purposes of this section,—	
	(*a*) “International Financial Services Centre” shall have the same meaning as assigned to it in clause (*q*) of section 2 of the Special Economic Zones Act, 2005; (*b*) “scheduled bank” shall have the same meaning as assigned to it in clause (e) of section 2 of the Reserve Bank of India Act, 1934;	2 of 1934
	(*c*) “Special Economic Zone” shall have the same meaning as assigned to it in clause (*za*) of section 2 of the Special Economic Zones Act, 2005; (*d*) “Unit” shall have the same meaning as assigned to it in clause (zc) of section (2) of the Special Economic Zones Act, 2005;	
	(h*)* in section 115JB, after sub-section (*5*), the following sub-section shall be inserted, namely:- “(*6*) The provisions of this section shall not apply to the income accrued or arising on or after the 1st day of April, 2005 from any business carried on, or services rendered, by an entrepreneur or a Developer, in a Unit or Special Economic Zone, as the case may be.”.	
	(i) in section 115-0, after sub-section (*5*), the following sub-section shall be inserted, namely:- “(*6*) Notwithstanding anything contained in this section, no tax on distributed profits shall be chargeable in respect of the total income of an undertaking or enterprise engaged in developing or developing and operating or developing, operating and maintaining a Special Economic Zone for any assessment year on any amount declared, distributed or paid by such Developer or enterprise, by way of dividends (whether interim or otherwise) on or after the 1st day of April, 2005 out of its current income either in the hands of the Developer or enterprise or the person receiving such dividend not falling under clause (23*G*) of section 10.”;	
	(j) in section 197A, after sub-section (*1C*), the following sub-section shall be inserted, namely:- ‘(*1D*) Notwithstanding anything contained in this section, no	

	deduction of tax shall be made by the Offshore banking Unit from the interest paid- (a) on deposit made on or after the 1st day of April, 2005, by a non-resident or a person not ordinarily resident in India; or (b) on borrowings, on or after the 1st day of April, 2005, from a non-resident or a person not ordinarily resident in India. *Explanation*.- For the purposes of this sub-section “Offshore Banking Unit” shall have the same meaning as assigned to it in clause (u) of section 2 of the Special Economic Zones Act, 2005.’.	

Jurisdiction	National rate	Local rate	Branch rate	Notes
India	30%	0%	40%	Rate is 30% for domestic companies and 40% for foreign companies and branches of foreign companies. 7% surcharge applies to domestic companies (2% for foreign companies) if income exceeds INR 10 million, and 12% surcharge applies to domestic companies (5% for foreign companies) if income exceeds INR 100 million. Additional 3% cess payable in all cases. Minimum alternate tax imposed in certain cases.
Indonesia	25%	0%	25%/20%	Reduced rate of 1% of gross income applies for companies with gross income that does not exceed IDR 4.8 billion. Nonresident companies also liable for branch profits tax of 20%.
Iraq	15%	0%	15%	35% rate applies to companies operating in oil and gas sector. 15% rate applies to all industries in Kurdistan region.
Ireland	12.5%	0%	12.5%	Standard corporation tax rate on trading income is 12.5%, and 25% on nontrading income.
Isle of Man	0%	0%	0%	Standard income tax rate for companies is 0%. Income received in respect of licensed banking activity and retail profits for companies undertaking Isle of Man retail business where annual taxable profit from this business exceeds GBP 500,000 taxed at 10% rate. Profits from Isle of Man land and property taxed at 20% rate.
Israel	25%	0%	25%/15%	Corporate tax rate reduced from 26.5% as from 1 January 2016. Special rates apply to companies classified as preferred, approved or benefited enterprises. Branches of approved enterprises may be subject to additional 15% tax.
Italy	27.5%	4%	27.5%	Corporate tax rate is 27.5%, plus IRAP (generally 3.9%). Nonoperating companies subject to 38% rate.
Ivory Coast	25%	0%	25%/7.5%	Rate is 30% for telecom companies. Companies with losses pay minimum tax of 0.5% of turnover (reduced for financial institutions and insurance and petroleum companies). Branches subject to 25% corporate rate, plus 15% tax on 50% of branch profits.
Jamaica	33.33%	0%	33.33%	Rate is 25% for unregulated companies.
Japan	23.9%	Varies	23.9%	Standard rate applies to ordinary corporations with share capital exceeding JPY 100 million. Companies also pay local inhabitants tax, which varies depending on location and size of company.
Jersey	0%/10%	0%	0%/10%	Standard rate of corporate income tax applying to Jersey resident companies or non-Jersey resident companies that have PE in Jersey is 0%. 10% rate applies to certain companies that meet definition of “financial services company” and 20% rate applies to certain companies that meet definition of “utility company.”
Jordan	20%	0%	20%	35% rate applies to banks; 24% rate applies to certain specified industries, including telecom and mining; 20% rate applies to contracting, trading and services sectors; and 14% rate applies to industrial sector.
Kenya	30%	0%	37.5%	General rate is 30%, with branches of foreign companies taxed at 37.5%. Reduced rates ranging from 20%-27% may be available for newly listed companies.
Korea (ROK)	22%	2%	22%/5%-15%	Rate is 10% on first KRW 200 million of taxable income, 20% on income above KRW 200 million up to KRW 20 billion and 22% of income above KRW 20 billion. Local surtax of 10% of corporate income tax due applies and alternative minimum tax ranging from 7% to 17% also levied. Branches subject to branch profits tax ranging from 5% to 15% if permitted under tax treaty.
Kosovo	10%	0%	10%	Taxpayers with income up to EUR 50,000 may choose between paying corporate income tax at standard rate or paying tax on gross income at rates of 3%-10% that vary by activity. Insurance companies pay tax at rate of 5% of gross premiums.
Kuwait	15%	0%	15%	
Kyrgyzstan	10%	0%	10%	Rate is 0% for leasing companies; corporate entities engaged in mining gold ore, concentrate, alloy and gold refining; and certain domestic companies that use new equipment solely for production and sell goods of their own production.
Latvia	15%	0%	15%	PEs operating in Latvia for no more than 12 months may use simplified tax regime, under which tax is imposed on 20% of turnover.
Lebanon	15%	0%	15%/10%	Branches subject to 15% corporate rate, plus 10% tax on branch profits.

UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

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Public Document

DATE: July 27, 2016

MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty (CVD) Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip (PET film) from India; 2014

Summary

The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on polyethylene terephthalate film, sheet and strip (PET film) from India in response to requests from interested parties. The period of review (POR) is January 1, 2014 through December 31, 2014. We preliminarily determine that Jindal Poly Films Limited of India (Jindal) and SRF Limited (SRF) benefitted from countervailable subsidies during the POR.

Background

On July 1, 2002, the Department published in the Federal Register the CVD order on PET film from India.[1] On July 1, 2015, the Department published a notice of opportunity to request an administrative review of the CVD order.[2] In response, on July 30, 2015, Jindal and SRF each self-requested a review.[3] Also on July 30, 2015, Polyplex USA LLC and Flex Films (USA) Inc. (collectively Domestic Interested Parties) requested a review for eight companies (Ester Industries Limited (Ester), Garware Polyester Ltd. (Garware), Jindal, MTZ Polyesters Ltd. (MTZ), Polyplex Corporation Ltd. (Polyplex), SRF, Vacmet India Limited, and Uflex Ltd.[4] On July 31, 2015, DuPont Teijin Films, Mitsubishi Polyester Film, Inc., and SKC, Inc. (collectively

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[1] See Notice of Countervailing Duty Order: Polyethylene Terephthalate Film, Sheet and Strip (PET Film) from India, 67 FR 44179 (July 1, 2002).

[2] See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review, 80 FR 37583, 37584 (July 1, 2015).

[3] See Letters from Jindal and SRF to the Department: "Polyethylene Terephthalate (PET) Film from India/Request for Countervailing Duty Admin Review/SRF Limited/Jindal Poly Films Limited," dated July 30, 2015.

[4] See Letter from Domestic Interested Parties to the Department: "Polyethylene Terephthalate (PET) Film, Sheet, and Strip from India: Request for Countervailing Duty Administrative Review," dated July 30, 2015.

Petitioners) also requested reviews for six companies (Ester, Garware, Polyplex, SRF, Jindal, and Vacmet).[5] On September 2, 2015, the Department published a notice of initiation of a CVD review of nine companies in this proceeding.[6] On September 15, 2015, the Department placed on the record U.S. Customs and Border Protection (CBP) import data for purposes of respondent selection, and invited parties to comment.[7] On October 2, 2015, the Department selected Jindal and Polyplex as mandatory respondents in this CVD administrative review.[8] Subsequently, Petitioners,[9] Domestic Interested Parties,[10] and SRF[11] each timely withdrew their requests for review of certain companies on December 1, 2015, respectively. Because both Petitioners and Domestic Interested Parties withdrew their request for review with respect to Polyplex, one of the previously selected mandatory respondents, the Department selected SRF as a mandatory respondent in this review.[12]

The Department issued its initial CVD questionnaire to the Government of India (GOI) on October 21, 2015, and the GOI and Jindal filed timely responses. SRF filed a voluntary response to the Department's initial questionnaire on December 4, 2015, prior to having been selected as a mandatory respondent. On June 10, 2016, and June 14, 2016, the Department issued its first supplemental questionnaire to Jindal and SRF, respectively, and received timely responses from both respondents.

[5] See Letter from Petitioners to the Department: "Polyethylene Terephthalate (PET) Film, Sheet, and Strip from India: Request for Countervailing Duty Administrative Review," dated July 31, 2014.
[6] See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 80 FR 53106, 53109 (September 2, 2015). The nine companies were Ester, Garware, Jindal, MTZ, Polyplex, SRF, Uflex Ltd., Vacmet, and Vacmet India Limited. Petitioners requested a review for six companies (Ester, Garware, Polyplex, SRF, Jindal, and Vacmet). Domestic Interested Parties requested a review for eight companies (Ester, Garware, Jindal, MTZ, Polyplex, SRF, Uflex Ltd., and Vacmet India Limited). In addition, Jindal and SRF self-requested an administrative review.
[7] See Memorandum To All Interested Parties From Alexander Cipolla: "Countervailing Duty Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip from India: U.S. Customs Entries," dated September 15, 2015.
[8] See Memorandum To Edward Yang From Alexander Cipolla: "Administrative Review of the Countervailing Duty Order on Polyethylene Terephthalate Film, Sheet, and Strip from India: Selection of Respondents for Individual Examination," dated October 2, 2015.
[9] See Letter from Petitioners to the Department: "Polyethylene Terephthalate (PET) Film, Sheet, and Strip from India: Withdrawal of Request for Countervailing Duty Administrative Review," dated December 1, 2015. Petitioners withdrew their request with respect to Ester, Garware, Jindal, Polyplex, and Vacmet, however, left in place its request for SRF.
[10] See Letter from Domestic Interested Parties to the Department: "Polyethylene Terephthalate (PET) Film, Sheet, and Strip from India: Withdrawal of Request for Countervailing Duty Administrative Review," dated December 1, 2015. Domestic Interested Parties withdrew their request with respect to Ester, Garware, Jindal, MTZ, Polyplex, SRF, Uflex Ltd., and Vacmet India Limited.
[11] See Letter from SRF to the Department: "Polyethylene Terephthalate (PET) Film from India/Withdrawal of Request for Countervailing Duty Admin Review/SRF Limited," dated December 1, 2015.
[12] See Memorandum To Edward Yang From Alexander Cipolla: "Administrative Review of the Countervailing Duty Order on Polyethylene Terephthalate Film, Sheet, and Strip from India: Selection of Additional Mandatory Respondent," dated December 18, 2015, in which the Department selected SRF as an additional mandatory respondent, after Petitioners and Domestic Interested Parties withdrew their request of review of selected mandatory respondent Polyplex.

Partial Rescission of Administrative Review

As noted above, Petitioners, Domestic Interested Parties, and SRF timely withdrew their requests for review of certain companies. As Petitioners and Domestic Interested Parties' withdrawal requests were timely filed and no other party requested a review of Ester, Garware, MTZ, Polyplex, Uflex Ltd., Vacmet, and Vacmet India Limited, we are rescinding this administrative review with respect to those companies pursuant to 19 CFR 351.213(d)(1). Because Petitioners requested a review of SRF, and Jindal self-requested a review, we are proceeding with the reviews of these companies.

Scope of the Order

For purposes of the order, the products covered are all gauges of raw, pretreated, or primed polyethylene terephthalate film, sheet and strip, whether extruded or coextruded. Excluded are metallized films and other finished films that have had at least one of their surfaces modified by the application of a performance-enhancing resinous or inorganic layer of more than 0.00001 inches thick. Imports of PET film are classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 3920.62.00.90. HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of this proceeding is dispositive.

Period of Review (POR)

The POR is January 1, 2014 through December 31, 2014.

Subsidies Valuation Information

<u>Allocation Period</u>

Under 19 CFR 351.524(d)(2)(i), we will presume the allocation period for non-recurring subsidies to be the average useful life (AUL) prescribed by the Internal Revenue Service (IRS) for renewable physical assets of the industry under consideration (as listed in the IRS's 2006 Class Life Asset Depreciation Range System, and as updated by the Department of the Treasury). This presumption will apply unless a party claims and establishes that these tables do not reasonably reflect the AUL of the renewable physical assets of the company or industry under investigation. Specifically, the party must establish that the difference between the AUL from the tables and the company-specific AUL or country-wide AUL for the industry under investigation is significant, pursuant to 19 CFR 351.524(d)(2)(i) and (ii). In the IRS Tables, PET Film falls under the category "Manufactured Chemicals and Allied Products." For that category, the IRS tables specify a class life of 9.5 years, which is rounded to establish an AUL of 10 years. SRF has not disputed this allocation period for this administrative review.[13] In the 2003 administrative review, the Department determined that Jindal had rebutted the presumption and applied a company-specific AUL of 17 years for Jindal.[14] Because there is no new evidence on

[13] <u>See</u> SRF Initial Questionnaire Response (December 4, 2015) (SRF IQR) at 14.
[14] <u>See</u> <u>Final Results of Countervailing Duty Administrative Review: Polyethylene Terephthalate Film, Sheet, and Strip from India</u>, 71 FR 7534 (February 13, 2006) (<u>PET Film Final Results of 2003 Review</u>), and accompanying Issues and Decision Memorandum (IDM) at "Subsidies Valuation Information;" <u>see</u> <u>also</u> Jindal Initial Questionnaire Response (December 7, 2015) (Jindal IQR) at 15-20.

the record that would cause the Department to reconsider this decision in this review, the Department continues to use an AUL of 17 years for Jindal in allocating non-recurring subsidies.

Benchmark Interest Rates

For programs requiring the application of a benchmark interest rate, 19 CFR 351.505(a)(1) states a preference for using an interest rate that the company would pay on a comparable commercial loan that the company could obtain on the market. Also, 19 CFR 351.505(a)(3)(i) states that when selecting a comparable commercial loan that the recipient "could actually obtain on the market" the Department will normally rely on actual short-term and long-term loans obtained by the firm. However, when there are no comparable commercial loans, the Department may use a national average interest rate, pursuant to 19 CFR 351.505(a)(3)(ii).

Jindal received exemptions from import duties and Central Sales Tax (CST) under the Export Promotion Capital Goods Scheme (EPCGS), and SRF received exemptions from import duties and CST on the importation of capital equipment and discounts on land fees under the Special Economic Zones (SEZ) programs, which we determined to be non-recurring benefits in accordance with 19 CFR 351.524(c). Thus, unless an exception applies, the Department must identify an appropriate long-term interest rate for purposes of allocating the non-recurring benefits over time.

Pursuant to 19 CFR 351.505(a)(2)(iii), in selecting a comparable loan if a program under review is a government-provided, long-term loan program, the preference would be to use a loan for which the terms were established during, or immediately before, the year in which the terms of the government-provided loan were established. Pursuant to 19 CFR 351.505(a)(2)(ii), the Department will not consider a loan provided by a government-owned special purpose bank to be a commercial loan for purposes of selecting a loan to compare with a government-provided loan. The Department has previously determined that the Industrial Development Bank of India (IDBI), the Industrial Finance Corporation of India (IFCI), and the Export-Import Bank of India (EXIM) are government-owned special purpose banks.[15] As such, the Department does not use loans from the IDBI, the IFCI, or the EXIM as a basis for a commercial loan benchmark.

In this review, Jindal and SRF did not have comparable commercial long-term rupee-denominated loans for all required years; therefore, for those years for which we did not have company-specific information, and where the relevant information was on the record, we relied on comparable long-term rupee-denominated benchmark interest rates from the immediately preceding year as directed by 19 CFR 351.505(a)(2)(iii). When there were no comparable long-term, rupee-denominated loans from commercial banks either during the year under consideration or the preceding year, we used national average long-term interest rates, pursuant to 19 CFR 351.505(a)(3)(ii), from the International Financial Statistics, a publication of the

[15] See PET Film Final Results of 2003 Review, and accompanying IDM at Comment 3. Further, the Department previously determined that the Industrial Finance Corporation of India (IFCI) and the Export-Import Bank of India (EXIM) are government-owned special purpose banks. See Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review, 73 FR 7708 (February 11, 2008) (PET Film Final Results of 2005 Review) and accompanying IDM at "Benchmark Interest Rates and Discount Rates."

International Monetary Fund (IMF Statistics).[16] Finally, 19 CFR 351.524(d)(3) directs us regarding the selection of a discount rate for the purposes of allocating non-recurring benefits over time. The regulations provide several options in order of preference. The first among these is the cost of long-term fixed-rate loans of the firm in question, excluding any loans, which have been determined to be countervailable, for each year in which non-recurring subsidies have been received. The second option directs us to use the average cost of long-term, fixed-rate loans in the country in question. Thus, for those years for which Jindal and SRF, respectively, did not report any long-term fixed-rate commercial loans, we used the yearly average long-term lending rate in India from the IMF Statistics.

Denominator

When selecting an appropriate denominator for use in calculating the ad valorem subsidy rate, the Department considers the basis for the respondent's receipt of benefits under each program at issue. As discussed in further detail below, we determine that all but one benefit received by SRF and Jindal under the programs found countervailable, i.e., the State and Union Territory Sales Tax Incentive program, and State of Maharashtra Package Scheme of Incentives (PSI) 1993 and 2007 and the State Sales Tax Incentive program, respectively, were tied to export performance. Therefore, for those programs tied to export performance, with the exception of the Advance Authorization Scheme (AAS), aka, Advance Licenses Program (ALP), we use total export sales, including deemed exports, as the denominator for our calculations.[17] Because we are able to tie the benefits earned under the AAS to exports of subject merchandise based on information provided by the company, we used total exports of subject merchandise as the denominator for our rate calculations. For the two programs SRF and Jindal received benefits from but which were not tied to export performance, state and union territory sales tax incentive programs and the State Government of Maharashtra (SGOM) package scheme of incentives (PSI) 1993 and 2007, we used total sales as the denominator.

Analysis of Programs

Programs Preliminarily Determined to be Countervailable

1. Export Promotion Capital Goods Scheme (EPCGS)

The EPCGS provides for a reduction or exemption of customs duties and excise taxes on imports of capital goods used in the production of exported products. Under this program, producers pay reduced duty rates on imported capital equipment by committing to earn convertible foreign currency equal to four to five times the value of the capital goods within a period of eight years. Once a company has met its export obligation, the GOI will formally waive the duties on the imported goods. If a company fails to meet the export obligation, the company is subject to payment of all or part of the duty reduction, depending on the extent of the shortfall in foreign currency earnings, plus a penalty interest.

[16] See preliminary results calculation memoranda for Jindal and SRF.
[17] See 19 CFR 351.525(b)(2).

In the investigation, the Department determined that import duty reductions provided under the EPCGS are countervailable export subsidies because: (1) the scheme provides a financial contribution pursuant to section 771(5)(D)(ii) of the Act in the form of revenue foregone for not collecting import duties; (2) respondents receive two different benefits under section 771(5)(E) of the Act; and (3) the program is contingent upon export performance, and is specific under section 771(5A)(A) and (B) of the Act.[18] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.

The first benefit is the amount of unpaid import duties that would have to be paid to the GOI if the accompanying export obligations are not met. The repayment of this liability is contingent on subsequent events and, in such instances, it is the Department's practice to treat any balance on an unpaid liability as a contingent liability interest-free loan, pursuant to 19 CFR 351.505(d)(1).[19] The second benefit is the waiver of duty on imports of capital equipment covered by those EPCGS licenses for which the export requirement has already been met. For those licenses for which companies demonstrate that they have completed their export obligation, we treat the import duty savings as grants received in the year in which the GOI waived the contingent liability on the import duty exemption, pursuant to 19 CFR 351.505(d)(2).

Import duty exemptions under this program are provided for the purchase of capital equipment. The preamble to our regulations states that if a government provides an import duty exemption tied to major equipment purchases, "it may be reasonable to conclude that, because these duty exemptions are tied to capital assets, the benefits from such duty exemptions should be considered non-recurring . . ."[20] In accordance with 19 CFR 351.524(c)(2)(iii), we are treating these exemptions as non-recurring benefits.

Jindal reported that it imported capital goods under the EPCGS in the years prior to and during the POR. Jindal received various EPCGS licenses, which it reported used for the production of: (1) subject merchandise, and (2) non-subject merchandise. However, information provided by Jindal indicates that some of the licenses were issued for the purchase of capital goods and materials that could be used in the production of both subject and non-subject merchandise.[21] Specifically, information included in Jindal's most recent supplemental response indicates that the GOI approved certain licenses for the export of both subject and non-subject merchandise.[22] Based on the information and documentation submitted by Jindal, we cannot reliably determine that the EPCGS licenses are tied to the production of a particular product within the meaning of 19 CFR 351.525(b)(5). As such, we find that all of Jindal's EPCGS licenses benefit all of the company's exports.

[18] See Notice of Final Affirmative Countervailing Duty Determination: Polyethylene Terephthalate Film, Sheet and Strip (PET Film) From India, 67 FR 34905 (May 16, 2002) (PET Film Final Determination), and accompanying IDM at "EPCGS."
[19] Id.
[20] See Countervailing Duties; Final Rule, 63 FR 65348, 65393 (November 25, 1998).
[21] See Jindal IQR at 45-51, and Exhibits 31, 36-38, and 56-57, and Jindal First Supplemental Response (June 20, 2016) (Jindal SQR1) at 5-6 and Exhibit 80.
[22] Id.; see also Jindal SQR1.

SRF reported that it imported capital goods under the EPCGS in the years prior to the POR. SRF received various EPCGS licenses, which it reported were for the production of subject merchandise and non-subject merchandise. SRF provided complete license documentation on the record of this review, including copies of the original licenses and condition sheets issued by the GOI.[23] Thus, based on the information and documentation submitted by SRF, we were able to determine that the EPCGS licenses are tied to the production of a particular product within the meaning of 19 CFR 351.525(b)(5). We further determine that some of SRF's license(s) are tied to the production of non-subject merchandise and some to the production subject merchandise. As such, we find that some of SRF's EPCGS licenses benefit the company's exports of subject merchandise.

Jindal and SRF each met the export requirements for certain EPCGS licenses prior to December 31, 2014, and the GOI formally waived payments of the relevant import duties. For most of its licenses, however, Jindal has not yet met its export obligation as required under the program.[24] Therefore, although Jindal received a deferral from paying import duties when the capital goods were imported, the final waiver of the obligation to pay the duties has not yet been granted for many of these imports.

To calculate the benefit received from the GOI's formal waiver of import duties on Jindal's and SRF's capital equipment imports where their export obligation was met prior to December 31, 2014, we considered the total amount of duties waived (net of required application fees) to be the benefit, and treated these amounts as grants pursuant to 19 CFR 351.504. Further, consistent with the approach followed in the investigation, we determine the year of receipt of the benefit to be the year in which the GOI formally waived Jindal's and SRF's outstanding import duties.[25] Next, we performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2), for each year in which the GOI granted Jindal and SRF an import duty waiver. With respect to Jindal, for those license(s), which were not expensed in the year of receipt, we then calculated the benefit from these allocable grants using the methodology set forth in 19 CFR 351.504 to determine the benefit in the POR from these grants. We summed the benefits from these grants to determine the total benefit for Jindal of these waivers. All of SRF's license(s) tied to subject merchandise had values of less than 0.5 percent of SRF's total export sales for that year and were expensed in the year of receipt.[26] Therefore, we determine that SRF did not receive any benefits from this program during the POR.

As noted above, import duty reductions that Jindal received on the imports of capital equipment for which it has not yet met export obligations may have to be repaid to the GOI if the obligations under the licenses are not met.[27] Consistent with our practice and prior determinations, we will treat the unpaid import duty liability as an interest-free loan.

[23] See SRF IQR at 4 and 21, Exhibits 14 and 18(a), and SRF's First Supplemental Response (June 21, 2016) (SRF SQR1) at 3-4 and Exhibit S1-4.
[24] See Jindal IQR at 54-56 and Exhibits 48-55, and SRF IQR at Exhibit 18.
[25] See PET Film Final Determination, and accompanying IDM at Comment 5.
[26] See preliminary results calculation memorandum for SRF at 5.
[27] See 19 CFR 351.505(d)(1); PET Film Final Determination, and accompanying IDM at "EPCGS"; see also Final Affirmative Countervailing Duty Determination: Bottle-Grade Polyethylene Terephthalate (PET) Resin From India, 70 FR 13460 (March 21, 2005) (Indian PET Resin Final Determination), and accompanying IDM at "d. Export Promotion Capital Goods Scheme (EPCGS)."

The amount of the unpaid duty liabilities to be treated as an interest-free loan is the amount of the import duty reduction or exemption for which the respondent applied, but, as of the end of the POR, had not been finally waived by the GOI. Accordingly, we find the benefit to be the interest that Jindal would have paid during the POR on the full amount of the duty reduction or exemption at the time of importation.[28] As stated above, under the EPCGS program, the time period for fulfilling the export commitment expires eight years after importation of the capital good. As such, pursuant to 19 CFR 351.505(d)(1), the benchmark for measuring the benefit is a long-term interest rate because the event upon which repayment of the duties depends occurs at a point in time that is more than one year after the date of importation of the capital goods (i.e., under the EPCGS program, the time period for fulfilling the export commitment is more than one year after importation of the capital good). As the benchmark interest rate, we used the weighted-average interest rate from all comparable commercial long-term, rupee-denominated loans for the year in which the capital good was imported. See the "Benchmarks Interest Rates" section above for a discussion of the applicable benchmark. We then multiplied the total amount of unpaid duties under each license by the long-term benchmark interest rate for the year in which the license was approved and summed these amounts to determine the total benefit to Jindal from these interest-free loans.

Thus, the total benefit received under the EPCGS is the sum of: (1) the benefit attributable to the POR from the formally waived duties for imports of capital equipment for which respondents met export requirements by December 31, 2014, and (2) interest due on the contingent liability loans for imports of capital equipment that have not met export requirements. We then divided the total benefit by Jindal's total exports to determine a subsidy of 1.80 percent ad valorem.[29]

2. Status Holder Incentive Scrip (SHIS)

The SHIS scheme was introduced in 2009 with the objective to promote investment in upgrading technology in specific sectors.[30] Status Holders under the GOI's listing of specific exported products receive incentive scrip (or credit) equal to one percent of the FOB value of the exports in the form of a duty credit. The SHIS license can only be used for imports of capital goods and it can be transferred to another Status Holder for the import of capital goods.[31]

In Steel Threaded Rod from India Final,[32] the Department found that this program is countervailable because it provides a financial contribution in the form of revenue foregone under section 771(5)(D)(ii) of the Act because duty free import of goods represents revenue foregone by the GOI. Further, the Department determined that it is specific under sections

[28] See, e.g., PET Film Preliminary Results of 2003 Review, 70 FR at 46488 (unchanged in PET Film Final Results of 2003 Review); see also Indian PET Resin Final Determination, and accompanying IDM at "d. Export Promotion Capital Goods Scheme (EPCGS)."
[29] See preliminary results calculation memorandum for Jindal.
[30] See GOI Initial Questionnaire Response (December 7, 2016) (IQR) at 100-111 and Exhibits 6-7 and 27-28.
[31] Id. at 104.
[32] See Steel Threaded Rod From India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances, 79 FR 40712 (July 14, 2014) (Steel Threaded Rod from India Final), and accompanying IDM, at "Status Holder Incentive Scrip."

771(5A)(A) and (B) of the Act because it is limited to exporters. A benefit is also provided under the SHIS program under 771(5)(E) of the Act and 19 CFR 351.519 in the amount of exempted duties on imported capital equipment.

Import duty exemptions under this program are solely provided for the purchase of capital equipment.[33] The preamble of the Department's regulations states that, if a government provides an import duty exemption tied to major equipment purchases, "it may be reasonable to conclude that, because these duty exemptions are tied to capital assets, the benefits from such duty exemptions should be considered non-recurring…."[34] In accordance with 19 CFR 351.524(c)(2)(iii) and past practice, we are treating these import duty exemptions on capital equipment as non-recurring benefits.[35]

Jindal reported that it received SHIS license scripts to import capital goods duty-free during the POR. Information provided by Jindal indicates that its SHIS license scripts were issued for the purchase of capital goods used for the production of exported goods, so we are attributing the SHIS benefits received by Jindal to the company's total exports.[36]

SRF reported that it applied for SHIS licenses for the first time during the POR, but has not received any SHIS license yet. Thus, it has not received any benefits under the SHIS either up until or during the POR.[37]

The SHIS scrip represents a non-recurring benefit that is not automatically received and is known to the recipient at the time of receipt of the scrip.[38] Although the Department's regulations stipulate that we will normally consider the benefit as having been received as of the date of exportation, see 19 CFR 351.519(b)(1), because the SHIS benefit amount is not automatic and is not known to the exporter until well after the exports are made, the SHIS licenses, which contain the date of validity and the duty exemption amount, as issued by the GOI, are the best method to determine and account for when the benefit is received.[39]

We performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2), for the total value of the exempted customs duties for the year in which Jindal received the SHIS scrip and determined to allocate the benefits across the AUL.[40] We then calculated the benefits according to the calculation provided for in 19 CFR 351.524(d)(1). On this basis, we determine a countervailable subsidy of 0.44 percent ad valorem for Jindal.

[33] Id., and GOI IQR at 104.
[34] See Countervailing Duties, 63 FR at 65393.
[35] See Steel Threaded Rod from India Final, and accompanying IDM at "Status Holder Incentive Scrip."
[36] See Jindal SQR1 at 4-5 and Exhibit 79.
[37] See SRF IQR at 50-51 and SRF SQR1 at 4.
[38] See Steel Threaded Rod from India Final, and accompanying IDM at "Status Holder Incentive Scrip;" see also, GOI IQR at 101-102 and 105.
[39] The Department determined, and was upheld by the CIT in Essar Steel v. United States, 395 F. Supp. 2d 1275, 1278 (CIT 2005) (Essar Steel) in the similar but discontinued GOI program, the Duty Entitlement Passbook Scheme (DEPS), benefits were conferred when earned, rather than when the credits were used.
[40] See preliminary results calculation memorandum Jindal, at Attachment 1.

The GOI stated that this program was not available for the fiscal year 2013-2014, and that there were no residual benefits from this program; however, companies may apply for licenses for up to three years after the program has ended (i.e., through 2016).[41] Additionally, because this program applies to capital goods and the AUL in this proceeding is ten years, and for Jindal, specifically, 17 years,[42] companies may receive residual benefits from this program through at least 2026, and for Jindal through 2033.

3. Special Economic Zones (SEZs) formerly known as Export Process Zones/Export Oriented Units (EPZs/EOUs)

This program was found countervailable in SRF's new shipper review.[43] An SEZ may be established jointly or individually by the Central Government, a State Government or a person, to manufacture goods or provide services, or both, as well as to serve as a Free Trade and Warehousing Zone. Entities that want to set up an SEZ in an identified area may submit their proposal to the relevant State Government. To be eligible under the SEZ Act, the companies inside an SEZ must commit to export their production of goods and/or services. Specifically, all products produced, excluding rejects and certain domestic sales, must be exported and must achieve a net foreign exchange (NFE), calculated cumulatively for a period of five years from the commencement of production. In return, the companies inside the SEZ are eligible to receive various forms of assistance.

Companies in a designated SEZ may receive the following benefits: (1) duty-free importation of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material; (2) purchase of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material without the payment of CST thereon; (3) exemption from the services tax for the services consumed within the SEZ; (4) exemption from stamp duty for all transactions and transfers of immovable property, or documents related thereto within the SEZ; (5) exemption from electricity duty and cess thereon on the sale or supply to the SEZ unit; (6) income tax exemptions under the Income Tax Exemption Scheme Section 10A;[44] and (7) discounted land in an SEZ.

SRF reported that it produced subject and non-subject merchandise in an SEZ unit located in Indore during the POR. Specifically, SRF reported using the SEZ program to obtain: (1) duty-free importation of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material; (2) purchase of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material without the payment of CST thereon; (3) exemption from stamp duty of all transactions and transfers of immovable property, or documents related thereto within the SEZ; (4) exemption from electricity duty and cess thereon on the sale or supply to the SEZ unit; (5) income tax exemptions under Income Tax Exemption Scheme Section 10A; and (6) discounted land in an SEZ.[45]

[41] See GOI IQR at 103 and 103, and Exhibit 28; see also Steel Threaded Rod from India Final, and accompanying IDM at "Status Holder Incentive Scrip."
[42] See "Allocation Period" section, above.
[43] See Polyethylene Terephthalate Film, Sheet and Strip From India: Final Results of Countervailing Duty New Shipper Review, 76 FR 30910 (May 27, 2011) (SRF New Shipper Review), and accompanying IDM at 13-19.
[44] See GOI IQR at 42-55 and Exhibits 13-15.
[45] See SRF IQR at 37-47and Exhibits 23(a)-28(b).

Since eligibility for the SEZ program is contingent upon export performance, we find that the assistance provided under the SEZ program is specific within the meaning of sections 771(5A)(A) and (B) of the Act.

a. ***Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material***

Companies in SEZs are entitled to import capital goods and raw materials, components, consumables, intermediates, spare parts and packing material duty-free in exchange for committing to export all of the products it produces, excluding rejects and certain domestic sales. Additionally, such companies have to achieve an NFE calculated cumulatively for a period of five years from the commencement of production.

We determine that the duty-free importation of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material, provides a financial contribution pursuant to section 771(5)(D)(ii) of the Act through the foregoing of duty payments. This SEZ program confers benefits in the amounts of exemptions of customs duties not collected in accordance with section 771(5)(E) of the Act.

In the SRF New Shipper Review, the Department determined that, with regard to these import duty exemptions provided on goods, such as raw materials, that may be consumed in the production of the exported product, the GOI did not claim or provide any information to demonstrate that such exemptions meet the criteria for non-countervailability set forth in 19 CFR 351.519(a)(4). Thus, the Department determined that the entire amount of the import duty deferral or exemption provided to the respondent constitutes a benefit under section 771(5)(E) of the Act.[46] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.[47]

Further, based on the information provided by SRF in its “Executed Legal Agreement for SEZ Unit” with the GOI, until an SEZ demonstrates that it has fully met its export requirement, the company remains contingently liable for the import duties.[48] SRF has not yet met its export requirement under this program[49] and will owe the unpaid duties if the export requirement is not met. Therefore, consistent with 19 CFR 351.505(d)(1), until the contingent liability for the unpaid duties is officially waived by the GOI, we consider the unpaid duties to be an interest-free loan made to SRF at the time of importation. We determine the benefit to be the interest that SRF would have paid during the POR had it borrowed the full amount of the duty reduction or exemption at the time of importation.

Pursuant to 19 CFR 351.505(d)(1), the benchmark for measuring the benefit is a long-term interest rate, because the event upon which repayment of the duties depends (i.e., the date of

[46] See SRF New Shipper Review, and accompanying IDM at 14-15.
[47] See GOI IQR at 61.
[48] See SRF IQR at Exhibit 21(a) and 21(b).
[49] Id.

expiration of the time period to fulfill the export commitment) occurs at a point in time that is more than one year after the date of importation of the capital goods (i.e., under the SEZ program, the time period for fulfilling the export commitment is more than one year after importation of the capital good). We used the long-term, rupee-denominated benchmark interest rate discussed in the "Benchmark Interest Rates" section above for each year in which capital goods were imported as the benchmark.

We calculated the benefit from these exemptions by multiplying the value of the item imported by the applicable duty rates for customs duty and cess, and multiplied these amounts by the appropriate interest rate. We then summed the results, and divided that total by SRF's exports to determine the countervailable subsidy of 1.74 percent ad valorem.[50]

b. Exemption from Payment of Central Sales Tax (CST) on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material

The Department found this program countervailable in the SRF New Shipper Review.[51] Under this program, SRF was exempt from paying CST on capital goods, raw materials, and other goods, such as packaging materials procured domestically. We determine that the exemption from payment of CST on purchases of capital goods and raw materials, components, consumables, intermediates, spare parts and packing material provides a financial contribution pursuant to section 771(5)(D)(ii) of the Act through the foregoing of CST payments. This SEZ program confers benefits in the amount of CST not collected, in accordance with section 771(5)(E) of the Act. Specifically, the benefit associated with domestically purchased materials is the amount of CST due and uncollected on those purchases by SRF during that period.

Specifically, the Department found that for the CST exemptions on goods, such as raw materials, that may be consumed in the production of the exported product, the GOI did not provide any information to demonstrate that such exemptions meet the criteria for non-countervailability set forth in 19 CFR 351.518. There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to treat all other CST exemptions on all purchases (other than capital goods) as recurring benefits pursuant to 19 CFR 351.524.

Normally, uncollected indirect taxes, such as the CST, are considered to be recurring benefits. However, a portion of the benefit of this program is tied to the purchase of capital goods. Pursuant to 19 CFR 351.524(c)(2)(iii), we normally treat uncollected taxes due on purchases of capital goods as non-recurring benefits. However, we performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2) and found that the amount of uncollected CST that was tied to the purchase of capital goods during the POR was less than 0.5 percent of total export sales during the POR. We also performed the "0.5 percent test" on SRF's uncollected CST that was tied to its purchases of capital goods in the years 2004 through 2013 and found that each year's uncollected CST was less than 0.5 percent of total export sales for each year. Therefore, each annual benefit from 2004 through 2013 was expensed in the year of receipt and the only

[50] See preliminary results calculation memorandum for SRF.
[51] See SRF New Shipper Review, and accompanying IDM at 15-16.

benefit attributable to the POR was the amount of the uncollected CST on purchases of capital goods under this program during the POR.[52]

To calculate the benefit, we summed the total value of uncollected CST for capital goods purchased during the POR and the total value of uncollected CST due on all other purchases during the POR. We then divided this amount by the total value of SRF's export sales during the POR. On this basis, we determine the countervailable subsidy provided to SRF through the CST exemptions under the SEZ program to be 0.27 percent ad valorem.[53]

c. *Exemption from Stamp Duty of all Transactions and Transfers of Immovable Property within the SEZ (Stamp Duty)*

According to SRF, "{t}he Indian Stamp Act, 1899, is a Central enactment and States have powers to adopt the Indian Stamp Act, 1899, with amendments to the same to suit the transactions peculiar to each State," and the State Government of Madhya Pradesh has made amendments and imposed various types of Stamp Duty.[54] These amendments include the Stamp Duty, Surcharge on Stamp Duty, Gram Panchyat Taxes, and Municipalities Tax.[55] Further, SRF states that under Section 13(2) of The Indore Special Economic Zone (Special Provisions) Act, 2003, the transfers of immovable property or documents related thereto within the SEZ shall be exempt from the stamp duty, and that SRF has been exempted from payment of the stamp duty on its land lease deed.[56]

In the SRF New Shipper Review, the Department determined that the program provides a financial contribution in the form of revenue foregone by the State Government of Madhya Pradesh pursuant to section 771(5)(D)(ii) of the Act, and confers a benefit equal to the amount of the tax exemption, pursuant to section 771(5)(E) of the Act.[57] The Department further determined that the SEZ exemption from stamp duty/taxes provides a non-recurring benefit under 19 CFR 351.524(c)(2)(i).[58] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.

To calculate the benefit, we first calculated the value of the uncollected stamp duties and taxes, as listed above, which SRF did not pay upon registration of the land deed for the SEZ, by multiplying the value of the immovable property by the tax rates provided. As discussed above, pursuant to 19 CFR 351.524(c)(2)(i), we will treat SRF's uncollected stamp duties due on the lease of the SEZ land as non-recurring benefits. However, we performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2) and found that the value of uncollected stamp duties on the lease of the SEZ land was less than 0.5 percent of total export sales during the year in

[52] See 19 CFR 351.524(b)(2).
[53] See preliminary results calculation memorandum for SRF.
[54] See SRF IQR, at 41-42 and Exhibit 24(a) and (b), and GOI IQR at 43 and Exhibit 13.
[55] Id.
[56] Id. at 41.
[57] See SRF New Shipper Review, and accompanying IDM at 16.
[58] Id. IDM at 16 and 35 (Comment 7).

which the benefit was received.[59] Therefore, we allocated the benefit received on stamp duty to the year it was received. As a result, there is no benefit from this exemption to SRF during the POR.

d. Exemption from Electricity Duty and Cess Thereon on the Sale or Supply to the SEZ Unit

The GOI and SRF reported that under Section 11(4) of the Indore Special Economic Zone (Special Provisions) Act, 2003, the supply of electricity to an SEZ is exempt from electricity duty and cess, as long as the unit for which electricity duty is exempted, is located within the SEZ, as approved by the GOI.[60] In addition, SRF provided an exhibit including the Madhya Pradesh Electricity Duty (Amendment) Act, 1995 and the state's laws governing the taxation of electricity, which establish the applicable rates of electricity duty and cess,[61] demonstrating that this program is within the control of the state government.

In the SRF New Shipper Review, the Department determined that the electricity duty and cess exemptions provide a financial contribution in the form of revenue foregone by the State Government of Madhya Pradesh, pursuant to section 771(5)(D)(ii) of the Act. It confers a benefit equal to the amount of the tax exemption, pursuant to section 771(5)(E) of the Act. The Department also determined that the SEZ exemption from electricity duty and cess provides a recurring benefit under 19 CFR 351.524(c).[62] There is no new information or evidence of changed circumstances, that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.

To calculate the benefit, we first calculated the uncollected electricity duty and cess, which SRF did not pay during the POR, by multiplying the monthly billed amount of electricity consumed by the tax rates provided. We then divided this amount by SRF's total export sales during the POR to calculate a countervailable subsidy of 0.14 percent ad valorem.[63]

e. SEZ Income Tax Exemption Scheme (Section 10A)

In accordance with Section 10A of the Indian Income Tax Act, 1961, companies in an SEZ are allowed to deduct profits derived from the export sales of an SEZ, as defined in the Foreign Trade Policy, from its taxable income. Specifically, Section 10A states that:

> Subject to the provisions of this section, a deduction of such profits and gains as are derived by an undertaking from the export of articles or things or computer software for a period of ten consecutive assessment years beginning with the assessment year relevant to the previous year in which the undertaking begins to manufacture or produce such

[59] See preliminary results calculation memorandum for SRF.
[60] See SRF IQR at 43 and Exhibits 25(a) and (b), and GOI IQR at 43 and Exhibit 13.
[61] See SRF IQR at 43 and Exhibit 25(b); see also GOI IQR at 43-44.
[62] See SRF New Shipper Review, and accompanying IDM at 17.
[63] See preliminary results calculation memorandum for SRF.

articles or things or computer software, as the case may be, shall be allowed from the total income of the assesse.[64]

In the SRF New Shipper Review, the Department determined that, pursuant to section 771(5)(D)(ii) of the Act, the GOI provides a financial contribution in the form of revenue foregone.[65] The benefit equals the difference between the amount of income taxes that would be payable absent this program and the actual amount of taxes payable by SRF, pursuant to section 771(5)(E) of the Act.[66] We also determined that the SEZ income tax exemption provides a recurring benefit under 19 CFR 351.524(c).[67] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable.

SRF reported that it did not receive any benefit under this program during the POR,[68] as can be seen from its Tax Return of Income for the financial year April 1, 2013 through March 31, 2014 (2013-14), which SRF filed on November 30, 2014.[69] We examined the information provided and determined that SRF did not benefit from this exemption during the POR.

f. Discounted Land Fees in an SEZ

The GOI states that, in accordance with Chapter II, Rule 5, of the SEZ Rules, "… States which have the SEZ units, have specific provisions in respect of exemption from the State and local taxes, levies and duties . . . ."[70] The Indore SEZ, where SRF has its plant, is located in the State of Madhya Pradesh and as such, the State SEZ Act of Madhya Pradesh State, i.e., the Indore Special Economic Zone (Special Provisions) Act, 2003, applies.[71] The State Government of Madhya Pradesh is in control of SRF's land lease agreement within the SEZ. SRF reported that, because its SEZ unit is a Mega Project by virtue of its large investment, the State Government of Madhya Pradesh has allowed a one-time concession of 75 percent of the lease premium on the land.[72] This is confirmed by the directive of the Government of Madhya Pradesh, Department of Commerce, Industry and Employment Ministry, submitted by SRF.[73]

In the SRF New Shipper Review, the Department determined that, pursuant to section 771(5)(D)(ii) of the Act, the State Government of Madhya Pradesh provides a financial contribution in the form of revenue foregone.[74] The benefit equals the difference between the land premium that would be payable absent this program and the actual amount paid by SRF, net of advances, i.e., down payments on the lease made by SRF, pursuant to section 771(5)(E) of the

[64] Id., GOI IQR at 44-54.
[65] See SRF New Shipper Review, and accompanying IDM at 18.
[66] Id.
[67] Id.
[68] See SRF IQR at 43 and SRF SQR1 at 3.
[69] See SRF IQR at 43 and Exhibits 26(a) and (b), also, see GOI IQR at 44-53.
[70] See GOI IQR at 54.
[71] Id.; see also SRF IQR at 57-59 and Exhibits 27(a), (b), and (c).
[72] Id., SRF IQR at 44-45.
[73] Id., at Exhibit 27(b).
[74] See SRF New Shipper Review, and accompanying IDM at 19.

Act.[75] Further, the discount is a one-time occurrence given at the time of the original land lease agreement, i.e., the 75 percent discount is applied only to the first year's annual all-inclusive lease premium. As such, the Department determined this benefit to be non-recurring under 19 CFR 351.524(c)(2)(i).[76] There is no new information or evidence of changed circumstances that would warrant reconsidering our determination that this program is countervailable. Therefore, for these preliminary results, we continue to find this program countervailable. To determine the benefit, we multiplied the lease premium by the amount of the discount provided on the lease. We then performed the "0.5 percent test," as prescribed under 19 CFR 351.524(b)(2), and found that the value of the SEZ land concession exceeds 0.5 percent of SRF's total export sales in the year the concession was granted. Therefore, we allocated the amount received over the AUL, using the appropriate discount rate.[77] Based on our allocation over the AUL we determined that the last benefit that SRF obtained from this program was expensed in the prior POR, 2013. Therefore, we determine that SRF did not receive any benefit under this program during the POR.[78]

4. Advance Authorization Scheme (AAS), aka, Advance License program (ALP)

Under the AAS, aka ALP, exporters may import, duty free, specified quantities of materials required to manufacture products that are subsequently exported. The exporting companies, however, remain contingently liable for the unpaid duties until they have fulfilled their export requirement. The quantities of imported materials and exported finished products are linked through standard input-output norms (SIONs) established by the GOI. During the POR, Jindal used advance licenses to import certain materials duty free.[79]

In the 2005 administrative review of this proceeding, the GOI indicated that it had revised its Foreign Trade Policy and Handbook of Procedures for the AAS/ALP during 2005. The Department analyzed the changes introduced by the GOI to the AAS/ALP in 2005 and acknowledged that certain improvements to the AAS/ALP system were made. However, the Department found that, based on the information submitted by the GOI and examined during previous reviews of this proceeding, and no information having been submitted for that review demonstrating that the GOI had revised its laws and procedures governing this program since those earlier reviews, systemic issues continued to exist in the AAS/ALP system during that POR.[80] In the 2005 review, the Department specifically stated that it continues to find the AAS/ALP countervailable based on:

> the GOI's lack of a system or procedure to confirm which inputs are consumed in the production of the exported products and in what amounts that is reasonable and effective

[75] Id.,
[76] Id., at 18-19.
[77] See "Allocation Period" and "Benchmark Interest Rates" sections of this memorandum, supra.
[78] See preliminary results calculation memorandum for SRF.
[79] See Jindal IQR at 63-72 and Exhibits 59-64, and GOI IQR at 63-75 and Exhibit 17.
[80] See Polyethylene Terephthalate (PET) Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review, 73 FR 7708 (February 11, 2008) (PET Film Final Results of 2005 Review), and accompanying IDM at Comment 3; see also Notice of Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Lined Paper Products from India, 71 FR 45034 (August 8, 2006), and accompanying IDM at Comment 1.

> for the purposes intended, as required under 19 CFR 351.519. Specifically, we still have concerns with regard to several aspects of the ALP including (1) the GOI's inability to provide the SION calculations that reflect the production experience of the PET Film industry as a whole; (2) the lack of evidence regarding the implementation of penalties for companies not meeting the export requirements under the ALP or for claiming excessive credits; and, (3) the availability of ALP benefits for a broad category of "deemed" exports.[81]

There is no new evidence on the record of the current administrative review of any new changes to this program since it was last examined by the Department,[82] demonstrating that the systemic deficiencies in the AAS/ALP system, identified above, have been resolved.[83] Therefore, the Department continues to find that the AAS/ALP confers a countervailable subsidy because: (1) a financial contribution, as defined under section 771(5)(D)(ii) of the Act, is provided under the program, as the GOI exempts the respondents from the payment of import duties that would otherwise be due; (2) the GOI does not have in place, and does not apply, a system that is reasonable and effective for the purposes intended in accordance with 19 CFR 351.519(a)(4), to confirm which inputs, and in what amounts, are consumed in the production of the exported products, making normal allowance for waste, nor did the GOI carry out an examination of actual inputs involved to confirm which inputs are consumed in the production of the exported product, and in what amounts; thus, the entire amount of the import duty deferral or exemption provided to the respondent constitutes a benefit under section 771(5)(E) of the Act; and (3) this program is specific under section 771(5A)(A) and (B) of the Act because it is contingent upon exportation.

Pursuant to 19 CFR 351.524(c)(1), the exemption of import duties on raw material inputs normally provides a recurring benefit. Under this program, during the POR, Jindal did not have to pay certain import duties for inputs that were used in the production of subject merchandise. Thus, we are treating the benefit provided under the AAS/ALP as a recurring benefit.

Jindal imported inputs under the AAS/ALP for the production of subject merchandise duty free during the POR.[84] In response to the Department's first supplemental questionnaire, Jindal provided supporting documentation regarding its ALP license(s).[85] The information provided demonstrates that the license(s) were tied to the production and export of subject merchandise within the meaning of 19 CFR 351.525(b)(5).

To calculate the subsidy rate, we first determined the total value of import duties exempted during the POR for Jindal under license(s) tied to subject merchandise. We then divided the resulting benefit by the total value of Jindal's export sales of subject merchandise. On this basis, we determine the countervailable subsidy provided to Jindal under the AAS/ALP to be 0.51 percent ad valorem.[86]

[81] See PET Film Final Results of 2005 Review, IDM at Comment 3.
[82] Id.
[83] See Jindal IQR at 71.
[84] See Jindal IQR at 62-71..
[85] See Jindal SQR1 at 12-14 and Exhibit S1-10.
[86] See preliminary results calculation memorandum for Jindal.

5. State and Union Territory Sales Tax Incentive Programs

Certain state governments in India grant exemptions to, or deferrals from, sales taxes in order to encourage regional development. These incentives allow privately-owned (i.e., not 100 percent owned by the GOI) manufacturers, that are in selected industries and are located in the designated regions, to sell goods without charging or collecting state sales taxes.[87]

In the original CVD investigation, we determined that the operation of these types of state sales tax programs confer countervailable subsidies.[88] Specifically, the Department found that these programs provide a financial contribution in the form of revenue foregone by the respective state governments pursuant to section 771(5)(D)(ii) of the Act, and confer a benefit equal to the amount of the tax exemption, pursuant to section 771(5)(E) of the Act. Pursuant to section 771(5A)(A) and (D)(iv) of the Act, these programs are specific because they are limited to certain geographical regions within the respective states administering the programs.

Jindal and SRF reported not having to pay state sales tax and CST for certain purchases of inputs and supplies from certain locations within India for both subject- and non-subject merchandise.[89] To calculate the benefit, we first calculated the total sales tax reduction or exemption Jindal and SRF received during the POR by subtracting taxes paid from the amount that would have been paid on its purchases during the POR absent these programs. We then divided these amounts by Jindal's and SRF's total sales during the POR, to calculate a net countervailable subsidy rate of 0.29 and 0.01 percent ad valorem, respectively.[90]

6. State Government of Maharashtra (SGOM) Subsidies Under the Package Scheme of Incentives (PSI) 1993 and 2007

Under the PSI, incentives are offered to encourage dispersal of industries to the less industrially developed areas of the state of Maharashtra to achieve higher and sustainable economic development. Pursuant to this objective, Annexure I of the PSI-2007 places all "*talukas*," *i.e.*, district subdivisions, into six different development zones: A, B, C, D, D+, and "no industry." The zones cover the entire state of Maharashtra. Benefits under the PSI-2007 vary by zone.[91] The Department previously determined this program to be countervailable.[92]

The GOI has amended or extended the PSI from time to time. Under the PSI of 2007 (PSI-2007), brought into effect on April 1, 2007, the program was initially scheduled to be in effect

[87] See Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review, 72 FR 6530 (February12, 2007), and accompanying IDM at "State Sales Tax Incentive Programs."
[88] See PET Film Final Determination, and accompanying IDM at "State of Maharashtra Programs" and "State of Uttar Pradesh Programs:" Sales Tax Incentives;" see also PET Film Final Results of 2005 Review, and accompanying IDM at "State Sales Tax Incentive Programs."
[89] See Jindal IQR at 84-90 and Exhibit 71, and SRF IQR at 61-64 and Exhibit 29.
[90] See preliminary results calculation memorandum for Jindal and preliminary results calculation memorandum for SRF.
[91] See GOI IQR at 113-120 and Exhibits 29-30, and Jindal IQR at 75-79 and Exhibits 65-67.
[92] See OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007."

until March 31, 2011, but was extended through subsequent amendments and then terminated effective March 31, 2013.[93]

Jindal reported that it participated in the PSI under the provisions for "mega projects," and specifically the Industrial Promotion Subsidy (IPS) under this program.[94] According to paragraph 5.10, "Mega Projects:"

> The quantum of incentives within the approved limit will be decided by the High Power Committee under the chairmanship of Chief Secretary, Government of Maharashtra. The Infrastructure Committee under the chairmanship of the Chief Minister of Maharashtra will have the power to customize and offer special/extra incentives for the prestigious Mega Projects on a case to case basis.[95]

Industrial Promotion Subsidy (IPS)

The IPS, at paragraph 5.1, is part of the PSI-2007 incentives offered for new or expanding projects.[96] The Department has previously determined this program to be countervailable.[97] The extent of the benefits is determined by the zone the project is located in or by whether the project qualifies as a "mega project." The amount of the subsidy is also linked to the fixed capital investment.[98]

As stated in OCTG from India 2012, the SGOM's *Modalities of Sanction and Disbursement of Industrial Promotion Subsidy to Mega Projects under the PSI 2001 and PSI 2007*, at 1.1:

> "Industrial Promotion Subsidy" in respect of Mega Projects under PSI 2001 & 2007 means an amount equivalent to the percentage of "Eligible Investments" which has been agreed to as a part of the customized package, or the amount of tax payable under Maharashtra Valued Added Tax Act (MVAT) 2002 and Central Sales Tax (CST) Act, 1956 by the eligible Mega Projects in respect of sale of finished products eligible for incentives before adjustment of set off or other credit available for such period as may be sanctioned by the State Government, less the amount of benefits by way of Electricity Duty exemption, exemption form payment of Stamp Duty, refund of royalty and any other benefits (as may be specified by the Government) availed by the eligible Mega Projects under PSI 2001/2007, whichever is lower.[99]

Jindal is eligible for this benefit for seven years. The annual amount of the benefit is determined by SGOM each year through an annual application. Because its project in Maharashtra meets the

[93] Id.
[94] See Jindal IQR at 78.
[95] Id., Jindal IQR at 74-79 and Exhibit 65, and GOI IQR at Exhibits 29 (5.10 Mega Projects) and 30; see also OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007."
[96] Id., Jindal IQR at Exhibit 65.
[97] Id.; see also OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007 – c. Industrial Promotion Subsidy."
[98] See Jindal IQR at 74-79 and Exhibit 65, and GOI IQR at Exhibits 29-30.
[99] See OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007 – c. Industrial Promotion Subsidy."

criteria of a "mega project," Jindal was allowed to propose the means through which it would receive its benefits. It chose exemption of state value-added-tax (VAT) and CST payments.[100] Thus, the amount of the benefit determined each year is based on the state VAT and CST Jindal paid that year.

We find that this program provides a financial contribution in the form of revenue foregone by the SGOM pursuant to section 771(5)(D)(ii) of the Act.

Under the SGOM's VAT system, taxpayers are required to remit VAT collected from customers (output VAT) to the SGOM.[101] Before doing so, they reduce the amount of output VAT collected by the amount of VAT they have paid to their own suppliers (input VAT). Alternatively, instead of crediting output VAT with input VAT in this manner, they may receive a rebate of input VAT paid to their suppliers. Either way, the net amount of VAT the taxpayer pays to the SGOM equals the difference between output VAT and input VAT. Under the IPS program as applied to Jindal, however, that amount is refunded.[102] A refund for this amount would not be available absent the IPS program. Likewise, under the SGOM's CST system, the taxpayer pays to the SGOM the difference between the CST it collects from its customers and the CST it pays to its suppliers. Under the IPS program as applied to Jindal, however, that amount is also refunded; a refund that would not be available absent the IPS program.[103] The excessive refund of VAT provides a benefit under 19 CFR 351.510(a) (the refunded output VAT is only collected on domestic sales) and the remission of CST otherwise due provides a benefit under 19 CFR 351.509(a).

Pursuant to section 771(5A)(D)(iv) of the Act, the program is specific because it is limited to certain geographical regions within the state of Maharashtra. In order to calculate the benefit, we divided the total amount of the refunds Jindal received during the POR by its total sales during the POR. On this basis, we determined a countervailable subsidy rate of 2.06 percent ad valorem for Jindal.[104]

Programs Preliminarily Determined To Be Not Used or to Provide No Benefit During the POR

We preliminarily determine that SRF and Jindal did not apply for or receive benefits during the POR under the programs listed below:

GOI Programs

1. Duty Free Replenishment Certificate (DFRC)
2. Target Plus Scheme
3. Capital Subsidy

[100] See Jindal IQR at 76-77.
[101] See OCTG from India 2012, and accompanying IDM at "SGOM Subsidies Under the Package Scheme of Incentives of 2007 – c. Industrial Promotion Subsidy."
[102] See Jindal IQR at 74-79.
[103] Id.
[104] See preliminary results calculation memorandum for Jindal.

4. Exemption of Export Credit from Interest Taxes
5. Loan Guarantees from the GOI
4. Export Oriented Units
5. Duty Entitlement Passbook Scheme
6. Focus Market Scheme/Focus Product Scheme
7. Pre- and Post-Shipment Export Financing in Indian Rupees
8. Duty Drawback Scheme

State Programs

9. Octroi Refund Scheme State of Maharashtra (SOM)
10. Waiving of Interest on Loans by SICOM Limited (SOM)
11. State of Uttar Pradesh Capital Incentive Scheme
12. Infrastructure Assistance Schemes (State of Gujarat)
13. Capital Incentive Scheme Uttaranchel
14. Capital Incentive Schemes (SGOM)
15. Electricity Duty Exemption Scheme (SGOM IPS 2007)

Recommendation

We recommend that you approve the preliminary findings described above. If these recommendations are accepted, we will publish the preliminary results of the review in the Federal Register.

✓
Agree

Disagree

Ronald K. Lorentzen

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

July 27, 2016
Date

CHAPTER-6

EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs).

Eligibility

6.1 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 and rendering of services. Trading units are not covered under these schemes.

Export and Import of Goods

6.2 (a) An EOU / EHTP / STP / BTP unit may export all kinds of goods and services except items that are prohibited in ITC (HS). Export of Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) shall be subject to fulfillment of the conditions indicated in ITC(HS).

Procurement and supply of export promotion material like brochure / literature, pamphlets, hoardings, catalogues, posters etc. upto a maximum value limit of 1.5% of FOB value of previous years exports shall also be allowed.

(b) An EOU / EHTP / STP / BTP unit may import and/ or procure, from DTA or bonded warehouses in DTA / international exhibition held in India, without payment of duty, all types of goods, including capital goods, required for its activities, provided they are not prohibited items of import in the ITC (HS). Any permission required for import under any other law shall be applicable. Units shall also be permitted to import goods including capital goods required for approved activity, free of cost or on loan / lease from clients. Import of capital goods will be on a self certification basis. Goods imported by a unit shall be with actual user condition and shall be utilized for export production.

(c) State Trading regime shall not apply to EOU manufacturing units. However, in respect of Chrome Ore / Chrome concentrate, State Trading Regime as stipulated in export policy of these items, will be applicable to EOUs.

(d) EOU / EHTP / STP / BTP units may import / procure from DTA, without payment of duty, certain specified goods for creating a central facility. Software EOU/ DTA units may use such facility for export of software.

(e) An EOU engaged in agriculture, animal husbandry, aquaculture, floriculture, horticulture, pisciculture, viticulture, poultry or sericulture may be permitted to remove specified goods in connection with its activities for use outside bonded area.

(f) Gems and jewellery EOUs may source gold / silver/ platinum through nominated agencies on loan / outright purchase basis. Units obtaining gold/ silver/ platinum from nominated agencies, either on loan basis or outright purchase basis shall export gold/ silver / platinum within 90 days from date of release.

(g) EOU / EHTP / STP / BTP units, other than service units, may export to Russian Federation in Indian Rupees against repayment of State Credit / Escrow Rupee Account of buyer subject to RBI clearance, if any.

(h) Procurement and export of spares / components, upto 5% of FOB value of exports, may be allowed to same consignee / buyer of the export article, subject to the condition that it shall not count for NFE and direct tax benefits.

(i) BoA may allow, on a case to case basis, requests of EOU / EHTP / STP / BTP units in sectors other than Gems & Jewellery, for consolidation of goods related to manufactured articles and export thereof along with manufactured article. Such goods may be allowed to be imported / procured from DTA by EOU without payment of duty, to the extent of 5% FOB value of such manufactured articles exported by the unit in preceding financial year. Details of

7 Centres of Export oriented production: Special Economic Zones (SEZs) and Export Oriented Unit (EOUs)

The Special Economic Zones Policy was announced in April 2000 with the objective of making the Special Economic Zones an engine for economic growth, supported by quality infrastructure and an attractive fiscal package both at the Central and State level with a single window clearance. The SEZ concept recognizes the issues related to holistic economic development and provides for development of self-sustaining Industrial Townships so that the increased economic activity does not create pressure on the existing infrastructure.

I. Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006

Asia's first EPZ was set up in Kandla in 1965. Seven more zones were set up thereafter. However, the zones were not able to emerge as effective instruments for export promotion on account of the multiplicity of controls and clearances, the absence of world-class infrastructure and an unstable fiscal regime. While correcting the shortcomings of the EPZ model, some new features were incorporated in the Special Economic Zones (SEZs) Policy announced in April 2000.

To instill confidence in investors and signal the Government's commitment to a stable SEZ policy regime and with a view to impart stability to the SEZ regime and thereby generating greater economic activity and employment through the establishment of SEZs, a comprehensive Special Economic Zones Act, 2005, was passed by Parliament in May, 2005. The Act received Presidential assent on the 23rd of June, 2005. The SEZ Act, 2005, supported by SEZ Rules, came into effect on 10th February, 2006, providing simplification of procedures and single window clearance on matters relating to Central and State governments. As a result of this Act and Rules coming into force, it was envisaged that the SEZs would attract a large flow of foreign and domestic investment in infrastructure and production capacity leading to generation of additional economic activity and creation of employment opportunities.

The main objectives of the SEZ Act are:

- Generation of additional economic activity;
- Promotion of exports of goods and services;
- Promotion of investment from domestic and foreign sources;
- Creation of employment opportunities; and
- Development of infrastructure facilities.

II. Amendments in the SEZ Rules, 2006

The following important amendments have been made to the SEZ Rules, 2006:

- Prescribing minimum built up area for Bio-technology and Gem & Jewellery Sectors;
- Prescribing minimum processing area for Free Trade Warehousing Zone (FTWZ);
- Inclusion of specific provisions regarding grant of in-principle approval and its extension;
- Providing for a lease period of not less than five years as against the earlier provision of lease period being co-terminus with the validity of Letter of Approval;
- Stipulating the Upper limit of the area required for multi product SEZs at 5000 hectares, with the State Governments having the option to prescribe a lower limit;
- Revising the minimum processing area uniformly at 50% for multi- product SEZs as well as sector specific SEZs;
- Type of land to be mentioned in the application form of SEZ;
- Reimbursement of duty in lieu of drawback for supply of goods to SEZ developers against Indian rupees;
- Term "vacant land" defined for the purpose of SEZs;
- Clubbing of contiguous existing notified Special Economic Zones notwithstanding that the total area of resultant Special Economic Zones exceeds 5000 hectares
- A number of other amendments to delegate powers and to simplify the procedure;
- SEZ Authority Rules, 2009 has been made for the smooth functioning of zones and SEZ Authority has been set up accordingly.
- Routing proposal for setting up of SEZ through Development Commissioner, to facilitate developers and for better administrative efficiency.
- Including all the existing legislation/ rules for generation, transmission and distribution of power. Prescribing a time limit of 10 years for constructing the minimum built up area prescribed under Rule 5.
- Adding a new provision that once SEZ is notified and becomes operational, the validity of Letter of Approval will continue as long as the SEZ remains notified.
- Prescribing various forms and procedure for smooth functioning.
- Making it mandatory to all the developers and units to use the online system for better monitoring as also better facilitation in respect of the users.
- Classifying Cities of the country.
- Promoting IT/ITES SEZs in smaller cities of the country.
- Allowing setting up of FTWZs without any minimum area requirement in the existing SEZs.
- Paving way for import of prohibited items by a unit in a Special Economic Zone or Developer of the Special Economic Zone

from a place outside India to the Special Economic Zone with prior approval of the Board of Approval.

- Amending Annexure-II of Special Economic Zone Rules, 2006 to substitute the term "Apparel" mentioned is column (3) against Serial Number 3 of the Annexure by the words "Textiles and Articles of Textiles".
- Enabling Board of Approval to extend validity of Letter of Permission of unit beyond 4th year.
- Making validity of Letter of Approval of a co-developer of SEZ co-terminus with that of the developer.
- The following amendment to the SEZ Rules, 2006 were notified on 12th August, 2013:-
    - Minimum Land Area Requirements for setting up of SEZs in various categories has been reduced by half.
    - To allow greater flexibility and address the intermediate size land tracts falling between different categories, Graded Scale for Minimum Land Criteria has been introduced.
    - Sectoral broad-banding provisions have been introduced for categories of sectors to encompass similar/ related areas.
    - IT and ITES SEZs – Minimum land requirement criteria has been Dispensed with.
    - Transfer of Assets by SEZ Units upon their exit.
    - Vacancy Norms clarified.

III. Current status of approvals for setting up of Special Economic Zones

Seven Export Processing Zones set up by the Central Government at Kandla (Gujarat), Santa Cruz (Maharashtra), Cochin (Kerala), Noida (U.P.), Chennai (Tamil Nadu), Falta (West Bengal) and Visakhapatnam (Andhra Pradesh), were converted to SEZs on announcement of the SEZ Policy. Another EPZ set up in the private sector in Surat was also converted to an SEZ. In addition to these, 11 more SEZs were set up by the State Governments/private sector during the period 2000-2005 in the States of West Bengal (2), Gujarat (1), Madhya Pradesh (1), Uttar Pradesh (1), Rajasthan (2) and Tamil Nadu (4). After the coming into force of the SEZ Act, 2005 on 10th February 2006, 566 formal approvals have been granted for setting up of Special Economic Zones, out of which 388 SEZs have been notified and are in various stages of operation. A total of 185 SEZs are exporting.

While there is some concentration in certain states, the fact that the approved SEZs are spread over 20 States and 3 Union Territories indicates that these are not confined to any particular region. State-wise distribution of SEZs as on 20.06.2014 is in Table 7.1. The total land area involved in the formally approved SEZs including notified SEZs is around 62,238 Ha.

CHAPTER-7

Table: 7.1
State-wise Distribution of approved Special Economic Zone

(As on 20.06.2014)

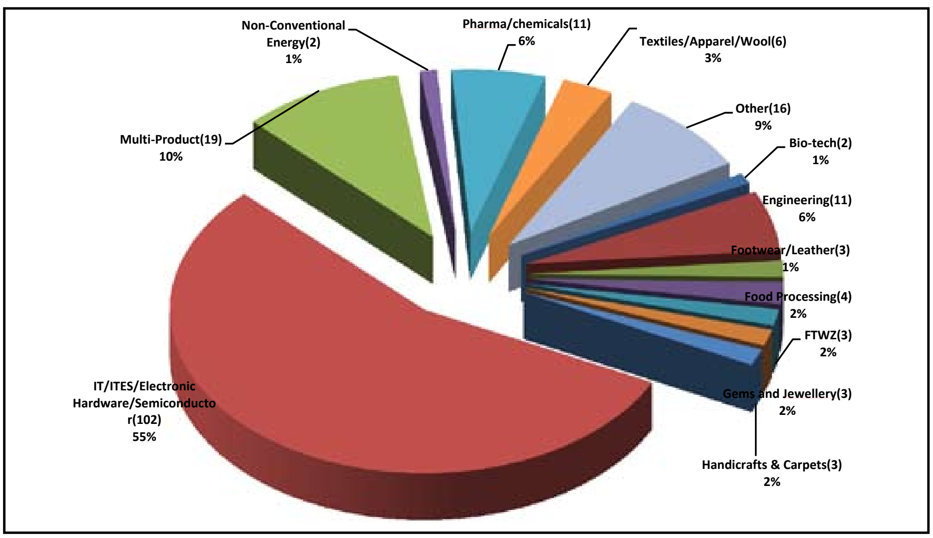
State	Formal Approvals	In-principle approvals	Notified SEZs	Exporting SEZs (Central Govt. + State Govt./ Pvt. SEZs + notified SEZs under the SEZ Act, 2005)
Andhra Pradesh	108	4	78	42
Chandigarh	2	0	2	2
Chhattisgarh	2	1	1	1
Delhi	3	0	0	0
Dadra & Nagar Haveli	2	0	1	0
Goa	7	0	3	0
Gujarat	42	6	29	18
Haryana	40	3	29	5
Jharkhand	1	0	1	0
Karnataka	61	0	40	25
Kerala	30	0	24	11
Madhya Pradesh	19	1	9	2
Maharashtra	100	14	66	22
Manipur	1	0	1	0
Nagaland	2	0	2	0
Odisha	10	1	5	1
Puducherry	1	1	0	0
Punjab	8	0	2	2
Rajasthan	10	1	10	5
Tamil Nadu	66	5	53	34
Uttar Pradesh	32	1	22	9
Uttarakhand	2	0	1	0
West Bengal	17	3	9	6
GRAND TOTAL	566	41	388	185

Source: Department of Commerce

The six major sectors of IT/ITES, Hardware etc., Textiles and Apparel (including Wool), Pharma and Chemicals, Biotech, Engineering and Multi-products account for bulk (80%) of the SEZ formal approvals granted so far. IT/ITES/Electronic Hardware/Semiconductor is the single most important segment accounting for about 61% of the total formal approvals followed by Biotech and Engineering SEZs. More than half of the 566 formal approvals issued so far have reached the stage of notified SEZs.

Sector-wise details of SEZ is as in the following diagram:-

Chart 7.1
Sector-wise distribution of SEZs in India
(Number & Percentage of operational SEZs (185) as on 31.3.2014)



IV. Employment, Investment and Exports in SEZ

The details of employment and investment generated in the Special Economic Zones are given in Box 7.1 and Box 7.2.

Box 7.1
Direct Employment in Special Economic Zones
(As on 20.06.2014)

- SEZs in India provide direct employment to over 1283309 persons;
- The incremental employment generated by the SEZs in the short span of time since the SEZ Act came into force in February 2006, is of the order of 1148605 persons.

Box 7.2
Investment in Special Economic Zones

- The Special Economic Zones notified under the SEZ Act, 2005 have already made an investment of Rs. 296663 crore since the coming into force of the SEZ Act in February, 2006.

Export Performance

The exports in the current year i.e 2013-14 from the SEZs have been to the tune of Rs. 4,94,077 crore (as on 31.03.2014). Exports from the functioning Special Economic Zones during the last seven years are in Table 7.2.

Table: 7.2
Exports from the functioning SEZs during the last seven years

Year	Value (Rs. Crore)	Increase (%) (Over previous year)
2007-2008	66,638	93.00
2008-2009	99,689	50.00
2009-2010	2,20,711	121.40
2010-2011	3,15,868	43.11
2011-2012	3,64,478	15.39
2012-2013	476159	31.00
2013-2014	494077	4.00

Source: Department of Commerce (SEZ Division)

SEZ Policy Reform Initiative

While above achievements are in no way insignificant, a comprehensive analytical assessment of the performance of the sector has highlighted the need that certain aspects of the SEZ Policy and Operational framework perhaps require a re-look with a view to possible reform in order to ensure that the laid down objectives of the SEZ Policy are better achieved.

The geographical dispersion of the SEZs is mainly limited to six States, namely, Andhra Pradesh, Maharashtra, Gujarat, Tamil Nadu, Kerala, and Karnataka. These States account for the nearly 92% of the SEZs established so far. Further, most of the established SEZs, Particularly, IT/ ITES SEZs have come up in and around major urban centres. The sectoral dispersion of the SEZs also indicates that manufacturing SEZs are not markedly visible. With the availability of land becoming increasingly difficult, setting up of multi product SEZ becomes more challenging as it required minimum 1000 hectares of contiguous and vacant land. The operational issues relating to FTWZs, procedure for refund of CST, service tax etc., also need further elaboration.

In order to address these concerns, inputs have been received from the stakeholders after meetings with the Principal Secretaries (Industries) of the State Governments, and by organizing outreach seminars under the auspices of the Zonal DCs. Inputs have also been received from trade associations like NASSCOM, ASSOCHAM, Federation of Indian Chambers and CII etc. Further action in this regard is in progress.

In short span of about six years since SEZs Act and Rules were notified in February, 2006, formal approvals have been granted for setting up of 566 SEZs out of which 388 have been notified. Out of the total employment provided to 1283309 persons in SEZs as a whole, 1148605 persons is incremental employment generated after February, 2006 when the SEZ Act has come into force. This is apart from million of man days of employment created by the developer for infrastructure activities. Physical exports from the SEZs has increased from Rs. 476159 crore in 2012-13 to Rs. 494707 crore in 2013-14, registering a growth of 4%. There has been overall growth of export of 2063% over past eight years (2005-06 to 2013-14). The total investment in SEZs till 31.03.2014 is Rs. 296663 crore approximately, including Rs. 292627.49 crore in the newly notified zones. 100% FDI is allowed in SEZs though automatic route as per the provisions of the SEZ Act, 2005. A total of 185 SEZs are making exports. Out of this 102 are IT/ITES, 19 Multi product and 64 other sector specific SEZs. The total number of units in these SEZs is 3799.

Export Oriented Units (EOUs)

The Export Oriented Units (EOUs) scheme introduced in early 1981, is complementary to the SEZ scheme. It adopts the same productions regime but offers a wide option in locations with reference to factors like source of raw materials, ports of export, hinterland facilities, availability of technological skills, existence of an industrial base and the need for a larger area of land for the project. As on 31st March, 2014, 2154 units are in operation under the EOU scheme. State-wise distribution of EOUs is given in table 7.3:-

Table 7.3
State-wise distribution of functional EOUs

States/UTs	Functional EOUs as on 31.03.2014
Andhra Pradesh	271
Chhattisgarh	1
West Bengal	59
Bihar	1
Jharkhand	2
Orissa	17
Assam	0
Tripura	0
Mizoram	1
Manipur	0
Meghalaya	1
Nagaland	0
Arunachal Pradesh	0
Sikkim	0
Gujarat	211
Kerala	76
Karnataka	451
Tamil Nadu	402
Pondicherry	12
A & N Island	3
Maharashtra	279
Goa, Daman & Diu	50
Dadra & Nagar Haveli	23
Delhi	34
Haryana	79
Uttar Pradesh	79
Punjab	14

Rajasthan	66
Himachal Pradesh	5
Jammu & Kashmir	3
Chandigarh	3
Uttrakhand	3
Madhya Pradesh	9
Total	**2154**

Table 7.4
Export Performance by EOUs'

(Rs. In Crores)

Year	EOUs Exports
2008-09	1,76,923.02
2009-10	84,135.66
2010-11	76,031.13
2011-12	79,343.28
2012-13	92089.80
2013-14	82072.71

Exports during 2013-14 from EOUs were of the order of Rs. 82072.71 crore as compared to the export of Rs. 92089.80 crore during 2012-13.

EOUs are mainly concentrated in textiles and yarn, food processing, Gem & jewellery, Computer Software, electronics, chemicals, plastics, granites and minerals/ores. Chapter 6 of the Foreign Trade Policy and Handbook of Procedure, (Vol.I) spells out the policy framework for EOUs.

Close

Export Promotion Council for EOUs & SEZs
Ministry of Commerce & Industry, Government of India

2004-2005

EPCES CIRCULAR NO. 28
DATED 17-02-2005

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

(*Ministry of Commerce & Industry, Government of India*)
705, BHIKAJI CAMA BHAVAN, BHIKAJI CAMA PLACE, NEW DELHI 110 066

TEL : 26165805, 26167042, FAX: 26165538, EMAIL : epces@vsnl.net

L.B. Singhal
Director General

EPCES CIRCULAR NO. 28 DATED 17-02-2005

Sub : Revised All Industry Rate of Duty Drawback for Furnace Oil/fixation of drawback rate for HSD (DGFT Notification No. 23/2004-09 dated 15.2.2005).

EPCES had received large number of representations from EOUs/SEZ units that All Industry Rate of Duty Drawback on supply of furnace oil from DTA to EOUs and SEZ Units should be revised upwards and the drawback rate for HSD should be fixed immediately. Accordingly, the EPCES had taken up this issue with Ministry of Commerce, DGFT and Department of Revenue and in various Open Houses organized by EPCES at Kolkata, Cochin, Hyderabad, Mumbai and Chennai. In the Open House organized in Chennai on 16-2-2005 Shri K. T. Chacko, DGFT assured that drawback rate for HSD shall be finalized within one week time. Shri M. Jayaraman, Member (Customs) assured that after the fixation of drawback rates by DGFT, DoR also will notify the drawback rates for HSD and Furnace Oil.

Now the **All Industry Rate of Duty Drawback on furnace oil supplied by domestic oil companies to EOUs/SEZ Units has been revised upwards from 925 PMT to Rs. 1050 PMT vide DGFT Notification No. 23/2004-09 dated 15.2.2005.** A copy of the notification is enclosed.

This is for your information.

TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY

PART II SECTION 3 SUB-SECTION(II)
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

NOTIFICATION No. 23/ 2004-09

NEW DELHI, DATED : 15.02.2005

S.O.(E) In exercise of powers conferred under paragraph 2.1 of the Foreign Trade Policy, 2004-09 , the Director General of Foreign Trade hereby announces All Industry Rate of Duty Drawback of Rs. 1050/- per MT for furnace oil supplied by domestic oil companies to EOU/SEZ units under various schemes as contained in Chapters 6, 7 and 8 of the Foreign Trade Policy until further orders.

This issues in public interest.

(K.T.Chacko)
Director General of Foreign Trade
and ex-officio Addl. Secretary to the Govt. of India

(Issued from File No. Misc.9/AM 2000/DBK Cell)

Close

Market Development Assistance Scheme (Revised Guidelines w.e.f 1.4.2006)

2/1/2004-E&MDA(Part)
Government of India
Ministry of Commerce & Industry
Dept. of Commerce

MARKETING DEVELOPMENT ASSISTANCE SCHEME
(REVISED GUIDELINES W.E.F. 01.04.2006)

Export promotion continues to be a major thrust area for the Government. In view of the prevailing macro economic situation with emphasis on exports and to facilitate various measures being undertaken to stimulate and diversify the country's export trade, Marketing Development Assistance (MDA) Scheme is under operation through the Department of Commerce to 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.

2.Administration of the Scheme

(i)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.

(ii)MDA budget allocation to recognized EPCs and other export promotion organizations for export promotion activities including specific special development and promotional projects are finalized in annual meetings with the respective EPCs, which are 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.

(iii)Proposals of individual exporters for eligible MDA supported activities like participation in EPC led Trade Delegations/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- IX , 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 7th 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 respectivewebsite 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.

3. Assistance to individual exporters for export promotion activities abroad – Participation in EPC etc. led Trade Delegations/BSMs/Trade Fairs/ Exhibitions:

(i) Exporting companies with an f.o.b. value of exports of upto **Rs. 15 crore** in the preceding year will be eligible for MDA assistance for participation in trade delegations/BSMs/fairs/exhibitions abroad to explore new markets for export of their specific product(s) and commodities from India in the initial phase. This will be subject to the condition that the exporter is having complete 12 months membership with concerned EPC etc. and filing of returns with concerned EPC/organisation regularly. **However, this condition would not apply in case of a new EPC for a period of 5 years from the date of its creation.**

(ii)Assistance would be permissible on travel expenses by air, in economy excursion class fair and/or charges of the built up furnished stall. This would, however, be subject to an upper ceiling mentioned in the table per tour.

S No. (1)	Area/Sector (2)	No. of visits (3)	Maximum Financial ceiling per event (4)

Market Development Assistance Scheme (Revised Guidelines w.e.f 1.4.2006)

Details of MDA grant disbursed to individual exporters for participating in FIEO overseas activities for the year 2015-16 & 2016-17

Details of MDA grant disbursed to individual exporters for participating in FIEO overseas activities for the year 2014-15

Details of MDA grant disbursed to individual exporters for participating in FIEO overseas activities for the year 2013-14

Market Development Assistance Scheme (Revised Guidelines w.e.f 1.06.2013)

Market Development Assistance Scheme (Revised Guidelines w.e.f 1.4.2006)

Recent Amendments in MDA Guidelines

MDA Scheme from Development Commissioner SSI for SSI Units

Details of MDA grant disbursed to individual exporters for participating in FIEO overseas activities during MDA Grant for the year 2011-12

Details of MDA grant disbursed to individual exporters for participating in FIEO overseas activities since MDA Grant for the year 2012-13

1.	**Focus LAC**	**1**	**Rs. 1,80,000**
2.	**FOCUS AFRICA (including WANA Countries)**	**1**	**Rs. 1,50,000**
3.	**FOCUS CIS**	**1**	**Rs. 1,50,000**
4.	**FOCUS ASEAN+2**	**1**	**Rs.1,50,000**
5.	**General Areas**	**1**	**Rs.80,000***
	TOTAL	**5**	**General Areas**

The participation of individual companies in the above activities shall be subject to the following conditions:
(1)For EPC etc. led Trade Delegations/BSMs only air-fare by Economy Excursion class upto a maximum of **Rs. 70,000 (Rs. 1,00,000 in case of Focus LAC**) shall be permissible. For participation in Trade Fairs/Exhibitions reimbursement shall be permissible subject to ceilings mentioned in the column 4 in the above table.

(2)Maximum number of permissible participations shall be five in a financial year as indicated in above table (No travel grant is permissible forvisit to General Areas).

However, for priority sectors, having large employment generation potential, viz. Agriculture including food items, Handicrafts, Handlooms, Carpets, Leather & Minor Forest Produce including LAC, 2 (two) participationsin General Areas would be admissible with the assistance of Rs. 1,50,000 for each participation. The exporters availing of assistance under this provision would, however, be in addition to these participations, eligible for only any 2 Focus Area participations.

(3) Assistance shall be permissible to one regular employee/director/ partner/proprietor of the company. Assistance would not be available to exporter of foreign nationality or holding foreign passport.
(4)Intimation application must be received in the concerned EPC etc. with a minimum of 14 days clear advance notice excluding the date of receipt of application in the office of the concerned organization and the date of departure from the country.

(5) The company shall not be under investigation/charged/prosecuted/ debarred/black listed under the Foreign Trade Policy of India or any other law relating to export and import business.

(6)Member exporters of EPCs etc. would also be eligible for MDA assistance for participation in events organized by ITPO abroad. Their applications / claims would by routed/reimbursed through concerned EPC etc.
(7)Maximum MDA assistance shall be inclusive of MDA assistance received from all Govt. bodies/FIEO/EPCs/Commodity Boards/Export Development Authorities/ITPO etc.,

(8)A Maximum of three participations in a particular trade fair/exhibition would be eligible for MDA assistance and exporting companies after availing assistance three times including past cases for a particular fair/exhibition, have to participate in that fair, if any, on self-financing basis.

4.Assistance to Export promotion Councils:

(i)Export Promotion Councils (EPCs) are autonomous in administrative matters and no financial assistance is provided to them from MDA for administrative expenditure (non-code). List of recognized EPCs is given in Annexure-I. The EPCs can, however, be considered for one time assistance for computerization for data collection, analysis, dissemination under MDA.Maintenance and updating of systems shall be the responsibility of the EPCs.

(ii)**EPCs will be allocated a budget, both for code activities and reimbursement of Individual Exporter's claims, on annual basis. The budget for code activities and the funds for assistance to Individual Exporters will be released in two installments.**

(iii)The EPCs are required to send their detailed annual action plan **and estimated funds required for reimbursement to individual exporters** to E&MDA Division three months in advance. The activities approved in the annual meetings with each EPC well before the start of the financial year shall only be financed from MDA funds. EPCs shall have to utilize the MDA funds in a financial year for purposes for which these are sanctioned. **50% of the MDA budget approved for both the Code activities as well as for reimbursement to individual exporters shall be released to the EPCs in the beginning of the financial year. The EPCs shall indicate theirfurther requirement of funds latest by 30th November of the year. Funds for reimbursement to individual exporters shall be released only when 90% of the first installment has been utilized and a utilisation certificate to this effect has been submitted by the concerned organisation.** Earmarked grant for the financial year but not claimed within the year or wherein complete information has not been provided to facilitate its release, would lapse and shall not be carried over to the next financial year.

(iv)EPCs shallfurnish activity-wise detailed accounts for each approved code activity certified by a Chartered Accountant and the utilization certificate for the funds released in a financial year **duly signed by the Chief Executive Officer of the concerned organisation** by 30th September of the succeeding financial year.. The EPCs shall qualify for release for second installment of funds of the year only after **their accounts including activity wise financialaccounts for the preceding year have been audited by the Chartered Accountant and accepted by the Department of Commerce.**

(v)The EPCs shall plan development and export promotion activities in overseas markets for export promotion of particular products, based on the findings of the desktop studies/findings of the strategy papers on potential of exports and data available with institutes like NCTI etc., to penetrate into new potential markets and to consolidate in the already explored export markets. Eligible activities shall be trade delegations to potential markets, organizing participation in the important trade fairs/exhibitions in the focus markets associated with BSMs, focused publicity for the event etc.

(vi)While formulating theannual action plan, the EPCs shall identify and **plan participation in at least two established trade fairs/exhibitions for their product group. Participation in these fairs shall be done irrespective of the number of exporters participating. One EPC official will be eligible for assistance under the scheme for such participation with the prior approval of the Joint Secretaryof the concerned commodity/territorial division. The EPCs shall carry product samples for display in thesefairs/exhibitions on behalf of their members.**

eoftheEPCsshallalsobe to diversify the export promotionactivities to new emerging potential markets wherein cipationby the Indian companies is yet to be established.

(viii)Based on the recommendations of the concerned Commodity Division (s)oftheDepartmentofommerce/MinistryofTextiles,ExportPromotion Councils,withtheprior approval of the E & MDA Division,may undertake promotional & export development activities abroad andwithinIndiawithassistancefromMDAto stimulate and diversify theexports of Indian products and commodities as follows:

FOR ACTIVITIES IN NON-FOCUS AREAS:

S.No	Permissible Items of expenditure under MDA	Percentage of funding under MDA
(I)	**Participation in Fairs/Exhibitions abroad by EPCs etc.**	
1.	Central Stall of Council **(i)**Rent of Council's area (ii)Other organizing expenditure	60% of (i)+(ii) (subject to a ceiling of Rs.15 lakh per event)* **However, if the event is conducted in more than one country during the same tour, additional expenses @ 60% of the rent and organizing expenses not exceeding Rs. 15 lakhs per country shall be allowed.**
2.	Air fare for official of EPC in economy excursion class(visa charges to be met by the Council)	**100%**
3.	D.A. forofficial of EPC etc.: As per notified MEA rates for Govt. officials of equivalent status.	**100%**
4.	Hotel stay forofficial of EPC : On scales applicable to equivalent Govt. officials on duty abroad and subject to furnishing of original bills (with upper ceiling of US$150 per night stay)	**100%**
5.	Entertainment: (i)For EPC sponsored activity led by Chairman. (ii)For EPC sponsored activity led by Vice-Chairman/E.D/ Addl. E.D. (On production of bills)	US $ 500 US $ 250
(II)	**EPC sponsored Buyer Seller Meets/Trade Delegations abroad:**	
1.	(i) Venue Cost (ii)All other organizing expenditure	60% of (i)+(ii) (subjectto a ceiling of Rs. 15 lakh per event) **However, if the event is conducted in more than one country during the same tour, additional expenses @ 60% of the rent and organizing expenses not exceeding Rs. 15 lakhs per country shall be allowed.**
2.	Air fare, DA, Hotel stay, for one official of EPC	As applicable in the case of participation in fairs/exhibitions
3.	Entertainment	As applicable in the case of participation in fairs/exhibitions
(III)	**Promotional Activities within India by EPCs etc.:**	
1.	Organizing seminars, workshops etc., on quality upgradation, awareness creation etc., with focus on export promotion. (i)Venue cost **(ii)**All other organizing expenditure	60% subject to maximum ceiling of Rs.1,00,000/- per event.
2.	Organisation of important international fairs/ exhibition in India.(support from MDA only for three years) (i)Venue cost **(ii)**All other organizing expenditure	60% of (i) + (ii) (subject to a ceiling of Rs.15 lakh per event)
3.	Buyer Seller Meets in India (i)Venue Cost (ii)All other organizing expenditure	60% of (i) +(ii) (subject to a ceiling of Rs.15 lakh per event)

(IV)	**PUBLICITY:**	
	(i)Publication/publicity with focus on export promotion and brought out for circulation/use of overseas buyers/organizations (ii) Advertisement abroad (iii)Publication for circulation to the members and publicity within the country etc.	60% of net approved expenditure after accounting for the revenue generated through the sales, advertisement. etc.) - Not an eligible item.

Note:

(1) Expenses relating to stay, per diem allowance, local travel etc. of Council's official etc. for activities within India are to be met by the EPCs etc.
(2) MDA grant required for exporters accompanying the EPCs etc. led delegation/Trade fair/Exhibition is required to be shown along with Budget of each Activity in the Annual Action Plan.
(3)In case where the activities are planned as a part of the "Made in India" Trade Promotion initiative of the Department of Commerce, Government of India, the scale of assistance may be increased upto 90% of the venue cost and organizing expenditure.

5.Focus Area Programmes:

At present 4 Focus Area programmes viz. Focus (LAC), Focus (Africa), Focus (CIS) and Focus (ASEAN+2) are under operation in the Department. In addition to activities in non focus areas, special provision has been made under Reverse Trade Visits for visit of prominent delegates and buyers (one person from each organization) from these Focus Area Regions for participation in buyer cum seller meets, exhibitions etc. in India. The foreign delegates/buyers/journalists would be assisted in meeting their return air travel expenses in economy excursion class upto the entry point in India. This would, however, be subject to financing only the well planned participations wherein the potential of the incoming delegate(s)/buyer(s)/journalist(s) have been screened by the concerned EPC and Territorial Division. The following activities are eligible to be undertaken under Focus Area Programmes:

FOR ACTIVITIES UNDER THE FOCUS-AREA PROGRAMMES

S.No.	**Permissible Items of expenditure under MDA**	**Percentage of funding under MDA**
1.	(i) Participation in International Fairs/exhibitions organised by EPCs etc. (ii) Sponsoring BSMs/Trade delegations abroad by EPCs etc.	As applicable in non-focus area with ceiling of Rs.15 lakh.
2.	Reverse Trade visits of prominent foreign buyer/ delegates/journalists to India for participation in BSMs/ exhibitions etc.: (i)Return air-fare travel expenses in economy excursion class upto the entry point in India **and hotel charges etc.** (ii)Venue charges **(iii)**All other organizing expenditure. **All other expenses relating to stay, per diem allowance, local travel etc. of delegates invited from abroad are to be met by the EPC or by sharing between the organizers and delegates.**	(i)100% (subject to a ceiling of Rs.1,00,000/- for LAC and Rs.70,000/- for other Focus areas) (ii)&(iii) As applicable in non-focus area with ceiling of Rs. 15 lakh
3.	Translation facilities in foreign languages and vice versa	**60%**
4.	**Product catalogue in CD ROM**	**60%**

6. Participation/organisation of export promotional activities shall be subject to the following conditions:
(i)The exporters participating in EPC sponsored trade delegations and fairs/exhibitions/buyer cum seller meets etc. abroad shall receive the MDA assistance on reimbursement basis on scales.
(ii)One official of the EPC (subject to an upper ceiling of two visits in one financial year by individual official) can accompany EPC sponsored trade delegation/organized participation in trade fair/exhibition followed by BSM. This would, however, be subject to the condition that a **minimum of five exporters participates in such events except in case of established trade fairs where this condition shall not apply for two such fairs in a financial year with the prior approval of the Joint Secretary of the concerned commodity/territorial division** . In rare circumstances, the Joint Secretary of the concerned commodity/territorial division can **also** relax the condition of a maximum of two visits by an individual official in a financial year. **However, in case the number of participants for a particular event goes beyond 20 (Twenty), MDA assistance for one additional official of the EPC for every block of 20 participants shall be permitted.**
(iii)Per diem allowance, hotel charges etc. would not be permissible from MDA funds to exporters/elected office bearers of the EPCs etc.traveling abroad.
(iv)MDA assistance shall be limited to 60% of the total approved cost (**upto 90% in case of 'Made in India' shows)** and the remaining has to be met by the EPCs from the contributions from participants, members, trade etc.
(v)For 'Reverse Trade Visits' the air-fare by economy excursion class for invited delegates would be subject to the upper ceilings of Rs.100,000/-for LAC region and Rs.70,000/- for CIS, Africa and ASEAN+2 regions.

7.Approved organisation(s)/trade bodies

(a)Approved organization/trade body means an organization, institution or association engaged in development and promotion of exports and approved by the E&MDA Division in the Department of commerce for this purpose. These organizations can organize programme/activity for specific purpose of development and promotion of exports of

Indian products and commodities with the prior approval of the Government (E&MDA Division in the Department of Commerce) for its members.

These are of following two types:

(i)Approved organizations who can sponsor MDA proposals of its member exporters:-
List of the approved organizations is given in Annexure-II. No MDA grant on annual basis would be given to these organizations for their export promotion activities. However, organizations can sponsor requests of their member exporters for participation in fairs/exhibitions/BSMs/Trade delegations led by these organizations for MDA assistance.
(ii)**Other approved trade bodies**
List of organizations approved under this heading is at Annexure-III.
These organizations cannot sponsor proposals of their member exporters for MDA assistance. However, with the prior approval of the E&MDA Division of the Department of Commerce, their proposals for organizing non-recurring specific promotional activity for export growth of Indian Products and Commodities abroad can be considered for MDA assistance.
Any other organization, institution or association desirous of getting itself registered as an approved organization, may apply to the Department of Commerce (E&MDA Division) with full particulars in the prescribed proforma (Annexure-IV).
8.Pattern of assistance to Grantee/ Approved organizations other than EPCs
(i)FIEO
MDA assistance to FIEO will be on the lines as applicable to EPCs, with the condition that export promotion activities by them should be for multi-products/sectors or products/services **not** covered by any other EPCs or to a country where EPC is not in a position to participate. However, the totalMDA grant to FIEO would not be more than Rs. 100 lakhs in a financial year .
FIEO can, in addition,also sponsor requests of its member exporters for participation in fairs/exhibitions/BSMs/Trade delegations led by FIEO for MDA assistance **provided these members are not members of any Export Promotion Council.**.
(ii)ITPO
Allocation for ITPO from MDA would be kept to the minimum and confined to the special fairs to meet deficit as approved by the Exhibition Advisory Committee in the Department of Commerce.
Member exporters of EPCs etc. would also be eligible for MDA assistance for participation in events organized by ITPO abroad. Their applications/claims would by routed/reimbursed through concerned EPC etc.
(iii)IIFT, IIP, IDI and ICA
MDA assistance to IIFT, IIP, IDI and ICA for various activities on an annual basis would not be provided. However, specific development activities directed towards export growth of Indian products and Commodities would be considered by the Govt. (E&MDA Division in the Department of Commerce) for part financing.
(iv)To other approved trade bodies
On receipt of specific development and export promotion project(s) from the approved trade bodies such as ASSOCHAM, CII, FICCI etc. (other than FIEO, IIFT, IIP,IDI, ICA and ITPO) , E&MDA Division may consider financing one or two special specific non-recurring activities with 60% financial assistance of the net expenditure on approved items from MDA subject to maximum MDA assistance of Rs. 15 lakh for each focus area programme + Rs. 15 lakhs for general areas.
As such the total MDA grant to such approved trade bodies would not be more than Rs. 75 lakhs in a financial year to a particular approved trade body.
9.Adhoc Grant-In-Aid
Residual essential activities or proposals connected with the export effort, which qualify for the grant-in-aid but not covered by this Code will also be considered on merits for assisting from the Marketing Development Assistance scheme.
DOCUMENTATION FOR REIMBURSEMENT OF ASSISTANCE TO EXPORTERS:
(i)Intimation application in Annexure V duly completed and signed shall be submitted by the exporter to the concerned EPC etc. giving clear 14 days advance notice. Intimation and the application must be sent electronically by email also.
(ii)**Concerned Organization (FIEO, EPC etc.) on receipt of intimation shall immediately issue acknowledge receipt.** Thereafter they will examine and issue approval letter to the exporter preferable within 5 working days of the receipt of the intimation, in the prescribed format (Annexure-VI).
(iii)Claim along with the declaration duly completed **and the Certificate (as per Annexure VIII) duly signed by a Chartered Accountant** shall be submitted by the exporter to the concerned Organization (FIEO), EPC etc.) in the prescribed format (Annexure-VII) along with under mentioned papers immediately on return to India after completion of the activity but positively within 45 days of their return to India:

- Details of activity undertaken earlier with MDA assistance to the same country/countries
- Legible photocopy of passport highlighting the entries about departure from and arrival into India and also the countries visited. In case, passport does not have arrival/departure dates regarding visits to various countries, some documentary evidence such as Hotel Bills, Boarding pass, lodging pass etc. be submitted.
- Original air ticket/jacket used during the journey. If Original air ticket/jacket is lost, a legible photocopy of the same along with a certificate from the concerned airline indicating following may be sent:

a)Name of the traveler
b)Ticket number
c)Flight No.
d)Date of departure from India
e)Sectors/countries visited
f)Class in which traveled
g)Economy excursion class fare for sectors/countries visited.

- Self certified f.o.b. value export figures during the last three financial years, year wise.
- Brief report about the activity participated and achievements made.

(iv)**Claim forms duly filled in and complete in all respects must be submitted to the concerned EPC, FIEO etc., within 90 days of return to India would. However, claims submitted within 30 days from the expiry of the 90 days period may be entertainedby or wherein the deficiencies in the claim as intimated by the concerned EPC, FIEO etc., with 10% deduction. The claims which are submitted after 120 days of return to India shall not be entertained under any circumstances. Anydeficiencies in the claim as intimated by the concerned EPC, FIEO etc., must be completed within 30 days of the date of directions given in this regard failing which the claim shall stand rejected without any further intimation or reminder in this regard by the concerned EPC, FIEO etc.**

NEXURE-I

LIST OF GRANTEE ORGANISATIONS (EXPORT PROMOTION COUNCILS)UNDER THE MDA CODE.

1. Apparel EPC, NBCC Tower, 15, Bhikaji Cama Place, New Delhi-110066 (Phone No.26183351, 26169394 Fax No.26188584, 26188300)

2. Chemexcil EPC, Jhansi Castle (4^{th} floor), 7- cooperage road Mumbai-400039. (Phone No.22-22021288, 22822979Fax No.22026684) E-mail: chemexcil@vsnl.com

3. Carpet EPC, 110-A/1 Krishna Nagar, Street No. 5 Safdarjung Enclave, New Delhi-110029 (Phone No.26102742, 26101024 Fax No. 26165299) E-mail: cepc@vsnl.com

4. Cashew EPC, P.B.No. 1709, Chittor Road, Ernakulam South, Cochin, 682016 (Phone No.2376459, 2376080 Fax No.0484-2377973) E-mail: cepc@cashewindia.org

5. Capexil EPC, "Vanijya Bhavan" International Trade Facilitation Centre 1/1 Wood Street 3^{rd} floor, Kolkatta-700016 (Phone No. 033-22890524/25 Fax No. 22891729 E-mail: capexilh@cal.vsnl.net.in

**6 Cotton Textile EPC, Engineering Centre, 5^{th} Floor 9, Mathew Road, Mumbai-400004 (Phone No. 23632910-13 Fax No. 022-23632914
E-mail: texprocil@vsnl.com**

7.Council for Leather Exports, CMDA Tower 3^{rd} floor, Gandhi-Irwin Bridge Road Egnore Chennai-600008 E-mail: cle@vsnl.com

**8 Engineering EPC, World Trade Centre 3^{rd} floor, 14/1-B, Ezra Street, Kolkatta-700001 (Phone No. 2350442-44, 2353796 Fax No.
E-mail: eepcto@eepc.gov.in**

9 Electronic & Computer Software EPC, PHD House 3^{rd} Floor 4/2 Siri Institutional Area, August Kranti Marg, New Delhi (Phone No.26510632, 26964463 Fax No. 26853412) E-mail: esc@vsnl.com

10 EPC for Handicrafts, EPCH House Pocket 6&7 Sector – C LSC Vasant Kunj New Delhi-110070 (Phone No. 26135256/57/58 Fax No.26135518/19 E-mail: epch@vsnl.com

11 Export Promotion Council for EOUs & SEZ Units, 705, Bhikaji Cama Bhawan, Bhikaji Cama Place, New Delhi-110066 (Phone No.26167042, 26165805 Fax No. 26165538 E-mail: epces@vsnl.net

12 Gem & Jewellary EPC, Diamond Plaza, 5^{th} floor, 91-A Dr. D.B. Marg, Mumbai-400004 (Phone No.22-23821801/23821806 Fax: 23804958 E-mail: giepc@vsnl.com

**13 Handloom EPC, 1004, Padma Tower-1 10^{th} floor, 5 Rajendra Place, New Delhi-110008 (Phone No.2586965 Fax No.25826966
E-mail: hepcrond@vsnl.com**

**14 The Indian Silk EPC, 62, Mittal Chambers Nariman Point, Mumbai-400021 (Phone No.22025866, 22027662 Fax No. 22874606
E-mail:ispec@bom2.vsnl.net.in**

15 The Plastic EPC, Crystal Tower, Ground Floor, Crystal Cooperative Housing Society Ltd., Gundowli Road No. 3, Off Sir M.V.Road, Andheri East, Mumbai-400069.(Phone No.26833951 Fax No. 26833953, 26834057 E-mail: plexconcil@vsnl.com

16 Powerloom Development & EPC, 16, Ist Floor, Mittal Chambers, Nariman Point, Mumbai-400021 (Phone No. 22846518-19 Fax No.22846517) E-mail pdepc@gems.vsnl.net.in

17 Pharmexcil, 101 Aditya Trade Centre, Ameerpet, Hyderabad, AP-500038 (Phone No. 402373546 Fax No. 91-40-23735464E-mail: info@pharmexcil.com

**18 Sports Goods EPC, 1-E/6, Seami Ram Tirth Nagar, Jhandewalan Extn., New Delhi-110055 (Phone No. 23525695 Fax No. 23632147
E-mail: sgepc@vsnl.com**

19 Shellac Export Promotion Council, World Trade Centre, 14/1.B, Ezra Street, Kolkatta- 700001 (Phone No. 2354556 Fax No. 033-2353134)E-mail: sepc@vsnl.net

20 The Synthetic & Rayon Textile EPC, Resham Bhavan, 78 veer Nariman Road, Mumbai- 400020 (Phone No. 22048690 Fax No.022-22048358) E-mail: srtepc@vsnl.com

21 Wool & Woollen EPC, 612/714, Ashoka Estate, 24 Barakhamba Road, New Delhi – 110001 (Phone No.23315512, 23315205 Fax No. 23314626) E-mail: wwepc@bol.net.in

22 Wool Industry Export Promotion Organisation, Churchgate Chambers, 7^{th} floor, 5 New Marine Lines, Mumbai-400020 (Phone No.22624680 Fax No. 022-56318561 E-mail: wwepc@vsnl.com

23 Project Export Promotion Council of India, H-118 Himalaya House 11^{th} floor 23, Kasturba Gandhi Marg New Delhi-110001 (Phone No.23722425 Fax No.23312936 E-mail: infor@projectsexports.com

ANNEXURE-II

LIST OF APPROVED ORGANISATIONS WHO CAN SPONSOR PROPOSALS FROM THEIR MEMBERS.
[illegible] Board, 14 BTM Sarani, Brabourne Road, P.B.No.2172, Calcutta-700001 (Phone No.2351411 Fax No. 033-[illegible]5

2. Coffee Board, 1, Dr. B.R. Ambedkar Veedhi, Bangalore- 560001 (Phone No 2250250, 2252917 Fax No. 080-2255557)

3. Spices Board, Sugandha Bhavan, Cochin Bypass, Cochin-682025 (Phone No. 333610-616 Fax No.0484-331429, 334429)

4. Tobacco Board, P.B.No. 322, G.T.Road, Guntur-522004 (Phone No.358399Fax No. 0863-354232)

5. Rubber Board, Sub Jail Road, P.B.No. 1122, Kottayam-686002 (Phone No.571231, 232) Fax No. 0481-571380

6 Coir Board, M.G.Road, Ernakulam, Cochin-682016 (Phone No 351807, 351788 Fax No. 0484-370034)

7 Central Silk Board CSB Complex, Hosur Road, BTM Layout, Madiwala, Bangalore-560068 (Phone No.6688831, 6680841 Fax No. 080-6681511, 6680387)

8. Marine Products Export Development Authority (MPEDA) MPEDA House, Panapilly Avenue, M.G.Road Cochin – 682016 (Phone No 311901, 314468 Fax No. 0484-313361)

9 Agricultural and Processed Food Products Export Development Authority (APEDA), 3rd floor, NCUI Building, 3 Siri Institutional Area, August Kranti Marg (Opp Asiad Village) New Delhi-110066 (Phone No.2613204, 2614572 Fax No. 26513167

10 Federation of Indian Export Organisations, PHD House, 3rd floor, Opp. Asian Games Village, Hauz Khas, New Delhi 110016 (Phone No 26851310/12/14/15 Fax No. 26863087, 26967859
E-mail: fieo@nda.vsnl.net.in

ANNEXURE-III

LIST OF OTHER APPROVED TRADE BODIES

1.Export Inspection Council,
14/1.B, Ezra Street, 3rd floor, Calcutta-700001,

2.Federation of Indian Chamber of Commerce & Industry,
Federation House, Tansen Marg, New Delhi-110001.

3.Associated Chambers of Commerce & Industry of India,
Royal Exchange, Calcutta-700001.

4.Confederation of Indian Industries,
23-26, Institutional Area, Lodhi Road, New Delhi.

5.India Woollen Mills Federation in India,
G-4, Advent Building,Ferozshah Road, Mumbai-400001.

6.Federation of Association of Small Industries of India,
Laghudhyog Kuttee, 23-B/2, Rohtak Road, New Delhi-110019.

7.Indian Machine Tool Manufactures Association,
12-Rampart Road, Mumbai.

8.Indian Electrical & Electronics Manufacturers' Association,
5501, Kakad Chambers, 132, Dr. Annie besant Road, Worli, Mumbai – 400018.

9.Jute Manufacturers Development Council,
25-Camac Street, 6th floor, Flat No.6(A), Calcutta-600016.

10.Textile Machinery Manufacturers' Association(India)
53-Mittal Chamber, Nariman Point, Mumbai.

11.The Solvent Extracters' Association of India,
Tanna House, Annexe-11(A), Nathalai D. Parikh Marg, Mumbai-400039.

12.The Groundnut Extractions Export Development Association,
Tanna House, 11(A), Nathalai D. Parikh Marg, Mumbai-400039.

13.Indian Oil & Produce Exporters' Association,
78-79-Bajaj Bhavan, Backbay Reclamation, Nariman Point ,Mumbai-400021.

ANNEXURE-IV

PROFORMA FOR APPLICATION FOR RECOGNITION AS AN APPROVED ORGANISATION/TRADE BODY
1.Name of the Organisation.
2.Address
3.Year of Establishment
4.Whether registered under companies/societies Act.
5.Main objectives/activities.
6.Range of production, giving value of production by member concerns, product wise.
7.Internal turnover and exports during the last three years by member concerns.
8.Countries to which exports have been made and value(f.o.b.) for last three years.
9.Previous efforts made in foreign markets indicating nature of efforts and expenditure **thereon during the last three years.**
10.Nature of effort now proposed indicating :-
untries;
of effort; and
ls of expenditure.

11.List of members of Association, mentioning membership of any Export Promotion
Council, if any.
12.The advantages that the applicant expects to secure or obtain from the effort(an
indication should be given of the estimated increase in exports over and above the level of existing exports of the members of the Association/Institution).
13.Report of the State Government.
14.A copy of the Articles and Memorandum of the Association.
15.Audited Income & Expenditure statement for the last 3 years.

Annexure-V
Application Form For Marketing Development Assistance
For participation in Trade Fair/Exhibition/BSM/Trade delegation abroad

Ref.No.________________ Date:________________
01.Name of the firm with full address.
IEC No.__________________
02.EH/TH Certificate No. & Date ____________________
Valid upto______________
03.FOB value of exports during the last **Financial year**
(Rs.in crores)
04.Particulars of fair/exhibition/BSM/
Trade Delegation
Name of event:
Place:
Country:
From……………….To…………….
05.Particulars of visit Date of departure from India
Date of arrival in India
06.Details of proposal(s) already
Submitted in the same financial year.
07.Details of earlier participations in the same event with MDA assistance.

08.Name and designation of the person
going abroad
Place:

Date: Signature:

ANNEXURE-VI
SAMPLE APPROVAL LETTER
(To be issued by FIEO/EPC/Commodity Board/APEDA/MPEDA)

No.Dated:

Dear Sir(s),

Sub:MDA Assistance
Ref: Your application No.Dated:
We are glad to inform you that your above mentioned application received on has been registered and the approval is hereby accorded subject to fulfilling relevant conditions mentioned in MDA Code (February, 2004) and also subject to the approval from the MDA Committee of the Department of Commerce, Government of India, New Delhi at the final stage after submission of claim by your company.

2.You can proceed with the planned activity subject to fulfilling the applicable conditions mentioned in the MDA Code (February, 2004). As per the MDA guidelines, you are required to submit claim within three months of return back to India after completion of the activity. However, we advise you to file your claim immediately on your return from the tour with the following documents:

- Prescribed claim form duly completed and properly authenticated.
- Self-certified copy of Export/Trading House Certificate, if applicable.
- Self-certified copy of SSI registration certificate issued by the concerned

Director of Industries, if applicable.

- Legible photocopy of passport highlighting the entries about departure from and arrival in India and also the countries visited. In case passport does not have arrival/departure dates regarding visits to various countries, some documentary evidence such as Hotel Bills, Boarding pass, Lodging pass etc.
- Original air ticket/jacket used during the journey.

If Air Ticket/Jacket is lost, a legible photocopy of the same alongwith a certificate from the airline indicating following may be sent:
a)Name of Traveller
b)Ticket Number
c)Flight No.
d)Date of Departure from India

e)Sectors/Countries Visited
f)Class in which travelled
g)Fare in economy excursion class for Sectors/ Countries visited.

- Self certified FOB value export figures during the last three financial years, year wise.
- Self certified copies of receipt, bank advice etc. evidencing payment made towards stall charges, water & electricity(for fair/exhibitions only)

- Waiver Certificate from ITPO, EPC etc. if participated in a fair/exhibition wherein national participation was organised by ITPO , EPC etc. (for fair/exhibition only)
- Details of past activities for same event.
- Brief report on the activity undertaken and achievements.

3.On receipt of your claim, the case will be considered and grant will be reimbursed as per MDA guidelines.

Thanking you,
Yours faithfully,

Annexure-VII
Claim Form for Marketing Development Assistance For Participation in Trade fairs/Exhibitions/BSM/Trade Delegation abroad

Ref. No.____________
Date:_____________

01 Name of the firm with full address
IEC No.______________
02 Approval letter No. and date
03 F.O.B. value of exports during the last financial year.
Rs. in crores
04 Particulars of event Name:
City :
Country
Duration of fair from ________To_______

05 Date of actual departure from India.
(please attach self certified photocopy of passport duly highlighting date ofdeparture).

06 Date of actual arrival from India.
(please attach self certified photocopy of passport duly highlighting date of arrival).

07 Name & Designation of person who attended the event.

08 No. of proposals already submitted in the same financial year.

09 Details of participations made with MDA assistance in the past in the same event.

10 Whether assistance availed from other Govt. Bodies/EPCs/Commodity Boards/APEDA/MPEDA/ITPO etc. for the activity under reference?
Yes/No. (If yes, please give full details)

11Expenditure incurred
a)Actual return airfare by economy excursion class
Rs__________
b)Actual expenditure incurred on stall, decoration, water & electricity charges.
Rs__________

(Please attach original air ticket/jacket used during the journey along with self certified photocopies of receipt, bank advice etc. evidencing payment made)
12 Amount claimed Rs___________

Undertaking and Declaration
I/We hereby solemnly undertake/declare that the particulars stated above are true and correct to the best of my/our knowledge and belief.

No other application for claiming assistance for this participation and/or travel cost has been made or will be made in future against purchase covered by the application.

Any information, if found to be incorrect, wrong or misleading, will render/us liable to rejection of our claim without prejudice to any other action that may be taken against us in this behalf.

If as a result of scrutiny any excess payment is found to have been made to me/us, the same may be adjusted against any of the subsequent claims to be made by my/our firm or in the event no claim is preferred, the amount overpaid will be refunded by me/us to the extent of the excess amount paid.

Signature
:
Name in Block Letters:
Designation:
Name of the Applicant:
Firm
Company Seal:

Place:
Date:

ICATION NOTE
illed in by FIEO/EPC/Commodity Board/APEDA/MPEDA)

Ref. No. ______________________________ Date___________
1.Name of the firm with full addres
(IEC No.______________

2.Particulars of activity Trade Delegation/Fair/Exhibition Participations
3.Date of receipt of application in the office of FIEO/EPC/Commodity Board/APEDA/MPEDA?
4.Particulars of event Date of Departure from India -Date of Arrival in India
Date of receipt of claim -
5.A. Whether condition of 14 days advance Clear notice met?
Yes/No
B. Whether claim submission conditions met ?
Yes/No
6.Name and designation of the person visiting abroad.
7.No. of proposals already Submitted in the same financial year.
7.Details of Fairs/exhibitions/BSM/ trade delegation participated made with MDA assistance in the Past in the same event/country.
9.Whether report on the activityUndertaken submitted ?
Yes/No
10Whether assistance availed From other Govt. Bodies/EPCs/ Commodity Boards/ APEDA/ MPEDA/ITPO etc.
For the activity under reference?
Yes/No.
(If yes, please give full details)

11Expenditure incurred
a)On actual return airfare byeconomy excursion class
Rs___________

b)On stall, decoration, water &electricity charges.
Rs__________
(Please attach original air ticket/jacket and self certified photocopies of receipt etc. evidencing payment made)
12Amount recommended on
a)Air travel for Trade Delegation
Rs__________

b)Air travel and/or stall charges for participation in fairs and exhibitions
Rs__________

Signature

Place:Name & Designation
Date: (with Office Seal)

ANNEXURE VIII
CHARTERED ACCOUNTANT CERTIFICATE
I/We hereby confirm that I/We have examined the claim papers,,books of account and the prescribed documentsin respect of the claim of M/s. and hereby certify that:

(i)The participant is regular employee/director/ partner/proprietor of the company
(ii)Participation is as per the maximum permissible participations under the MDA Scheme.
(iii)Minimum of 14 days clear advance notice had been given to the concerned EPC/Trade Body .
(iv)The participant company/firm/concern is notunder investigation/charged/prosecuted/ debarred/black listed under Foreign Trade (Development & Regulation) Act, 1992 , FEMA, Customs Act 1962
(v)The total number of participations in this particular trade fair/exhibition is not exceeding three.
(vi)The date of return to India is within 45/90 days of the date of making this application.
(vii)The f.o.b. value export figures during the lastfinancial year is less than Rs. 15 Crores.
(viii)It has been ensured that the information furnished is true and correct in all respects, no part is false or misleading and no relevant information has been concealed or withheld.

Neither I/We nor any of our partners is a partner/Director or an employee of the above named entity or its associated concerns.
I fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory___________
Name__________________________________
Membership No.____________________________
Full address________________________________

Name and address of the Institution where registered.
Date:
Place:

ANNEXURE IX
MONTHLY UTILIZATION REPORT REGARDING FUNDS FOR REIMBURSEMENT TO INDIVIDUAL EXPORTERS

Name of the organization:

Report for the Month______________Year________________

(In Rupees)

Opening Balance for the Month	Fresh Receipts	Details of amounts allowed for utilisation by way of adjustment	Total amount available during the month (1+2+3)	Amount disbursed to Individual Exporters (statement enclosed in prescribed form)	Closing Balance at the end of the month

1.This report should be sent electronically to moc_mda@nic.in as well as in hard copies to the Under Secretary E&MDA Division, Department of Commerce, Udyog Bhawan, New Delhi 110 011 by the 7th Day of every month.

2.Details of individual beneficiaries shall also be hosted by all theorganizations on their respective websites and updated every month.

Niryat Bhawan, Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi -110057, India.
Phone: 91-11-26150101-04/46042222 Fax: 91-11-26150066/26150077/26148194. Email : fieo@nda.vsnl.net.in

as insurance, defense, banking, basic and cellular telecommunications services, banking, civil aviation, retail trading etc.

FDI can be made through two routes: the automatic route and the approval route:

- **Automatic route:** A foreign investor or an Indian company does not need the approval of the government or the RBI to make an investment. The recipient (Indian company) simply must notify the RBI of the investment and submit specified documents to the RBI through an authorized dealer. Where there are sector-specific caps for investment, proposals for stakes up to those caps are automatically approved, with a few exceptions. FDI of up to 100% is permitted under the automatic route for manufacturing of medical devices, under the pharmaceutical sector rules. FDI (including the establishment of wholly-owned subsidiaries) is allowed under the automatic route in all sectors, except those specifically listed as requiring government approval. The government has established norms for indirect foreign investment in Indian companies, according to which an investment by a foreign company through a company in India that is owned and/or controlled by a nonresident entity would be considered a foreign investment.
- **Approval route:** Proposed investments that do not qualify for the automatic route must be submitted to the Foreign Investment Promotion Board (FIPB); areas where FIPB approval is required include tea plantations, defense, up-linking of news and current affairs television channels, print media, private security agencies, multi-brand retail trading, brownfield pharmaceuticals, etc.

Investment in certain sectors is prohibited even under the approval route, such as those involving lotteries, gambling and betting, the manufacturing of cigarettes, the real estate business, construction of farm houses, atomic energy, railway operations (other than “railway infrastructure”), trading in transferable development rights, chit funds and “Nidhi” companies.

Overseas investors (such as foreign portfolio investors (FPIs), qualified foreign investors (QFIs), foreign venture capital investors (FVCIs), nonresident individuals (NRIs) and persons of Indian origin (PIOs)) are permitted to invest in Indian capital markets. FPIs must register with designated depository participants (DDPs) authorized by the Securities and Exchange Board of India (SEBI), and FVCIs must register with the SEBI.

Indian companies are permitted to issue equity shares, fully and mandatorily convertible debentures, fully and mandatorily convertible preference shares, warrants and partly paid equity shares, subject to certain conditions, pricing guidelines/valuation norms and reporting requirements.

1.5 Tax incentives

India’s investment incentives are designed to channel investments to specific industries, promote the development of economically lagging regions and encourage exports of goods and services. The country offers a number of benefits, including tax and nontax incentives for establishing new industrial undertakings; incentives for specific industries such as power, ports, highways, electronics and software; incentives for units in less-developed regions; and incentives for units exporting or in special economic zones (SEZs).

Incentives include the following:

- Tax holidays, depending on the industry and region;
- Weighted deductions at 200% for in-house research and development (R&D) expenses, including capital outlays (other than those for land) in the year incurred. Companies also may claim a deduction for expenses incurred in the three years immediately preceding the year in which the company commenced business;
- Accelerated depreciation for certain categories of property, such as energy-saving, environmental protection and pollution control equipment; and
- An additional deduction for new investment made in plant and machinery.

The central government’s development banks and the state industrial development banks extend medium- and long-term loans, and sometimes take equity in new projects. Some Indian states provide additional incentives.

Benefits under foreign trade policy

Various tax and other incentives are granted on exports of goods and services, as well as on imports of inputs and capital goods for use in exports of goods and services. The incentives are granted under various schemes. Some popular schemes include the following:

- Export promotion of capital goods scheme;
- Advance authorization scheme for import of inputs;
- Drawback/rebate scheme for duty on inputs used in exports;
- Focus market and focus product schemes;
- Served from India scheme; and
- Export oriented unit scheme.

Benefits under state industrial policy

Depending on the scale of investment and the need for economic development of specific regions or industries, various incentives are granted to qualifying units.

These benefits generally are available for specified periods and are subject to compliance with prescribed conditions, including employment of local people of the specified region. For example, in Maharashtra, the following incentives are available under the Package Scheme of Incentives, 2013:

- Industrial promotion subsidy, which is linked to payment of VAT/central sales tax;
- Interest subsidy on term loans obtained for the acquisition of fixed assets;
- Exemption from the payment of electricity duty for a specified period;
- Waiver from stamp duty; and
- Power tariff subsidy for specified industries (namely micro, small and medium manufacturing enterprises) for three years for specified units.

Benefits to SEZ units

Units set up in the areas designated as SEZs are granted various tax benefits. Indirect tax benefits include the following:

- Exemption from customs duty on the import of capital goods and inputs;
- Exemption from excise duty on the domestic procurement of goods;
- Exemption from service tax on the procurement of input services that are wholly consumed in SEZs;
- Exemption from excise duty on the manufacture of goods in SEZs;
- Exemption from central sales tax on interstate purchases of goods; and
- VAT benefits on intrastate purchases (subject to the provisions of state VAT law).

1.6 Exchange controls

The government sets India's exchange control policy in conjunction with the RBI, which administers foreign exchange (forex) regulations. The Foreign Exchange Management Act, 1999 established a simplified regulatory regime for forex transactions and liberalized capital account transactions. The RBI is the sole monitor of all capital account transactions.

The rupee is fully convertible on the current account, and forex activities are permitted unless specifically prohibited.

The RBI allows branches of foreign companies operating in India to freely remit net-of-tax profits to their head offices through authorized forex dealers, subject to RBI guidelines.

GOVERNMENT OF MAHARASHTRA

LAW AND JUDICIARY DEPARTMENT

BOMBAY ACT No. XL OF 1958.

THE MAHARASHTRA ELECTRICITY DUTY ACT.

(*As modified upto the 23rd November 2012*)

*

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2012

[*Price*: Rs. 26.00]

(*4*) The licensee, or as the case may be, the person supplying energy free of charge shall be entitled to a rebate of such amount as may from time to time be determined by the State Government, regard being had to the cost of collection of the duty incurred by such licensee, or person supplying energy free of charge.

(*5*) Every person other than a licensee who generates energy for his own use shall pay to the State Government at the time and in the manner prescribed the proper electricity duty payble under this Act on the units of energy consumed by him.

[1][(*6*) Notwithstanding anything contained in the foregoing sub-section of this section, where the State Government is satisfied that there is a bonafide mistake, on the part of any licensee, person supplying energy free of charge or person generating energy for his own use, in paying the proper electricity duty, on account of wrong meter reading or misclassification of consumption falling under any particular part or clause in the Schedule, the State Government may, at any time, by order, wave or write-off, with retrospective effect, the recovery of the amount of the electricity duty or any part thereof due at the proper rate and of the amount of interest, if any, payble for delayed payment under section 8.]

Reference for decision to authority question as to part or clause of Schedule under which any consumption of energy falls.

[2][**4A.** (*1*) Where any question arises as to the Part or clause in the Schedule to this Act under which any consumption of energy falls, or where the energy is consumed for different purposes what portion of consumption should be governed by such Part or clause, the question shall be referred for decision to such authority, as the State Government may, by notification in the *Official Gaztte*, specify for the whole or any part of the State. The authority after such inquiry, as it deems fit, shall record its decision.

(*2*) The decision recorded by the authority under sub-section (*1*) shall, subject to any appeal under section 7A to, or revision under section 7B by, the State Government, and the order of the State Govenment in such appeal or revision, be final.]

Licensee, etc., to keep books of account and submit returns.

5. Every licensee, and every person not being a licensee who supplies energy free of charge as mentioned in sub-section (*2*) of section 4, and every other person who is liable to pay electricity duty under sub-section (*5*) of section 4 shall, save in respect of energy exempt from electricity duty under sub-section (*2*) of section 3, keep books of account in the prescribed form and submit to the State Government or to the prescribed officer returns in such form and at such times as may be prescribed, showing the units of energy supplied by him to each consumer, or as the case may be, consumed by him, and the amount of the duty payable thereon and recovered or paid by him under section 4.

Power to exempt.

[3][**5A.** Subject to such conditions as it may impose, the State Government may, if it considers it necessary in the public interest so to do, by notification in the *Official Gazette*, exempt [4][whether prospectively or retrospectively,] the consumption of energy in the whole or any part of the State, in the respect of any class of premises or purposes or in respect of energy consumed upto a specified limit, from payment of the whole or any part of the eletricity duty payable under Part A, [5][Part B or [6][Part F or Part G]] of the Schedule to this Act.]

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[1] Sub-section (*6*) was added by Mah. 18 of 1978, s. 2.

[2] Section 4A was inserted by Mah. 13 of 1986, s. 4.

[3] Section 5A was inserted by Mah. 26 of 1962, s. 4.

[4] These words were deemed always to have been inserted from 1st October 1962 by Mah. 45 of 1973, s. 3.

[5] These words and letters were substituted for the words and letters " Part B, Part E, Part F or Part H" by Mah. 9 of 1988, s. 6.

[6] These words and letters were substituted for the words and letter " Part F" by Mah. 9 of 1997, s.4.

Saturday, Apr 22, 2017

भारत सरकार
Govt. of India
Development Commissioner (MSME)
Ministry of Micro, Small & Medium Enterprises

Saturday, April 22, 2017

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STATE POLICIES

INDUSTRIAL POLICY OF MAHARASHTRA 2001

1.0 Preamble:
Maharashtra has been the Leader on industrial front of India. It has always been the endeavour to develop sustaining industrial growth, facilitate speedier flow of investment by creating conductive industrial climate in the State. Maharashtra has developed a solid base of industrial infrastructure, strong Human Resources, and sustaining and divers industrial base. This was possible because Maharashtra pioneered several policy initiatives, since inception, in diverse fields.

The economic reforms initiated in the country in 1991 brought about a paradigm shift in the approach to economic growth, industrialization and income distribution. A number of control regimes were dismantled in the areas of industrial policy, taxation, export-imports and foreign investment. De-licensing of industry, de-reservation of the public sector, casing of competition controls, reduction of import tariffs, deregulation of interest rates, and opening up of capital markets were among the reforms undertaken to encourage investment and capital formation.

The Industrial Policy of Maharashtra 1993 mainly aimed at simplification of procedures and rationalization of rules and the **Industry, Trade & Commerce Policy 1995** aimed at empowering people at all levels with special focus on infrastructure development with private sector participation. A comprehensive **Information Technology Policy** was announced in 1998, keeping in view the importance of the financial sector, media and entertainment, and health, education and research.

2.0 Objectives:
In the phase of second generation economic reforms, the objective of **Maharashtra Industrial Policy 2001** is to further accelerate the flow of investment in industry and infrastructure, promoting IT, high-tech, knowledge based and biotech industries, augmenting exports from the industrial units in the State and creating large scale employment opportunities duly ensuring environmental planning.

3.0 Approach:
The approach of the policy is to ensure sustainable industrial growth by introducing structural changes, in the wake of national consensus to discontinuing sales tax based incentives, for development of high-tech and other industries, creating conductive industrial climate in the State, besides fiscal incentives, thereby giving sharp competitive edge to the State's industry.

4.0 Strengths of Maharashtra:
4.1 Economic indicators:
Maharashtra ranks first amongst major States in terms of State Domestic Product and accounts for 15% of the National Income. Per capita income of Rs. 23,849, more than 60% higher than the national average and highest amongst States (at current prices - base year 1998-99)
The largest share of public funds amongst any other States for development of industrial and social infrastructure -a hallmark of State policy.
Contributes 22% of India's net value added in organised industrial sector. 40% of India's Internet users are in Maharashtra and the State accounts for around 30% of software export.
70 percent of India's stock transactions in Mumbai, the State capital and commercial capital of India with headquarters of Reserve Bank of India's almost all central financial institutions and banks.

4.2 Administration:
Progressive and responsive administration with full commitment to maintenance of law and order.
An independent authority established for transparent and scientific determination of power tariffs.
Well set mechanism in position to support industry in the prevailing dynamic situation.

4.3 Infrastructure:
4.3.1 physical:
Power generation capacity highest in the country, at more than 14,000 MW.
More than 215 industrial estates including 9 five star industrial estates and 63 growth centres developed by the Maharashtra Industrial Development Corporation (MIDC), the country's largest industrial infrastructure provider. Besides, specialized industrial estates for chemical, textile, leather and gems & jewelry at strategic locations.
The country's largest and most diverse infrastructure for the IT industry emerged along the 'Knowledge Corridor' between Mumbai, Navi Mumbai and Pune as also elsewhere in the State, at Nagpur, Aurangabad and other places.
Well spread out network of roads and railways with two international seaports and one international airport besides four domestic airports in operation. Two international airports at Navi Mumbai and Pune, and an international passenger and cargo hub at Nagpur are in pipeline.

4.3.2 Social
The strongest HRD infrastructure in terms of educational institutions - 301 engineering degree / diploma collages, 616 ITIs with turnout of 1,60,000 technocrats every year.
Home of the institutions like C-DAC, which developed India's super computer, Mumbai and Pune university, Indian Institute of Technology, Victoria Jubilee Institute of Technical, University Department of Chemical Technology, and top rated management institutions.
50,000 youth trained to take up self-employment ventures every year by the Maharashtra Centre for Entrepreneurship Development (MCED), Aurangabad.
Very high literacy rate at 75 percent.
Highest number of patents field in the State, setting the pace for innovation in the country
Well diversified and highly productive industrial base with positive work culture

4.4 Forward looking partnerships:
Innovative financing systems and forward-looking partnerships have been established
1. with private sector in the country's first major new rail line since Independence, across the Konkan region;
2. with private sector in construction of roads (including India's first expressway between Mumbai and Pune), flyovers and bridges.
3. for development of ports.
4. for promotion of high connectivity, and other infrastructure such as LNG pipeline.

4.5 Forward looking partnerships:
Maharashtra pioneered a package of incentives for the dispersal of industries and the development of backward areas, along with an Industrial Location Policy which sought to restrict industrialization in the Mumbai Metropolitan Region to non-polluting and high-technology sectors as a measure of industrial, urban and environmental planning. The main component of successive Package Schemes of Incentives was the grant of Sales Tax benefits to industries in developing and backward regions of the State. The revised Package Scheme of Incentives announced in 1993 was last extended up to 31st March 2001, excluding the erstwhile Sales Tax benefits in pursuance of a national consensus.

5.0 Strategies:
The State has entered into the phase of second generation economic reforms, with emphasis on structural changes in addition to fiscal incentives for the promotion of industry and balanced regional growth. This has coincided with increasing international competition and rapid technological changes, which pose new challenges for industry. The Industrial Policy 2001 set out below has been formulated in this context, keeping in view the objectives of sustained growth and employment and an

expansion in livelihood opportunities. It supplements the provisions of the Information Technology and other sectoral policies announced earlier. The components of the new Package Scheme of Incentives contained in this Policy will be operative from 1st April, 2001 upto 31st March, 2006:

5.1 Strategies:
New industries establishing in C, D, and D+ areas an No-Industry District(s) will be exempted from payment of Electricity Duty for a period of 15 years. In other parts of the State, 100% Export Oriented Units (EOUs), Information Technology (IT) and Bio-Technology (BT) units, and industries setting up in Special Economic Zones (SEZs), and Electronic Hardware Technology Parks will be exempted from payment of Electricity Duty for a period of 10 years.
5.2 Waiver of Stamp Duty and Registration Fees: At present, IT units in
Waiver of Stamp Duty and Registration Fees: At present, IT units in public IT Parks are exempted from stamp Duty and Registration fees upto 31st March 2006. Now all new industrial units (including IT and BT units) and expansions, will be exempted from payment of Stamp Duty and Registration fees up to 31st March 2006 in C, D and D+ areas and No-Industry District(s). However, 50% of the Stamp Duty and Registration fees will be waived for IT units set up in other IT Parks in talukas/areas in the State in "A" and "B" categories.
5.3 Octroi Refund:
The scheme of refund of octroi provided under the Package Scheme of Incentives, 1993 will be included in the new Scheme up to 31-3-2006 on the same pattern. Where account-based cess or other levy is charged instead of or in lieu of octroi, such change will also be eligible for refund as in the case of octroi.

5.4 Incentives to SSI units:
5.4.1 Special Capital Incentives for SSI units: New small-scale industries (including IT and BT units) setting up in different parts of the State will be eligible for Capital Subsidy as follows:

Taluka/Area Classification	Ceiling as percentage of fixed capital investment	Monetary ceiling (Rupees in lakhs)
A	-	-
B	-	-
C	20	10
D	30	20
D+	35	25
No Industry District	40	35

The subsidy will be disbursed in equal annual instalments over 5 years. Existing SSI and small-scale IT and BT units will be eligible for 75% of the subsidy admissible as above for expansion, diversification or modernization involving additional investment to the extent of 25% or more.

5.4.2 Interest Subsidy to new textile, hosiery and knitwear SSI units: New textile, hosiery and knitwear small-scale industries setting up indifferent parts of the Start will also be eligible for Interest Subsidy on the interest actually paid to the financial institution/bank on the term loan for creating fixed capital assets, equal to the interest payable at 5% per annum as stated in the table below. The monetary ceiling will be applicable for the complete period of eligibility.

Taluka/Area Classification	Monetary ceiling limit (Rs. in lakhs)	Maximum period in years
A	-	-
B	-	-
C	10	4
D	20	5
D+	25	6
No Industry District	35	7

5.5 Development of non-conventional energy: In order to give an impetus to the development of non-conventional energy, such projects will be eligible for benefits under the new Package Scheme of Incentives.
5.6 Classification of talukas/areas: The present classification of different talukas/areas in the State in A, B, C, D and D+ categories on the basis of their level of development is contained in the Package Scheme of Incentives, 1993, and will continue for the present. The matter of revision of the area classification will be separately considered by a Committee under the Chairmanship of the Minister (Industries). Norms for the mid-term reclassification of talukas depending on changes in their development status will also be considered, and No Industry District(s) will be separately categorized.
5.7 Financing of capital incentives and refunds under the Package Scheme:A budgetary provision of at least Rs. 200 crores will be made each year from 2001-2002 onwards to meet past commitments and the incentives under the new Scheme. Additional resources will also be raised through bonds linked with Sales Tax repayments under past Schemes.

5.8 Exemption from Sales Tax for Khadi & Village Industries:24 khadi and village industries are exempt from Sales Tax up to certain limits on annual turnover. Considering the potential of this sector for employment generation and rural industrialization, Sales Tax will also be waived in respect of the 72 remaining industries for their turnover up to Rs. 20 lakhs pr annum. This concession would be available to khadi and village industry units registered with and assisted by the Maharashtra State Khadi and Village Industries Board.
5.9 Sales Tax on IT products: Up to 31st March, 2006, the Sales Tax rates on IT products would be maintained at the level of the minimum floor rates, wherever applicable. No turn-over tax, additional Sales Tax, surcharge or any other additional levy related to Sales Tax shall be applied to IT products.
5.10 Sick SSI units: Issues relating to the rehabilitation of sick SSI units are reviewed in the State-Level Inter Institutional Committee and Sub Committee of the Reserve Bank of India, and in the District Level Committee which have been set up as an adjunct of the Zilla Udyog Mitras. Sick SSI units taken up for re-schedulement of arrears of Government and electricity dues, to be repaid in 36 monthly installments at 13% interest. The interest rate on the rescheduled arrears will now be reduced to 10%, in all except 'A' areas of the State. The repayment of such arrears would be allowed in 60 monthly installments.
5.11 Stamp Duty on Corporate Restructuring: The stamp duty for demerger of companies as defined under section 2(19-AA) of Income Tax Act, 1961 will be made applicable on lines of the stamp duty structure applicable for amalgamation of companies under every order made by the High Court under section 394 of the Companies Act, 1956.

5.12 Establishment of IT/BT units on textile mill lands in Greater Mumbai:while granting permission for the sale of textile mill lands in Greater Mumbai, the lands becoming available to the Maharashtra Housing and Area Development Authority (MHADA) for residential use would also be permitted to be used for the development of IT and BT industries by MHADA itself, or by MIDC.
5.13 FSI for IT Units: Twice the admissible Floor Space Index (FSI) is allowed for certain types of IT units setting up in IT Parks promoted by public bodies. Such units are also permitted in No-Development Zones of cities up to FSI of 0.2. Such IT units will now be permitted to establish in No-Development Zones with an enhanced FSI of 1.0.
5.14 New Industrial Townships: Maharashtra pioneered the establishment or institutions of democratic decentralizations and local self-governance several decades ago. More recently, these concepts were extended through statutory amendments to enable the establishment of independent Industrial Townships. In the first phase, self-governing Industrial Townships with the power to raise resources and determine their application will be established in industrial areas being developed by MIDC at twelve locations across the State, i.e. at Vile-Bhagad (Raigad), Airoli (Thane), Talegaon (Pune), Hinjewadi - Man (Pune), Shendre (Aurangabad), Additional Latur (Latur), Nandgaon Peth (Amravati), Additional Yavatmal (Yavatmal), Tadali (Chandrapur), Butibori (nagpur), Additional Sinnar (Nashik) and Nardhana (Dhule). The industrial townships so set up will pay 25% of their revenue to the concerned Gram Panchayat(s) or local bodies for the initial period of 5 years.

5.15 Special Economic Zones: The establishment of Special Economic Zones has been allowed under the recent policy of Government of India. India's most successful Export Processing Zone (SEEPZ), which was promoted by the State Government at Mumbai nearly three decades ago, has been converted into one of the country's first Special Economic Zones. Another Special Economic Zone is being developed by the City and Industrial Development Corporation (CIDCO) at Dronagiri, near the Jawaharlal Nehru Port. All the concessions, benefits and facilities extended to such Special Economic Zones promoted by public bodies will also be extended to Special Economic Zones set up by other parties. The establishment of Special Economic Zones at Aurangabad and Nagpur will also be proposed to the Government of India.
5.16 Specialized Industrial Areas: In the last few years, specialized industrial infrastructure has been developed by State agencies for various sectors, including Information Technology, leather, chemicals, etc. More recently, the establishment of textiles and food processing zones have been taken up. Taking into account the

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Government of India

Ministry of Micro, Small and Medium Enterprises

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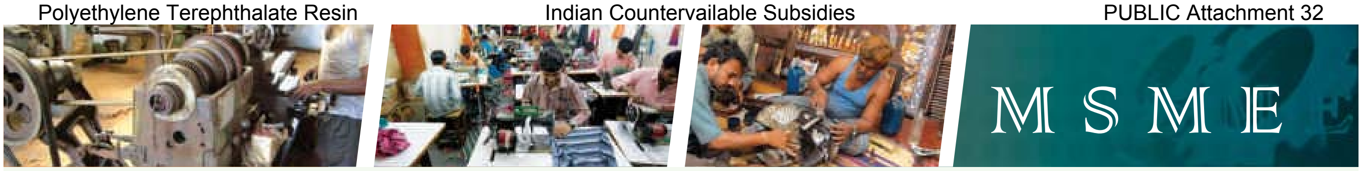

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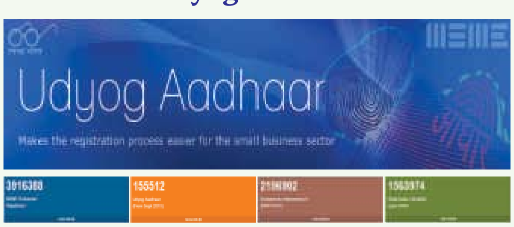
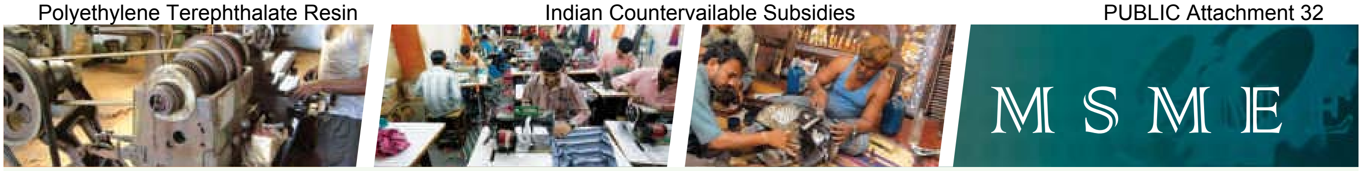
Udyog Aadhaar



Social Media



Micro, Small and Medium Enterprises Development (MSMED) Act 2006

The Micro, Small and Medium Enterprises Development (MSMED) Act was notified in 2006 to address policy issues affecting MSMEs as well as the coverage and investment ceiling of the sector. The Act seeks to facilitate the development of these enterprises as also enhance their competitiveness. It provides the first-ever legal framework for recognition of the concept of "enterprise" which comprises both manufacturing and service entities. It defines medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, micro, small and medium. The Act also provides for a statutory consultative mechanism at the national level with balanced representation of all sections of stakeholders, particularly the three classes of enterprises and with a wide range of advisory functions. Establishment of specific funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes/programmes for this purpose, progressive credit policies and practices, preference in Government procurements to products and services of the micro and small enterprises, more effective mechanisms for mitigating the problems of delayed payments to micro and small enterprises and assurance of a scheme for easing the closure of business by these enterprises, are some of the other features of the Act.

Definition of Micro, Small and Medium Enterprises in India

Micro, small and medium enterprises as per MSMED Act, 2006 are defined based on their investment in plant and machinery (for manufacturing enterprise) and on equipment for enterprises providing or rendering services. The present ceilings on investment for enterprises to be classified as micro, small and medium enterprises are as follows:

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Industries Commissionerate

Government of Gujarat

Gujarat is an enterprising State on a constant lookout for new opportunities. The state has been a preferred destination for investors because of its strategic location, state-of-the-art infrastructure, robust industry ecosystem, conducive policies and proactive governance. The vibrancy of Gujarat extends much beyond life and culture. It is reflected in a wide range of sectors which have immense business potential.

Shri Vijaybhai Rupani
Hon'ble Chief Minister


WELCOME TO **INDUSTRIES COMMISSIONERATE**

The Industries Commissionerate functions under the Industries & Mines Department of Government of Gujarat and implements industrial Policies of the state and central Governments.

The Industries Commissioner is head of the Industries Commissionerate.

The prime responsibility of IC office is to observe and proactively act as a catalyst in industrial development and bringing about industrial reforms. Also actively works towards removal of hindrances in the Industrial development of Gujarat. As part of industrial promotions, the office offers various incentive schemes and subsidies to the entrepreneurs for developement and upgradation of manufacturing facilities. In case of natural calamities, the office offers various benefits and packages to the industries. Special focus is given for the development of MSME.

News Policies

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Gatishil Gujarat 151 Days-251 Determination Video (http://artd.gujarat.gov.in) NEW

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Expression of Interest Invited from CA Firms for VAT Audit (documents/news/24-01-2017-18-41-30expression-of-interest-invited-from-ca-firms.pdf) NEW

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INDUSTRY FACILITATION

Investor Facilitation Portal' is a single window online platform which acts as the first point of contact for any probable investor in the State of Gujarat. This portal reduces contact between the

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Investor Facilitation Portal' is a single window online pl...

COAL DISTRIBUTION TO MSME

CENTRAL STORE PURCHASE ORGANISATION

(how-to-set-up-industry.aspx)

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Government of Gujarat

SNAPSHOT OF INDUSTRIAL POLICY 2015

Industries & Mines Department

7.4. Sector-specific skill development

GoG will also encourage sector-specific institutions that can impart vocational skills in emerging sectors ofbio techno logy, marine & shipbuilding, mining, agri-business, food industry, aerospace and defence production, fisheries, imported wooden furniture manufacturing, solar and other non-conventional energy, petroleum and petro chemicals.

Need-based support will be provided for setting up national/ international level training Centres/ courses and related R&D activities. Awareness program/ seminar assistance will be provided once per year for all training courses. The policy also provides incentive to collaborate with Indian Diamond Institute (IDIs) to set up training centres at Ahmedabad (Bapunagar), Rajkot, Surat and Bhavnagar. Support for undertaking training to SMEs for skill enhancement will be extended.

7.5. Institutional Arrangement for Market-driven curriculum

An institutional arrangement in the form of Government - industry - academia fora at the apex level would be set up. This would aim to make the general curriculum dynamic and industry-responsive by catering to the needs of the market.

8. Increasing the efficiency of the Institutions catalysing Industrial Development

Information provisioning or sharing with an investor through development of a strong and transparent institutional setup, is an integral part of State Industrial development initiative. At the local level, District Industries Centres (DIC) have been modernized and information kiosks have been set up in each DIC. The State Government would focus on its role as a facilitator for bringing competitiveness among districts in Gujarat. The Government will also conduct census and study reports as required for development of the State.

8.1. Facilitating Investor Interest

'Ease of Doing Business' will create strong information dissemination system in terms of quick responses to queries, application clearances, zero red-tapism, availability of adequate land for facilitating industrial and infrastructure development etc. To ensure an efficient institutional framework for facilitating industrial development, the new Industrial Policy suggests the following interventions.

8.2. Developing Trade Facilitation Centres

GoG will set up trade facilitation centre desk in five countries - USA, Singapore, Japan, Canada and China etc. These centres will provide detailed information to industrialists of their countryabout the new developments and policies taking place in the State of Gujarat.

8.3. Investor Support System (ISS)

GoG will strengthen the information dissemination mechanism by developing an Investor Support System (ISS). The ISS software will be designed to aid entrepreneurs in identifying suitable investment locations based on critical parameters such as land availability, gas and

power availability, proximity to ports and airports etc. The software will also give updated information on the availability of infrastructure in terms of rail, road connectivity, location of industrial estates, industrial parks, Special Economic Zones, power, grid and substations etc.

8.4. Developing Sector-Specific Industrial Zones/ Areas

GoG intends to declare industrial areas/zones across the state as focus sectors for development. This will help the investors and in effect, industrial development by providing information regarding citing of projects and by creating an enabling infrastructure.

8.5. Identification and Agglomeration of Public Land Banks

The Government will identify vacant government land that can be used for the purpose of Land Banks for industry in industrialareas/zones. The policy intends to undertake an advance valuation of such parcels of government land whichwould subsequently be allotted to investors on the recommendation of the Industries DepartmentProcesses relating to land like non-agriculture conversion and change in tenure will be further simplified for ease in project implementation.

8.6. Developing a Web- based portal for Entrepreneurs

The state intends to operationalise the policy by developing a web-based application portal with enhanced tracking, monitoring and feedback generating capabilities to further assist entrepreneurs in processing their applications in a time-bound and streamlined manner.

8.7. Strengthen Industrial Extension Bureau

The GoG will also strengthen the Industrial Extension Bureau, the District Industries Centres and related offices in order to enhance their facilitatorand information dissemination capabilities.

8.8. Gujarat Industrial Development Corporation (GIDC)

GIDC will acquire additional land near existing industrial estates and promote new estates to make land available to new industries. GIDC will simplify its rules in the allotment of plots as well as other approvals required by existing Industrial Units in the Estates.

8.9. Establish Special Investment Regions (SIR)

Land will be made available in the Investment Regions along the DMIC Corridor. A Special Investment Region Act will be introduced to enable planned development.

8.10. Regularly conduct sessions to address concerns

To play a more pro-active role and to ensure that the needs of the industries are adequately addressed, a grievance addressing session for the Industries could be set up with the Industries Commissioner at the helm. These sessions may be conducted on a frequent basis wherein industries can request for a timely intervention by the Government.

8.11. Improving the extent of Environmental Compliance

GOG would extend support to the Gujarat Pollution Control Board (GPCB) for improving, optimizing, automating and upgrading the scope and quality of its activitiesfor an improved environmental compliance. To regulate Industrial Development as per environment laws, GoG would support the GPCB with the following interventions.

1. **Industrial Zoning**

    a. Zoning on the basis of environmental aspects, existing and proposed infrastructure including Environment; and land availability would be carried out. This would help the investor in selecting appropriate location from an environment point of view and enable GPCB to process the NOC application faster.

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The Global Business Hub

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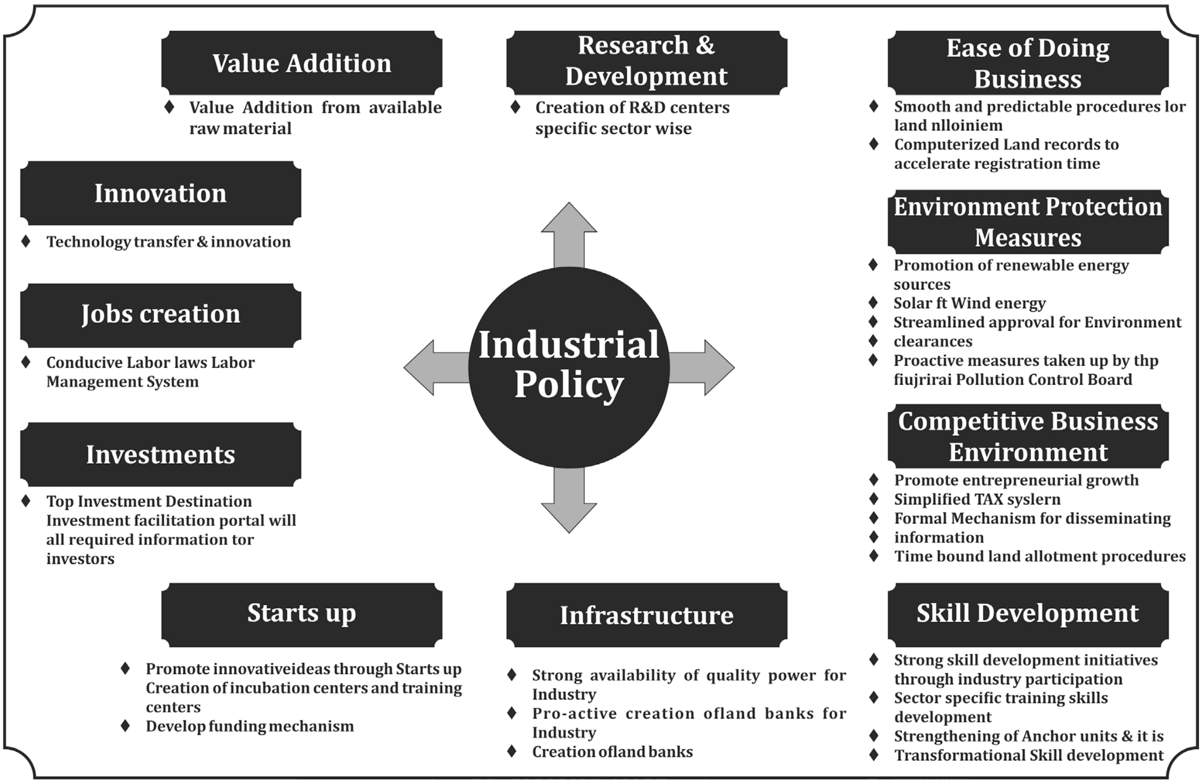
Government of Gujarat

SNAPSHOT OF INDUSTRIAL POLICY 2015

Industries & Mines Department

- To enhance last mile connectivity for strengthening development of infrastructure
- To promote specific sector approach & value addition in production
- To encourage the adoption of green, clean-energy business practices
- To promote innovation, start-ups & technology transfer

To facilitate investment into the State, major strategies for achieving growth have been identified.



3.2.1 Accelerating Development of infrastructure

A sound infrastructure is the backbone of a healthy economy. The State already possesses excellent infrastructure which include the highest network density of roads, connectivity by rail to all parts of the country, an international airport and major andminor ports.The State will identify and develop required infrastructure in SIRs, GIDC estates or private industrial parks/ areas for which Last mile connectivity is a prime concern.

3.2.2 To promote labour intensive industries

The role of labour intensive industries is to enable Government & Private enterprises in different sectors to fully exploit the economic scenario generating maximum employment. The government intends to provide incentives for the following focus sectors: Garment, Apparels &Made-Ups industry, Agro and Food processing, Assembling enterprises and others similar sectors which will be defined from time to time. Separate & specific incentives would be earmarked for the development of labour intensive industries. Investment in this sector is likely to create vast opportunities for ancillary and downstream industries in the small, medium & large sector in the State.

3.2.3 Focus approach for industrially under-developed areas

Over the last two decades, the under-developed industrial areas of the state have shown remarkable improvement. This developmental change rode on the back of advantages

7.4. Sector-specific skill development

GoG will also encourage sector-specific institutions that can impart vocational skills in emerging sectors ofbio techno logy, marine & shipbuilding, mining, agri-business, food industry, aerospace and defence production, fisheries, imported wooden furniture manufacturing, solar and other non-conventional energy, petroleum and petro chemicals.

Need-based support will be provided for setting up national/ international level training Centres/ courses and related R&D activities. Awareness program/ seminar assistance will be provided once per year for all training courses. The policy also provides incentive to collaborate with Indian Diamond Institute (IDIs) to set up training centres at Ahmedabad (Bapunagar), Rajkot, Surat and Bhavnagar. Support for undertaking training to SMEs for skill enhancement will be extended.

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8.1. Facilitating Investor Interest

'Ease of Doing Business' will create strong information dissemination system in terms of quick responses to queries, application clearances, zero red-tapism, availability of adequate land for facilitating industrial and infrastructure development etc. To ensure an efficient institutional framework for facilitating industrial development, the new Industrial Policy suggests the following interventions.

8.2. Developing Trade Facilitation Centres

GoG will set up trade facilitation centre desk in five countries - USA, Singapore, Japan, Canada and China etc. These centres will provide detailed information to industrialists of their countryabout the new developments and policies taking place in the State of Gujarat.

8.3. Investor Support System (ISS)

GoG will strengthen the information dissemination mechanism by developing an Investor Support System (ISS). The ISS software will be designed to aid entrepreneurs in identifying suitable investment locations based on critical parameters such as land availability, gas and

power availability, proximity to ports and airports etc. The software will also give updated information on the availability of infrastructure in terms of rail, road connectivity, location of industrial estates, industrial parks, Special Economic Zones, power, grid and substations etc.

b. Extending of financial assistance to private industrial estates. Approved large projects would be assisted for providing last mile connectivity.

c. Assistance would be disbursed based on O&M provisions and would be based on outcomes judged through third party quality checks.

13.2. Review of FSI in GiDC Estates

Existing industrial units located in GIDC estates are facing a number of hardshipswhile carrying out expansion/diversification due to existing limitations of built up area. To shift such additional activities at different location is not only difficult to administer but requires additional funds to create new assets and infrastructure. Sometimes it discourages the entrepreneur due to limitations. In view of this there is a need to allow the existing units for additional construction by revising the FSI norms. This will facilitate the industries for carrying out expansion/diversification and provide a thrust to industrial development.

13.3. Provide efficient logistics park/ services for industrial growth

For logistics to be effective, it is necessary that the issues of security and reliability, product movement, information movement service time and service cost are adequately and properly addressed. In the case of Gujarat, areas of material handling/ loading/ unloading, Transportation, Warehouse/storage management, container freight station, cold storage, container handling equipment's, cold storage and Compilation/ documentation the areas require logistic intervention. Mechanization improves the efficiency of logistic processes and often has positive consequences on efficiency, costs and quality. Packaging would need to be strengthened for efficient material handling.Transportation is another area that requires assistance. GoGis pursuing initiatives which would ensure that road transport meets industrial requirements of speed and time. It also contemplating development of Transport Nagars etc.

13.4. Improvement in Hinterland Connectivity

Gujarat,which has benefited from the Golden Quadrilateral and NSEW axis, boasts of a superior quality of roads as well as the presence of expressways, six lane projects under advanced phases of NHDP, prudent use of external funding and a relatively better O&M regime. The State has the highest percentage of paved roads to total roads in the country. The GoG has made targeted efforts to connect all the regions of Gujarat to facilitate movement of both goods and labour. The state's connectivity with its N/W hinterland is comparable or better than the national standards.

Broadly, the roads in the State can be divided into core and non-core network. The core network comprises the National and State Highways. An ambitious 6000 km State Highway Development Program (SHOP) has been launched to address the core network's need for upgradation and maintenance. The Dedicated Freight Corridor [DFC) and DMIC have the potential to reduce logistics cost thereby making Gujarat ports competitive. The policy intends to

a) Ensure four lane good quality roads for entry and exit to ports
b) Set up multi modal connectivity to SIR, SEZ, Ports, Airports, etc.
c) Set up logistics parks including warehousing, container freight station, cold storage, container handling equipment.
d) Develop logistics parks at appropriate nodes around Delhi-Mumbai Freight Corridor.

13.5. Establishment of Industrial Areas and Estates by Private Investors

The establishment of Industrial areas by private investors will include cost of infrastructure such as internal roads, power line, communication facilities, water distribution and water augmentation facilities, sewage and drainage lines, effluent treatment and disposal facilities and other facilities as may be required in the Park. Development of industrial parks, in at least an