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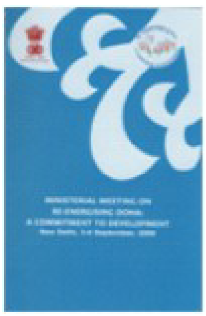
Ministerial Meeting on Re-Energising Doha – A Commitment to Development on 3 September 2009

Welcome Address by Anand Sharma Commerce Minister



Excellencies, Director General Mr. Lamy, Senior Officials, Ambassadors, and distinguished delegates,

It gives me immense pleasure to welcome you all to Delhi Ministerial Meeting. After assuming my present responsibility as Commerce and Industry Minister of Republic of India, I have had the privilege of meeting many of you on several occasions. I am delighted that we now have yet another opportunity to renew our acquaintance. I look also forward to an equally warm relationship with other fellow Ministers whom I have not had the opportunity to meet earlier.

We are encouraged by your understanding and by your enthusiastic support for this initiative for the Delhi meeting. Your presence is a testimony of your commitment to the successful conclusion of the Doha Development Round and also underscores your faith in the robustness of the transparent, rule-based and democratic multilateral trading system that the WTO represents.

In less than a year, world leaders have reaffirmed their commitment to an early conclusion of Doha Round at Washington, London, Bali, Paris, L'Aquila, and Singapore. In their unanimity lies a message for us, which stresses the need and importance of a fair and equitable international trading system, which is particularly vital in the present challenging economic environment.

Leaders were united in their view that sustaining trade and investment flows is critical for the future prosperity of developed and developing economies alike. They recognised that one of the main threats to a revival of trade flows is the rising protectionist pressures, and continued delay in concluding the Doha Round. Therefore, strengthening the multilateral trading system by concluding the Doha Round at the earliest is vital is an imperative.

A question has been asked by some that why India took the initiative to host this meeting when Heads of State and Governments have already, in no uncertain terms, signaled what needs to be done. But let's be frank in acknowledging that even the unequivocal expression of political resolve has not yet been translated into action. Many of you have shared your concerns with me over the imperceptible progress in re-energizing the negotiations. This feeling was also articulated when officials met in Geneva in July.

The economic crisis and the ensuing turmoil is rocking the global economy. Domestic pre-occupations of some Member Countries over the past twelve months has been another proximate reason for the pause in negotiations. But that was not all. We also realise that individually, the international groupings of nations from which declarations of support for the Doha Round have emanated, simply did not represent the full spectrum of the WTO membership. The Delhi meeting constitutes a microcosm of the entire WTO membership, representing all shades of opinion and interests. This would be the first occasion since July 2008 that such a meeting is taking place to give a determined push to the multilateral process.

Together, we need to work in this spirit and go beyond yet another reaffirmation and work together collectively to provide guidance for a clear road map of multilateral engagement in the months ahead, remaining conscious of the 2010 timeline. I trust that you would all agree that is the value addition this Ministerial meeting has to provide: this is what we must strive for.

I trust that you would all agree that this is neither the

Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
8-Sep-09	48.6500	48.7250	48.5225	48.5425	48.5425	291883	1148320	558604.0	48.6500
7-Sep-09	48.8500	48.8500	48.6975	48.7300	48.7300	302206	662851	323,298.6	48.7500
4-Sep-09	49.0725	49.0725	48.8575	48.9350	48.9350	330467	815856	399,159.2	48.8900
3-Sep-09	48.9550	49.0325	48.8650	48.9700	48.9700	355030	787215	385,422.1	48.8800
2-Sep-09	49.2500	49.2850	49.0150	49.0425	49.0425	357599	992456	487,522.5	49.0600
1-Sep-09	48.8500	49.1175	48.7550	49.0950	49.0950	358978	896175	438,466.1	48.7300

[Source: NSE and RBI Website]

appropriate forum nor the opportune time to discuss specific issues in individual areas of the negotiations. That is best left to the multilateral process in Geneva. Instead, discussions here ought to mainly focus on the best way to spark the multilateral negotiations to move the Round to a quick closure. After all, the intention is to build a broad-based consensus on how Ministers would like to see the process of negotiation fast-tracked. Negotiators would be able to focus fully on technical issues only if we work together to remove the obstacles coming in the way of multilateral discussions and provide clear directions on how the multilateral process at the WTO can be re-energised.

I understand that senior officials who met yesterday have had a productive discussion and have identified some of the critical process issues which need to be addressed on priority if the Doha Round has to be concluded as envisaged by some leaders. I am sure you have been briefed by your senior officials about their discussions.

In some quarters, it has been suggested that most issues have been settled and we are almost in 'end game'. However, if we look at the texts of modalities on NAMA and Agriculture alone, it would be apparent that there are still a few gaps and large number of unresolved issues. In some instances, the architecture of a solution is not yet fully in sight. In others, there still remain negotiating gaps that need to be sufficiently narrowed before Ministers can collectively outline the way forward come up with fair solutions.

All these issues need to be extensively discussed at the technical level by senior officials. This will take time and needs to be factored in when we decide on a schedule for the ensuing months to determine when Agriculture/NAMA modalities can be meaningfully concluded.

Suggestions for new approaches have generated much debate, may be at the cost of some negotiating capital. In light of the 2010 timeline, Ministers may like to reflect on the necessity for and the implications of changing a tried and tested process. While we follow the established process of multilateral negotiations, we need also to look at various approaches to feed the multilateral process to reach a satisfactory conclusion.

We must remain alive to the importance of inclusiveness and transparency of the process. These are indisputably key success factors for any strategy to conclude the Doha Round, particularly in a body of the size and diversity of the WTO. We cannot risk alienating any of those involved.

The fact that this is a Development Round bears repetition. The Doha Ministerial Declaration of 14 November 2001, while recalling the preamble to the Marrakesh Agreement stated *"We shall continue to make positive efforts designed* to ensure *that developing countries and especially the least developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development".* This mandate is the bedrock of the Doha Round. The final outcome must correct the historical distortions and address structural flaws in the global trading regime, while responding to the legitimate concerns and aspirations of the poor in the developing world.

We must also recall that the Ministerial mandate at Hong Kong emphasized the need to effectively and meaningfully integrate Least Developed Countries (LDCs) into the multilateral trading system.

The Ministerial mandate at Hong Kong also adopted a sequential approach to negotiations giving agriculture and NAMA frontal position to be followed by others. Since time is of the essence and in order to maintain a balance within the single undertaking, Members could also reflect on how, without departing from the Hong Kong mandate, we can consider moving other issues on the agenda forward. Can parallel negotiations in Services and other areas be taken on board in a more proactive manner?

In order to take the process at Geneva to its logical conclusion, engagement and close monitoring would be required, I am sure this will put our human resource capacities to severest test. This would also necessitate a more well thought out and agreed roadmap for overall negotiations as well as specifically for each segment of negotiations. Members may wish to reflect on how we intend to proceed to prepare this agreed roadmap. I request each of you to bear these issues in mind while making your statements and interventions.

Let me turn now to the structure of our programme over the next two days.

As you have seen from the agenda for today, we will begin with a Statement from DG Lamy. I am sure, we are all keen to hear his thoughts on the way forward. His single minded zeal and indefatigable efforts to bring the negotiations back on track, each time they faltered, have yielded rich dividends in the past.

I will then invite the Chairs of the Negotiating Groups on Agriculture, NAMA and Services to speak. There are of course, other equally important areas in the single undertaking but we are going by the sequence decided by Ministers at Hong Kong. The Agriculture and NAMA Chairs have already, in July this year, outlined how they propose to organize technical work in September. I am sure they will now be able to provide us all with some more details on that process.

The success of the V11T0 is, in large measure, attributable to the stellar role played by various coalitions. Without them, it would have been very hard to adhere to the WTO principles of transparency, inclusiveness and consensus-based decision-making. They have been the rallying force behind these negotiations and have been able to give voice to issues both large and small that may otherwise never have come to the fore. We will hear from each of them today.

We have also scheduled statements by some Members, interspersed with the group statements. I welcome and in fact, urge others who wish to make statements to please do so. It is with this in mind that we have intentionally avoided packing too much into our schedule, in the hope that this will lead to a better exchange of ideas.

We have left the agenda for tomorrow relatively unstructured at this stage so as to enable an open and candid discussion on the issues that Members would be flagging today.

I am confident that we will have a productive and useful engagement over the next two days and I look forward to working constructively with you all is a collective endeavour to build a broad-based consensus on the way forward.

Concluding Chair's Summary on 4 Sept 2009

Following is the full text of Shri Anand Sharma, Union Minister of Commerce and Industry's concluding chair's summary at the Ministerial Meeting on Re-energising Doha – A Commitment to Development, on 4 September 2009.

"Excellencies, Director General Mr. Lamy, Senior Officials, Ambassadors, and distinguished delegates,

We have now reached the end of two days of intensive engagement. Let me first thank you all for your statements and interventions over the course of the last day or so. I am happy that we were able to cover so much ground in such a short span of time. I trust you will all agree that we have made good progress over the last two days and we now have a fair idea of the way forward.

The Delhi Ministerial meeting was conceived and designed as a representative forum of the WTO membership, bringing together groups from across the spectrum of interests and positions in the Doha negotiations, in a microcosm of the WTO itself, in a bid to give a determined push to the multilateral process.

The objective was to develop a broad-based consensus to remove the impediments coming in the way of multilateral discussions and to provide clear directions to negotiators to re-energise the multilateral process at the WTO.

I will now summarise the proceedings of 3rd and 4th September.

Ministers recalled the outcomes of meetings held earlier during the year at London (G20), Bali (Cairns Group), Paris (Trade Ministers), L'Aquila (G8 plus) and Singapore (APEC Trade Ministers). It was further recalled that leaders had set a timeline of 2010 for the conclusion of the Doha Round.

Ministers acknowledged that the unambiguous political signals emanating from earlier meetings had not been translated into action in Geneva. They were conscious that mere reaffirmation of commitment was not enough unless this was converted into effective instructions to negotiators to re-engage, with a view to concluding the Round successfully within 2010.

Ministers were also sensitive to the deleterious impact of the prolonged global economic crisis, which has put to the test the commitment of member countries to free, fair and equitable rule-based international trade. They were unanimous in expressing the view that strengthening the multilateral trading system by concluding the Doha Round at the earliest, was vital.

The Director General, WTO provided an overall perspective of the way forward. The Chairs of the Agriculture, NAMA and Services Negotiating Groups outlined their work plans in their respective areas.

The G-20 and the G-33 emphasised the need to respect the multilateral mandate as reflected in the work done on the Agriculture and NAMA modalities over the last seven years; both Groups were of the view that the texts of December 2008 must form the basis of future work. Regarding the negotiating process, they reiterated that bilateral and plurilateral meetings could only be used to supplement the multilateral process and not to substitute it. The G-20 called for the expeditious completion of the Round with contributions from all Members.

The Cotton-4 recalled the mandate of the Hong Kong Ministerial Declaration according to which the cotton issue must be addressed ambitiously, expeditiously and specifically. They expressed the hope that this issue would be taken up on priority when talks resumed. They were supported in this by all other Groups, particularly, the G-33, the G-20, the African Group and the ACP Group.

The African Group re-emphasized the importance of keeping development concerns as the main focus of negotiations. ACP Group reaffirmed the need for the banana issue to be specifically addressed outside of the modalities on agriculture, in order to reach a just and balanced outcome.

The two groups, supported by CARICOM, also drew the attention of participants to the progress made in July 2008 on preference erosion modalities. They expressed disappointment that the specific understandings developed then had not reached fruition on account of the delay in resumption; they emphasised the importance of this issue for their economies.

The G-10 group expressed its commitment to a successful and expeditious conclusion of the Doha Round to face the economic downturn and to fight the spread of protectionism. Citing the contributions being made by developed countries, the Group stressed the need for a balanced result in the single undertaking.

The LDC Group expressed concern that delay in concluding the Doha Round was costing them dearly. They called for an expeditious conclusion of the Round and progress on issues that were critical to them including DFQF.

Statements were made by coordinators of the groups on behalf of their groups and some of the Member countries in their individual capacities.

Let me turn now to what I believe are the understandings reached on a number of process-related issues that would determine the way ahead. These are summarized below:

There was a unanimous affirmation on the need to conclude the Doha Round within 2010. There was a clear recognition that differences subsist on issues and intensifying negotiations was the first step towards bridging these gaps.

There was a strong re-affirmation that development remains at the heart of the Doha Round.

Ministers also called upon Chief Negotiators/Senior Officials to meet in Geneva beginning 14 September 2009 to draw up a process of engagement for the next 2-3 months; and, to work with the Chairs of the Negotiating Groups to prepare an overall agenda of action.

Ministers agreed that Chairs of the Negotiating Groups on Agriculture and NAMA would be requested to draw up issue-based work plans in consultation with Chief Negotiators/ Senior Officials, for intensifying engagement to complete negotiations.

Ministers agreed that in consultation with Chief Negotiators/Senior Officials, Chairs of other Negotiating Groups would also draw up work plans, including, where applicable, tabling, discussion and finalization of texts where required and the timelines for submission of revised offers (Services), in line with the overall agenda of action.

Ministers agreed that negotiations should resume on the basis of progress achieved till December 2008.

Ministers agreed that work agenda for LDCs covering all specific issues across the entire spectrum should be put on a faster track for negotiating convergence with the DG Lamy and Chairs of Negotiating Groups taking the lead in this process.

Ministers were of the view that the multilateral process should continue to be the main process of negotiations for the strength of its inclusiveness and transparency. Other forms of engagements can work as an adjunct for developing a better understanding among members.

Ministers agreed to review progress and provide further guidance on how to complete negotiations within the expected 2010 timeline. All opportunities for political guidance, including at the level of leaders to be used between now and the end of November 2009 as also to iteratively track progress.

Mindful of the fact that the Doha Round has been in progress for eight years, it was agreed that all efforts must be made to bring the Round to an ambitious and development oriented conclusion within 2010 as resolved by world leaders.

This brings me to the end of my summary of proceedings.

I thank you all once again for your enthusiastic support and participation. I am glad that you have made the effort and taken the time to participate in this Ministerial meeting. I am sure that our efforts will bear fruit and we will see a constructive resumption of Doha Round talks very soon.

I wish you all a safe and pleasant journey home and look forward to our continued association.

G-20 May Curb Banker Pay, Profit at Pittsburgh Summit

World leaders gathering in Pittsburgh this month may take the biggest step to curbing the pay and profits of bankers after their economic policy makers narrowed differences over bonuses and capital rules.

Finance ministers and central bankers from the Group of 20 nations left weekend talks in London with a regulatory blueprint for a financial industry whose risk-taking triggered a global recession and required taxpayer-funded bailouts. The pledge to shore up the international financial system spurred European and Asian shares higher on 7 September.

With the G-20 authorities vowing to sustain a nascent economic recovery, the U.S. and euro area found common ground on the push to revamp bank rules. The effort may still founder on trans-Atlantic divisions. And the specifics, being written for the Sept. 24-25 summit to be chaired by U.S. President Barack Obama, run the risk of being unenforceable, say analysts.

Finance chiefs agreed that elements of a global pay code include forcing banks to “claw back” cash awards if earnings falter; better tying compensation to long-term performance and base pay; deferring payments and disclosing more on what they hand top earners, according to a Sept. 5 statement.

‘Living Wills’

Banks will also have to curb leverage and raise the amount and quality of assets they keep in reserve once growth takes hold. They were also prodded to use profits to raise capital and lending and to outline “living wills” on how to fold international operations in crises.

The ministers left it to the Financial Stability Board, a Basel-based panel of regulators that the G-20 established five months ago, to flesh out the plan. The board will also research whether there needs to be a limit on bonuses as a percentage of a bank’s profits.

Separately, a panel of central bankers and regulators that oversees the Basel Committee on Banking Supervision on 6 September agreed on new standards calling for lenders to raise the quality of their capital, introduce a leverage ratio and devise ways to boost reserves when the economy is robust.

Even if the deadline for detailed proposals wasn’t in less than three weeks, officials would struggle to control how bankers pay themselves, said Nicholas Stretch, a London-based partner at law firm CMS Cameron McKenna.

Political leaders expressed doubts that financial-industry interests can be overcome.

The weekend agreement built on G-20 efforts born in the wake of the crash of the U.S. housing market and the collapse of Lehman Brothers Holdings Ltd. almost exactly a year ago. The ensuing crisis led to $1.6 trillion in bank losses and writedowns.

The G-20 is also seeking to quell public anger after governments rescued banks only to see them soon return to profit and awarding bonuses.

Push to Contain Bonuses

Finance ministers from France and Germany, who spoke to reporters together after the meeting, claimed credit for what they called a successful push to contain bonuses, overcoming initial resistance from the U.S. and U.K. The Europeans relented on a proposal to limit individuals' compensation.

While the ebbing of the crisis may still slow the reform effort as banks regain strength and attention wanes, the re- election campaigns of German Chancellor Angela Merkel this month and the U.K.'s Brown next year may provide momentum.

Basel II

They also narrowed a trans-Atlantic divide on capital rules. The U.S. agreed to implement Basel II capital rules, acknowledging French criticism that Obama's administration was beginning a new reform drive without enacting existing capital standards.

Setting aside more capital may hurt banks' earnings. That concern pushed up the cost of protecting their bonds from default by the most in a month in Europe on Sept. 2. Credit- default swaps on the Markit iTraxx Financial index linked to 25 European banks and insurers jumped 5.5 basis points that day to 94 basis points, the biggest one-day increase since Aug. 8, according to JPMorgan Chase & Co. prices.

Expressing caution on the outlook for the world economy, the G-20 officials judged it premature to start unwinding record-low interest rates and more than $2 trillion in fiscal stimulus. At the same time, they agreed the eventual exit from emergency measures should be coordinated across borders to avoid distorting markets.

IMF Raises Forecast

The policy makers were told by the International Monetary Fund that it had raised its forecast for global growth next year to 2.9 percent from July's 2.5 percent estimate. The Washington-based lender cut its projection for contraction this year to 1.3 percent from 1.4 percent, according to an official from a G-20 government, citing a paper prepared for the meeting.

The G-20 members are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the U.S., the U.K. and the European Union.

China's Watching

The ability of the U.S. and the EU to respond to subsidies by developing nations such as China may depend on how the countries in the Boeing-Airbus dispute react to eventual final rulings by the WTO, according to former U.S. Trade Representative Susan Schwab.

In 2007, Schwab proposed that the WTO's list of illegal subsidies be expanded to include forgiveness of government loans, provision of equity capital and loans given to "uncreditworthy" companies.

The U.S. bailouts have included all the measures the proposal would have banned.

U.S. Distinction

The U.S. makes a distinction between short-term emergency assistance and the subsidies, known as launch aid, that Airbus has been receiving for 30 years, according to the U.S. Trade Representative's office.

Call for Negotiations

Airbus says the recent spate of U.S. subsidies shows that the dispute between the aircraft makers should be solved through negotiation rather than litigation.

'Everyone is Guilty' of Aid Means US WTO Wins may be Harder

The partial U.S. success in a dispute over European subsidies to Airbus SAS may be difficult to replicate after the Bush and Obama administrations pumped billions of dollars into banks and automakers during the financial crisis.

A World Trade Organization panel issued a preliminary ruling Sept. 4 that some European government aid to Airbus was illegal, according to people familiar with the confidential findings. The trade arbiter acted on a U.S. complaint saying Airbus received $15 billion in unfair assistance that helped it supplant Chicago-based Boeing Co. as the world's biggest aircraft maker.

Former President George W. Bush put fighting such subsidies at the top of his trade agenda, and the Airbus filing in 2004 was the biggest case he brought. Similar complaints now would be undercut by the bailouts that Bush and President Barack Obama doled out to private companies, said Claude Barfield, a resident scholar at the American Enterprise Institute, a public-policy research group in Washington.

Instead of leading more fights against subsidies by the European Union, China and Australia, the U.S. may have to fend off trade cases brought by developing nations such as Argentina, India and Brazil, which haven't resorted to such large-scale bailouts, according to Gary Hufbauer, a fellow at the Peterson Institute for International Economics.

Global 'Glass House'

"The subsidies being done now make the amounts in the Boeing-Airbus dispute pale in comparison," Hufbauer told a forum on Capitol Hill on July 27. The U.S. has given hundreds of billions in aid to companies from General Motors Co. to American International Group Inc.

The U.S. isn't alone, as European and Asian nations such as Germany, China and Japan provided government money to automakers, shipbuilders, banks and other companies during the worst economic slowdown since the Great Depression.

Challenges from developing nations also may come as the U.S. and other nations consider giving free permits for greenhouse gas pollution to domestic makers of steel, aluminum and other energy-intensive manufacturers, Bacchus said.

EU's Boeing Complaint

The U.S. and EU are already losing some cases. The WTO said on Aug. 31 that Brazil can impose $294.7 million in sanctions against U.S. goods to compensate for subsidies paid to American cotton farmers.

The WTO said in its preliminary ruling on Toulouse, France- based Airbus that some of the aid provided by the U.K., France, Germany and Spain amounted to illegal subsidies that damaged Boeing, according to the people, who asked not to be identified because the document wasn't public. The ruling can be appealed.

The EU countered the U.S. complaint with its own filing, also in 2004, saying Boeing got $23 billion in aid through state tax breaks, U.S. military research and export guarantees. A ruling in that case may not come until next year.

Reducing tariffs was the original mandate of the WTO. In talks leading to its formation in 1995, the U.S. succeeded in adding rules limiting government payments that could give companies an advantage over overseas competitors.

After filing the complaint over Airbus, the U.S. pursued WTO petitions against tax breaks and payments to Chinese manufacturers and cash grants and research funding to Chinese apparel and technology exporters.

China, Nepal Trade Fair Opens in Tibet

Chinese and Nepalese businesses gathered in Xigaze City in southwest China's Tibet Autonomous Region Thursday for a five-day trade fair that highlights Buddha statues, Tibetan medicine and other commodities from the Himalayan region.

A total of 171 businesses from the two countries have set up booths at the fair, which opened Thursday morning at the Mt. Qomolangma Exhibition Center in Xigaze, at the foot of the world's tallest peak.

Most Nepalese businesses have brought traditional artwork, textile products and food, while Chinese companies are displaying herbs, art-ware and electrical appliances.

Nepalese businesswoman Meera Shakya posed for a photo at her booth, where a wide variety of handmade shawls, scarves, purses and ornaments were on display. "I'm confident these products will sell well in China," she said.

The trade fair is expected to further boost Nepal's trade relations and cultural exchanges with China, said Purushottam Ojha, secretary of the Nepalese Ministry of Commerce and Supplies, at the event's opening ceremony.

The Nepalese ministry signed a memorandum of understanding with Tibet's regional government Wednesday, which said the two sides would establish a trade coordination committee to promote trade and investment by simplifying procedures in customs clearance, transportation and other aspects.

The committee will meet annually in Lhasa and Kathmandu by turns and the first meeting will be held in six months, according to the MOU.

Last year, Tibet's Zham Port on the China-Nepal border handled 243 million U.S. dollars worth of two-way trade.

Meat with Bone of Indian Sheep Exports Allowed Subject to Quality Control and Inspection

Subject: Corrigendum in respect of export of Meat of Sheep/Goat covered under Chapter 2 of ITC(HS).

04-Pol.Cir
01.09.2009
(DGFT)

Attention is invited to the ITC (HS) Classification of Export & Import Items (Updated upto 31.07.09). It is hereby informed that provisions at S.No. 20(a), 20(b), 21(a) and 21(b) in the Chapter 2 under heading "Meat and Edible Meat Offal" stands substituted to read as under:-

Existing Entry:

20 (a)	**0204**		**Meat of sheep or goats, fresh, chilled or frozen**		
	0204 10 00	Kg.	Carcasses and half – carcasses of lamb, fresh or chilled.	Prohibited	Not permitted to be exported.
			Other meat of sheep, fresh or chilled:		
	0204 21 00		Carcasses and half – carcasses.	Prohibited	Not permitted to be exported.
	0204 22 00		Other cuts with bone in.	Prohibited	Not permitted to be exported.
	0204 30 00		Carcasses and half - carcasses of lamb, frozen.	Prohibited	Not permitted to be exported.
			Other meat of sheep, frozen:		
	0204 41 00		Carcasses and half – carcasses.	Prohibited	Not permitted to be exported.
	0204 42 00		Other cuts with bone in.	Prohibited	Not permitted to be exported.
			Boneless meat of sheep fresh, chilled or frozen		
20(b)	0204 23 00 0204 43 00		(Notification No. 30 dated 21.08.2006)	Free	Quality control and inspection under Note 3 and 4 respectively as well as condition stipulated at Note 6 above are required to be fulfilled.

Amended Entry:

20	0204 10 00 0204 21 00 0204 22 00 0204 23 00 0204 30 00 0204 41 00 0204 42 00 0204 43 00	Kg	Meat of Indian sheep (Notification No. 46 dated 20.02.2007)	Free	Quality control and inspection under Note 3 and 4 respectively as well as condition stipulated at Note 6 above are required to be fulfilled.

Existing Entry:

21(a)	0204 50 00	Kg	Boneless meat of Indian goat, fresh, chilled or frozen	Free	Quality control and inspection under Note 3 and 4 respectively as well as condition stipulated at Note 6 above are required to be fulfilled.
21(b)	0204 50 00	Kg	Bone in meat of Indian goat fresh, chilled or frozen (Notification No. 30 dated 21.08.2006)	Prohibited	Not permitted to be exported.

Amended Entry:

21	0204 50 00	Kg	Meat of Indian Goat. (Notification No. 46 dated 20.02.2007)	Free	Quality control and inspection under Note 3 and 4 respectively as well as condition stipulated at Note 6 above are required to be fulfilled.

2. This issues with the approval of Competent Authority.

Edible Oils Export Ban Extended upto 30 Sep 2010

Subject: Prohibition on Export of Edible Oils

04-Ntfn(RE)
04.09.2009
(DGFT)

In exercise of the powers conferred by Section 5 read with Section 3(2) of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) and also read with Para 1.3 and Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby amends, with immediate effect, Notification No.85 (RE-2007)/2004-2009 dated 17.3.2008 and Notification No.60 (RE-2008)/2004-09 dated 20th November, 2008 read with Notification No.33 (RE-2008)/2004-09 dated 19th August, 2008, and Notification No.98 (RE-2008)/2004-2009 dated 17.3.2009, as amended from time to time.

2. Para 3 of the Notification No. 85 dated 17.3.2008 stands substituted as following:

"3. The ban imposed vide this Notification shall be applicable upto 30.09.2010."

3. The above ban, however, shall not be applicable to relaxations / exemptions granted vide Notification No.33 (RE-2008)/2004-09 dated 19th August, 2008, and Notification No.60 (RE-2008)/2004-09 dated 20.11.2008, respectively.

4. Para 2 (i) of Notification No.60 (RE-2008)/2004-09 dated 20.11.2008 stands substituted as following:

"i) The export of edible oils is permitted in branded consumer packs of up to 5 Kgs, subject to a limit of 10,000 tons during 20.11.2008 to 30.09.2010. Such exports shall be allowed only from Customs EDI Ports."

5. This issues in Public Interest.

Export Obligation Period Extended to 12 Months from 6 Months for Drugs and Penicillin

02-PN(RE)
27.08.2009
(DGFT)

In exercise of powers conferred under Para 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures (Vol.1), 2009-14:-

1. Sl. No. 2 & 3 of the Appendix 30A related to Export Obligation Period for "Penicillin and its salts [ITC(HS) Code No. 29411010]" stands replaced by the following:-

2)	Drugs (with a specific export order and pre-import condition)	12 months from the date of clearance of first consignment by Customs authority.
3)	Penicillin and its salts [ITC (HS) Code No. 29411010]	12 months from the date of clearance of first consignment by Customs authority.

This issues in public interest.

Seven More Items Included in FPS List

07-PN(RE) 07.09.2009 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following corrections / amendments in HBPv1 (including Appendices and ANFs):

1. The following entries are added after the Entry no. 76 in Table 1 of Appendix 37D:

SNo.	FPS Product Code	ITC (HS) Code	Description
77	77	1522	DEGRAS; RESIDUES RESLTNG FRM THE TREATMNTOF FATTY SUBSTNCS OR ANM/VEG WAXES
78	78	1004	OATS
79	79	0903	MATE
80	80	1002	RYE
81	81	1204	LINSEED WHETHER OR NOT BROKEN
82	82	1205	RAPE OR COLZA SEEDS WHETHER OR NOT BROKEN
83	83	1203	COPRA

2. In Table 1of Appendix 37A, Sl. No. 7 is deleted and Sl. No. 6 is replaced as under:

SNo.	VKGUY Product Code	Items
6	6	MINOR FOREST PRODUCE & VALUE ADDED VARIANTS, AS IN TABLE 1F

3. In the Note in Table 1D of Appendix 37A, the words "Table 1A" are replaced by the words "Table 1D".

4. In the subheading - Value Added Extract of following Herbs' of Table 1F of Appendix 37A (appearing after VKGUY product code 624), the numbers '(8.625 to 8.746)' are replaced as '(625 to 746)'.

This applies for exports w.e.f 27.8.2009.

This issues in public interest.

Telecom Equipment and Services Now under Telecom Equipment and Services EPC

05-PN(RE) 04.09.2009 (DGFT) In exercise of powers conferred under Paragraph 2.4 of the Foreign Trade Policy 2009 2014, the Director General of Foreign Trade hereby makes the following amendments in Appendix 2 (List of Export Promotion Councils/ Commodity Board) of the Handbook of Procedures (Vol.I):

Telecom Equipment and Services Export Promotion Council is hereby added in Appendix 2 at S. No. 37:

SNo.	Name of Export Promotion Councils/ Commodity Boards	Registered Office/ head Office	Regional Office	Details of products falling within their jurisdiction
37.	Telecom Equipment and Services Export Promotion Council (TEPC)	Telecom Equipment & Services Export Promotion Council 3rd Floor, Niryat Bhawan, Rao Tula Ram Marg (Opp. Army Hospital Research & Referral), Vasant Village, New Delhi-110057 Tel/Fax: +91-11-41667976 e-mail: secretary.tepc@gmail.com		Telecom equipment and services

This issues in Public interest.

Corrections in Handbook of Procedures v1

03-PN(RE) 31.08.2009 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following corrections / amendments in HBPv1 (including Appendices and ANFs):

1. The following shall be added at the end of Para 3.11.2 of HBPv1.

"However, it is clarified that in case the importer wants to use a specific permission/license for import of a restricted item as well as pay the duty using Duty Credit Scrip, then Duty Credit Scrip shall be allowed to be used only if the item is also importable under the respective paras of Duty Credit Scrip (reference FTP Paras 3.12.6, 3.13.4, 3.16.4, and 3.17.5)."

2. The following corrections are made in ANFs:

a. In Appendices 26 and 26A; ANF5A, ANF5B and ANF5D, the word '2004-09' appearing anywhere is deleted.

b. In the Index for Appendices, the following correction is made:

i. Appendix 26: Certificate of CA/ ICWA/ CS (for issue of EPCG Authorization)

ii. Appendix 26A: Certificate of CA/ ICWA/ CS (for EPCG Authorization Redemption)

This issues in public interest.

Basmati MEP Set at $900

Subject: Export of Rice – MEP and conditions regarding

05-Ntfn(RE) 07.09.2009 (DGFT) In exercise of the powers conferred by Section 5 read with Section 3(2) of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) and also read with Para 1.3 and Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes, with immediate effect, the following amendment to Notification No.38 (RE-2007)/2004-2009, dated 15.10.2007 read with Notification No. 93 (RE-2007)/2004-2009 dated 1.4.2008, and Notification No. 83 (RE-2008)/2004-2009 dated 27.01.2009, as amended from time to time.

2. Entry at Para 2 under "Nature of Restriction" at Sl. No. 45AA relating to minimum FOB price shall stand substituted as,-

"2. Export permitted only if the Minimum Export Price (MEP) is US $ 900 per ton or Rs. 41,400/-per ton FOB."

3. Export of Basmati rice, as above shall be subject to the additional condition that foreign commission upto 12.5% is to be allowed for computation of MEP and any discount /commission in excess of 12.5% will not be allowed for calculation of MEP (and FOB price will have to be higher to that extent).

4. This issues in Public Interest.

Supplies in DTA for Duty Free Import

Positive NFE for EOUs Supplies under following Notifications Allowed

06-PN(RE) 04.09.2009 (DGFT) In exercise of powers conferred under paragraph 2.4 of Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following amendments in Handbook of Procedures Vol I:

I In para III of Appendix 14-I-H, the following shall be inserted:

"(d) For the purpose of sub-para 6.9(e) of FTP, the relevant Ministry of Finance Notifications are:

1. No. 106/58-Cus dated 29.03.58 *[Vice President of India, Governors]*
2. No. 152/94-Cus dated 13.07.94 *[Goods for Research, Education, Physically Challenged]*
3. No. 50/96-Cus dated 23.07.96 *[Govt. Funded Research by Pvt. Companies]*
4. No. 39/96-Cus dated 23.07.96 *[Duty Free Imports by Defence and Police Organisations]*
5. No. 84/97-Cus dated 11.11.97 *[Supplies for UN and World Bank Projects]*

This issues in public interest.

Another Five Years of Anti-dumping Duty on Flexible Slabstock Polyol from China, Korea and Taiwan; Brazil Excluded

Ntfn 89
31.08.2009
(DoR)

Whereas, the designated authority, *vide* its notification No. 15/19/2008-DGAD, dated the 24th July, 2008, published in the Gazette of India, Part I, Section 1, Extraordinary, dated the 24th July, 2008, had initiated a review in the matter of continuation of anti-dumping on imports of Flexible Slabstock Polyol (hereinafter referred to as the subject goods) falling under Sub- heading 3907 20 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, the People's Republic of China, Republic of Korea, Chinese Taipei and Brazil (hereinafter referred to as the subject countries), imposed *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 4/ 2005- CUSTOMS, dated the 24th January, 2005, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 40(E), dated the 24th January, 2005;

And whereas, the Central Government had extended the anti-dumping duty on the subject goods, originating in, or exported from, the subject countries upto and inclusive of the 23rd July, 2009 *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 138/2008- Customs, dated the 31st December, 2008 , published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 909 (E), dated the 31st December, 2008 ;

And whereas, in the matter of review of anti-dumping on import of the subject goods, originating in, or exported from, the subject countries, the designated authority in its final findings issued vide notification No. 15/19/2008-DGAD, dated 22nd July, 2009 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 24th July, 2009, had come to the conclusion that-

1. subject goods originating in or exported from China PR, Chinese Taipei and Korea RP had been exported to India below their normal value, resulting in dumping;

2. subject goods from Brazil had not been exported to India during the period of investigation (POI); therefore, the current dumping from Brazil could not be determined. The trend of imports indicated that imports from Brazil might not resume.

3. in case of revocation of anti-dumping duties on the subject goods from China PR, Chinese Taipei and Korea RP, the dumping was likely to continue, and the dumped imports from these countries likely to continue injury to the domestic industry.

and had recommended continued imposition of definitive anti-dumping duty on imports of the subject goods, originating in, or exported from, the subject countries other than Brazil and imported into India, in order to remove injury to the domestic industry;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) read with rules 18 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods**,** the description of which is specified in column (3) of the Table below, falling under the said sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), the specification(grade) of which is specified in column (4) of the said Table, originating in the country as specified in the corresponding entry in column (5), and produced by the producer as specified in the corresponding entry in column (7), when exported from the country as specified in the corresponding entry in column (6), by the exporter as specified in the corresponding entry in column (8), and imported into India, an anti-dumping duty at a rate which is equivalent to difference between the amount mentioned in the corresponding entry in column (9), in the currency as specified in the corresponding entry in column (11) and as per unit of measurement as specified in the corresponding entry in column (10), of the said Table and the landed value of imported goods in like currency as per like unit of measurement.

Table

SNo	Tariff item	Description of goods	Grade	Country of origin	Country of export	Producer	Exporter	Amount	Unit of measure-ment	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	3907 20	Flexible slabstock polyol	Molecular weight 3000-4000	China PR	China PR	Any	Any	2601	MT	USD
2	3907 20	-do-	-do-	China PR	Any country other than China PR	Any	Any	2601	MT	USD
3	3907 20	-do-	-do-	Any country other than country/ies attracting anti dumping duty	China PR	Any	Any	2601	MT	USD
4	3907 20	-do-	-do-	Korea RP	Korea RP	Any	Any	2601	MT	USD
5	3907 20	-do-	-do-	Korea RP	Any country other than Korea RP	Any	Any	2601	MT	USD
6	3907 20	-do-	-do-	Any country other than country/ies attracting anti dumping duty	Korea RP	Any	Any	2601	MT	USD
7	3907 20	-do-l	-do-	Chinese Taipei	Chinese Taipei	Any	Any	2601	MT	USD
8	3907 20	-do-	-do-	Chinese Taipei	Any country other than Chinese Taipei	Any	Any	2601	MT	USD
9	3907 20	-do-	-do-	Any country other than country/ies attracting anti dumping duty	Chinese Taipei	Any	Any	2601	MT	USD

Sports Weapons and Ammunitions for Sports Weapons Import through RA

Subject: Import of sports weapons by "Renowned Shooters.''

05-Pol.Cir
04.09.2009
(DGFT)

Your attention is invited to Policy Circular No. 2/2009 2014, dated 27.08.2009 on the subject mentioned above issued by this office. In this regard, it is stated that the expression "sports weapons" wherever occuring in the Policy Circular referred to above may be read as "sports weapons and ammunitions for sports weapons".

VKGUY Benefits not Allowed to Flours and Meals of Soya Bean

04-PN(RE)
31.08.2009
(DGFT)

In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following corrections / amendments in HBPv1 (including Appendices and ANFs):

1. The description for VKGUY Entry No. 7 of Table 1B of Appendix 37A is corrected to read as:

"FLOURS & MEALS OF OIL SEEDS OR OLEAGINOUS FRUITS OTHER THAN THOSE OF MUSTARD / SOYA BEAN."

This applies for exports w.e.f. 27.8.2009.

This issues in public interest.

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette. The anti-dumping duty shall be paid in Indian currency.

Explanation. - For the purposes of this notification,-

(a) "landed value" means the assessable value as determined under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties levied under sections 3, 8B, 9 and 9A of the said Customs Tariff Act, 1975;

(b) rate of exchange applicable for the purposes of calculation of anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.354/148/2003 –TRU]

Interest Recoverable where Cenvat Credit Wrongly Taken Even if it is Not Utilised

Subject: Liability of interest where CENVAT credit was wrongly taken but reversed by assessee before utilization.

F.No.267/83/2009-CX-8

897-CBEC 03.09.2009 (DoR) Representation has been received from the field formation stating that the decision of Hon'ble High Court of P&H in the case of CCE, Delhi III V/s Maruti Udyog Ltd. [2007(214)ELT173(P&H)], has upheld the order of Tribunal wherein it was held that assessee is not liable to pay interest in the case where credit was only taken and not utilized. The SLP against this order has been dismissed by the Hon'ble Supreme Court. On the other hand, Rule 14 of The CENVAT Credit Rules, 2004, provides for recovery of credit taken or utilized wrongly with interest. In view of this conflict in legal provisions and the decision of Hon'ble Supreme Court, a clarification has been requested from the Board.

2. The matter has been examined. It is seen that the Tribunal decision and the High Court judgement referred to above, was delivered in the context of erstwhile Rule 57I of the Central Excise Rules, 1944 and that the Supreme Court order under reference is only a decision and not a judgement. Since, the Rule 14 of the CENVAT Credit Rules, 2004, is clear and unambiguous in the position that interest would be recoverable when CENVAT credit is taken or utilized wrongly, it is clarified that the interest shall be recoverable when credit has been wrongly taken, even if it has not been utilized, in terms of the wordings of the present Rule 14.

3. Trade & Industry as well as field formations may be suitably informed.

Deduction of Air Freight Element from FOB Value

Sub:- Misuse of circular No.74/2002-Cus dated 8th November, 2002.

24-CBEC 03.09.2009 (DoR) I am directed to invite your kind attention to the Board's circular No.74/2002-Cus dated 8.11.2002. The said circular clarified that if the buyer and the seller have contracted goods on f.o.b. basis and the same is reflected in the contract and the Letter of Credit (LC), it is immaterial that the exporter has actually shipped the goods by air. The circular further stated that if the freight is on collect basis and the exporter is paying more as air freight due to the exigency of the situation without affecting the f.o.b., it would not be justified to rework the drawback amount by deducting freight element from the contracted FOB value.

2. The circular was issued when it was brought to the notice of the Board by some field formations in 2002 that a few exporters had claimed drawback on export value which included air freight. This happened because although the exporters were required to send their goods by sea as per contract and the freight was to be borne by the buyer, they actually sent the goods by air and incurred the air freight. The exporters later claimed drawback on the entire FOB value which included the freight element also. The Apparel Export Promotion Council (AEPC), however, represented to the Board that the exporters were compelled to ship the goods by air in order to meet the delivery deadlines lest the buyers should cancel the export orders. Such delivery of cargo by air did not affect the FOB value which was a constant in terms of the contract between the exporters and the foreign buyers. The Board accepted this reasoning and issued the aforementioned circular.

3. The Board was recently informed by a field formation that as per intelligence received by them some exporters have claimed benefit of the aforementioned circular in as much as 44% of their total consignments in a year. These exporters had paid freight charges even though the contract was on FOB basis. It was, therefore, decided to review the circular.

4. The AEPC has again represented that the operations involved in garment export trade are complex and involve lot of manual work. In the process, delays take place forcing exporters to agree to the conditions dictated by buyers to bear air freight. Such instances occur occasionally but in not more than 2-3% of shipments of any exporter. While action may be taken against exporters who misuse provisions of law, all exporters should not be measured with the same yardstick. AEPC has requested that the field formations may be advised to grant drawback to the exporters in such exigencies and circular No. 74/2002-Cus re-clarified to them by the Board. The Ministry of Textiles has also supported the view of AEPC.

5. The issue has been re-examined by the Board. It is felt that the situations of exigencies as envisaged in the above mentioned circular where exporter is forced to ship the goods by air at his expense even though the contract is on f.o.b. basis will continue to arise and needs to be provided for so that the exporters do not suffer dual disadvantage of bearing extra expense of air freight and also losing the drawback amount. However, at the same time this facility can not be allowed to be misused.

6. In view of the above, it is clarified that in situations where the buyer and the exporter have contracted the goods on f.o.b. basis and the same is reflected in the contract and the LC, but the exporter is forced to send the goods by air at his own expense due to an exigency such as contractual obligation to deliver the goods within a certain period of time, it would not be justified to rework the drawback amount by deducting freight element from the contracted FOB value. However, in order to obviate misuse and as informed by the AEPC the benefit of this circular shall be limited to only 3% of the shipments in a financial year.

7. The following procedure shall however be followed for availing this facility. The exporters who intend to take the benefit of this circular should declare the fact of exigency upfront to Assistant Commissioner / Deputy Commissioner (Drawback), before filing the Shipping Bills. Such declarations should, inter alia, give the details regarding the nature of exigency, number of consignments exported during the year from all the ports and the number of consignments in which the benefit of this Circular has been claimed. The Assistant Commissioner / Deputy Commissioner will satisfy himself about the bona fides of the case and take a decision in the matter. In the meantime, however, the Shipping Bill will be permitted to be filed, processed and the export shipment cleared like any other drawback shipment. It may be noted that the export shipment will, in no case, be stopped. The Assistant Commissioner/Deputy Commissioner will take a decision in the matter keeping in mind the upper limit of 3% prescribed for such cases of exigency and as far as possible, before the shipping bill comes to the Drawback queue so that the drawback can be sanctioned without delay. In case of any dispute, the drawback shall be released after deducting airfreight element from the contracted FOB value. The bonafides of the exigent situation shall be examined later and the decision on the balance drawback i.e. drawback on the amount deducted from the FOB value shall be communicated through a speaking order. The exporters shall not be required to file supplementary claims for the differential amount in such cases.

8. The pending cases pertaining to exports under circular No.74/2002-Cus dated 08.11.2002 may be finalized keeping in view the above guidelines.

9. A suitable Public Notice for information of the Trade and Standing Order for guidance of the staff may be issued. Difficulties faced, if any in implementation of the changes may be brought to the notice of the Board at the earliest.

Implementation to Packaging and Labeling Conditions on Tobacco Products

Subject: Implementation of the provisions of COTP Act, 2003 and The Cigarettes and Other Tobacco Products (Packaging and Labelling) Rules, 2008"- Empowering the Customs & Central Excise Officers.

F.No.267/50/2007-CX-8

896-CBEC 01.09.2009 (DoR) Ministry of Health & Family Welfare has notified the Cigarettes and Other Tobacco Products (Packaging and Labelling) Rules, 2008 prescribing the manner in which the specified health warning shall be displayed on the tobacco product packs covering all types of tobacco products, produced, supplied or distributed in India. The Rules have come into effect from 31.05.2009. In this regard, Board's instructions of even number dated 02.06.2009 may also be referred. All the tobacco products manufactured/ packaged/ imported for sale in India have to bear the specified health warnings as prescribed. A copy of relevant rules/ notifications which have now been received from the Ministry of Health & Family Welfare, is enclosed for ready reference.

2. Further, the Ministry of Health & Family Welfare has vide Notification dated 30.07.2009 [S.O.1866 (E)] issued from F.No.P-16011/7/2005-PH-I (copy enclosed), notified all officers of the level of Superintendent and above of the Customs & Central Excise as competent to act under Sections 12 and 13 of the COTP Act, 2003 and conferred to them the power of Entry, Search and Seizure under the provisions of the said Act. It is clarified here that the officers are empowered under these provisions only for the places registered with the Central Excise department like factory, and not for other premises of dealers/ retail shops, which are not registered with the department.

3. In view of above, the officers of Central Excise & Customs should ensure that no tobacco products are cleared from the premises registered with the Central Excise department or imported into India without bearing the specified health warning and other requisites as prescribed in the Rules.

4. Trade & Industry as well as field formations may be suitably informed.

Cigarettes Packaging Rules

Ministry of Health Family Welfare (Department of Health and Family Welfare)

Notification dated 3rd May, 2009

G.S.R.305(E).—In exercise of powers conferred by sub-section (1) of section 7, sub-section 2 of section 8, section 10 and section 31 of the" Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and,Commerce, Production, Supply and Distribution) Act, 2003 (34 of 2003) the Central Government hereby makes the following amendments to the Cigarettes and Other Tobacco Products (Packaging and Labelling) Rules, 2008, namely:-

1. (1) These Rules, may be called the Cigarettes and Other Tobacco Products (Packaging and Labelling) Amendment Rules, 2009.

(2) They shall come into force on 31st May 2009.

2. In the Cigarettes and Other Tobacco Products (Packaging and Labelling) Rules, 2008

(1) In rule 2, for clause (b) the following clause shall be-substituted, namely:-

"package" means any type of pack in which cigarette and other tobacco product is packaged for consumer sale but shall not include wholesale, semi wholesale or poora packages if such packages are not intended for consumer use.''

(2) In rule 3, in sub rule (1), for clause (b) the following clause shall be substituted, namely:-

(b) "the specified health warnings shall occupy at least forty percent (40%) of the principal display area of the front panel of the pack and shall be positioned parallel to the top edge of the package and in the same direction as the information on the principal display area:.

Provided that for conical packs, the widest end of the pack shall be considered as the top edge of the pack:"

[No. 16011/07/2005-PH]

B.K.PRASAD, Jt.Secy.

Note: Principal rules were published vide GSR No. 182(E) dated 15th March, 2008 and subsequently amended vide GSR No. 693(E) dated 29-9-08 and Vide S.O 2814 (E) dated 28-11-08.

Notification Empowering Officers of Customs and Central Excise

Notification dated 30th July, 2009

New Delhi the 30th July, 2009 **S.0.**1866(E).-In exercise of the powers conferred by sub-section (1) of Section 25 of the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (34 of 2003), the Central Gov-ernment hereby authorises officers mentioned in column (2) of the Table given below, who shall be competent to act under sections 12 and 13 of the said Act and are conferred with the power of Entry, Search and Seizure under the said provision of the said Act.

Table

S.No.	Desigantion	Department
(1)	(2)	(3)

Department of Revenue

1. All officers of the level of Superintendent and above of the Customs and Central Excise.

(1)	(2)	(3)

Department of Revenue/ Health Transport of the State

Labor Department

O/o. Commissioner of Industries/Small Scale Industries.

Department of Food and Drugs and Department of Home Affairs.

2. All officers of the rank of Inspectors and above of Sales Tax /Health/Transport Departments

3. Junior Labor Commissioner and above

4. Joint Director

5. Sub-Inspector and above of Police/State Food and Drug Administration or any other officer holding the equivalent rank of Sub-Inspector of Police.

[P.16011/7/2005-PH-I]

B.K. PRASAD.Jt.Secy.

Health Warning on Cigarettes Comes into Effect on 30 July 2009

Notification dated 30th July, 2009

S.O.1865(E).—In exercise of powers conferred by sub-section (3) of section 1 of the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (34 of 2003), the Central Government hereby appoints 30th day of July 2009 as the date on which the provisions of clause (a) of sub-section (1) of section 12, clause (a) of sub-section (1) of section 13,15,17,18,32 and 33 of the said Act shall come into force.

[P- 16011/7/2005-PH]

B.K.PRASAD, Jt.Secy.

Powers of Adjudication of the Officers of Customs

F. No.450/117/2009-Cus.IV

23-CBEC 01.09.2009 (DoR) I am directed to invite your attention to the Board's Circular No.87/2002-Customs dated 17.12.2002 regarding the powers of adjudication of officers of Customs. Board has reviewed the monetary limits prescribed for adjudication of cases by Additional / Joint Commissioners of Customs and it has been decided to enhance the powers of adjudication of these officers.

2. Accordingly, it has been decided that, under Section 28 of the Customs Act, 1962, the powers of adjudication of various categories of officers shall be as follows.

Level of Adjudication Officer	Nature of cases	Monetary level (Rs. in lakh)
Customs:		
Commissioner	All cases.	Without any limit.
ADC/JC	SCN in cases involving collusion, willful mis-statement or suppression of facts etc.	Duty involved upto Rs. 50 lakhs.
ADC/JC	Other cases	Value of goods upto Rs. 50 lakhs.
AC / DC	SCN with / without invoking extended period.	Value of goods upto Rs.2 lakh.

3. In the case of Baggage, the Additional Commissioner or Joint Commissioner shall continue to adjudicate the cases without limit, since such cases are covered by the offences under Chapter XIV and it is necessary to expeditiously dispose off the cases in respect of passengers at the airport. In other cases, such as short landing, drawback etc., the adjudication powers shall be continue to the same as provided under the Customs Act, 1962 or the Rules/Regulations made thereunder.

4. As per definition under section 2 (8) of the Customs Act, 1962, Commissioner of Customs includes an Additional Commissioner of Customs except for the purpose of appeal and revision. Therefore, respective Commissioners may review the status of cases pending for adjudication, which fall within the powers of Commissioners only, and depending on the workload may consider allocating some of these cases to Additional Commissioners working under their charge to ensure speedier disposal. An appeal against the Order-In-Original passed by an Additional Commissioner shall lie before Commissioner of Customs (Appeal) and not before the CESTAT.

5. In so far as the issuance of Show Cause Notice for demand of duty under Section 28 is concerned, the same can be issued by the respective adjudicating officers depending upon the powers of adjudication.

6. It is clarified that notwithstanding this revision, in all cases where the personal hearing has been completed, orders will be passed by the Adjudicating Authority before whom the hearing has been held. Such orders should normally be issued within a month of the date of completion of the personal hearing.

7. In all cases where personal hearing is yet to be commenced, the adjudications should be done by the appropriate level of officers as per the revised instructions. An immediate exercise should be undertaken to take stock of the present pendency and the transfer of relevant files and records to respective adjudicating authorities and the exercise of transfer of case records should be completed by 30th September 2009, under proper receipt. The recast figures should be reflected in the Monthly Technical Report of September, 2009, which is to be submitted in October, 2009.

8. The Chief Commissioners are requested to report to the Board about the number of cases and the amount involved, which will go out of the jurisdiction of officers of different levels as a result of these modifications, pertaining to their respective jurisdiction.

9. All previous Board's Circulars and instructions such as instruction F.No. 437/8/91-Cus.IV dated 13.5.1992, Circular No.47/97-Cus dated 6/10/97 and Circular No.87/2002- Cus dated 17/12/2002 relating to adjudication of Show Cause Notices are hereby rescinded/ modified to the above extent.

10. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notice / Standing Order.

11. Difficulties, if any, in implementation of the Circular may be brought immediately to the notice of the Board.

Powers of the High Court to Condone Delay in Filing Application

Sub:- Amendment in Section 35G / 35H of Central Excise Act and Section 130 / 130A of Customs Act regarding powers of the High Court to condone delay in filing Appeal / Reference Application.

F.No.276/109/2007-CX.8A

895-CBEC 27.08.2009 (DoR) Attention is invited to Section 86 & 107 of the Finance Act, 2009 vide which amendment with effect from 1st July, 2003 has been carried out under Section 130 of the Customs Act, 1962 and Section 35G of the Central Excise Act, 1944 respectively to the effect that the High Court may admit an appeal after the expiry of the period of one hundred and eighty days if it is satisfied that there was sufficient cause for not filing appeal within the stipulated period. Similarly, vide Section 87 & Section 108 of the Finance Act, 2009, amendment has been carried out with effect from 1st July, 1999 under Section 130A of the Customs Act, 1962 and Section 35H of the Central Excise Act, 1944 to the effect that the High Court may admit reference application or permit the filing of memorandum of cross objections after the expiry of the relevant period if it is satisfied that there was sufficient cause for not filing the same within that period. The Notes on Clauses to the Finance Bill, 2009 may also be referred to in this regard.

2. In respect of pending Appeals / Applications filed with delay, if any, amendments as above may be brought to the notice of the Court by way of filing of Interim Application. Further, in respect of Appeals / Applications filed with delay by the Commissionerate which were dismissed by the High Court by invoking the limitation clause under the Act, the filing of Review Petition may be contemplated as per procedure in the respective High Court in consultation with the empanelled Sr. Standing Counsel in this regard.

3. The amendments as above have been brought out in the statute consequent upon the judgement of Larger Bench of the Hon'ble Supreme Court in the case of Commissioner of Customs & Central Excise Vs. M/s. Hongo India Pvt. Ltd. [2009(236) ELT.417(SC)] wherein it was held that the High Courts have no power to condone the delay in filing the reference application beyond the prescribed period of one hundred and eighty days. Vide the amendment as above, the High Courts have been assigned the powers to condone the delay in filing of reference applications/appeals. However, the Commissionerates must ensure that appeals are filed within the stipulated period of one hundred and eighty days under all circumstances. The litigation mechanism of the Commissionerates before the High Courts must be closely monitored so that the appeals are filed in time.

4. This circular is issued in supersession of Board's Circular No. 888/8/2009-CX. dated 21st May, 2009.

No Separate Lease Agreement between Developer/Co-Developer

Instruction No. 31 – No. C.6/3/2009-SEZ dated the 17th August, 2009

Sub: Requirement of lease agreement when Developer/Co-Developer and unit are the same– clarification.

31-SEZ-Cir 17.08.2009 References have been received seeking clarification on Rule 18(2) on the issue of regarding requirement of lease agreement when the Developer/Co-Developer and the unit are the same legal entity.

2. It is clarified that in cases where Developer or Co-Developer setup a unit, there is no need for a separate lease agreement between the developer/Co-Developer an unit. An allotment letter from the Developer or Co-Developer to the unit would be sufficient.

Service Tax Exemption to Goods Transported through National Waterway or Coastal Shipping

30-ST
31.08.2009
(DoR)

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service provided to any person in relation to the transport of goods, the description of which is specified in column (2) of the Table, through national waterway, inland water and coastal shipping as referred to in sub-clause (zzzzl) of clause (105) of section 65 of the Finance Act, from the whole of service tax leviable thereon under Section 66 of the said Act.

2. This notification shall come into force on the first day of September 2009.

Table

SNo.	Description of Goods
(1)	(2)
1.	Foodstuffs including edible oil seeds and edible oils; food grains (cereals and pulses) and flours; fruits, vegetables and flowers; agricultural, fishery, marine produce; meat and poultry; water; tea and coffee; salt, sugar, sugarcane; grocery; milk and milk products; livestock and cattle fodder; dhoties , sarees and voils; long cloth, sheeting Fertilizer whether inorganic, organic or mixed;
2	Petroleum and petroleum products;
3	Hank yarn made wholly from cotton;
4	Hank yarn made wholly from cotton;
5	Raw jute and jute textile;
6	Seeds of food crops and seeds of fruits and vegetables; seeds of cattle fodder and jute seeds;
7	Medicine/pharmaceutical products;
8	Relief materials meant for victims of natural or manmade disasters, calamities, accidents and mishap;
9	Defence/ military equipments.
10	Luggage of passengers, whether carried as personal luggage in the ship or booked separately as consignment/ postal mail / mail bags/Household effects
11	Newspaper/magazines registered with Registrar of Newspapers.

[F. No. 354/163/2009-TRU]

Service Tax Exempted for Government Goods Transported by Rail

28-ST
31.08.2009
(DoR)

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service provided to any person in relation to transport of goods, the description of which is specified in column (2) of the Table, **by rail** as referred to in sub-clause (zzzp) of clause (105) of section 65 of the Finance Act, from the whole of the service tax leviable thereon under section 66 of the Finance Act.

2. This notification shall come into force on the first day of September, 2009.

Table

SNo.	Description of Goods
(1)	(2)
1	Defence/ military equipments
2	Railway equipments/ materials
3	Postal mail bags
4	Relief materials meant for victims of natural or manmade disasters, calamities, accidents and mishap
5	Luggage of train passengers, whether carried as personal luggage in the train compartments or booked separately in the luggage van/ Household effects
6	Parcels [including newspaper/magazines registered with Registrar of Newspapers] booked in the luggage vans, where the goods/ commodity heads fall below train load class 130 as per the Indian Railway Conference Association(IRCA) Goods Tariff
7	The following goods which are classified in the IRCA Goods Tariff, as below train load class 130 and wagon load class 130 (Formula: Train Load Class 120+10) including 'Low Rate' goods viz., LR1, LR2, LR3, LR4: Food grains, flours and pulses(9), Chemical Manure(6), Gunnies (21), Oil cakes and seeds 16), Soap(19), Starch(21), Salt for industrial use(18), Sugar(20), Salt (18),De-oiled cakes(16), Machinery and machine tools(14), Hides and Skins(12), Leather (12), Rubber and plastic(12), Electrical appliances and fittings(22), Empty drums(22), jerry cans and barrels (22), Jaggry(22), Jute (22), Milk and Milk products(22), Organic Manure(22), Paints and polishes(22), Timber(22), Vegetable oil pitches(22), Water(22), Fireworks(23), Boiler components(24), Charcoal(24), Paper(24) Bamboos(25), Brooms(25), Coffee and Tea(25), Cotton and other textiles(25), Fodder and Husk(25), Fruits and vegetables(25) and other perishables like fishery and marine produce, Groceries(25), Live stock(25), Motor vehicles (25), Sugar cane and Bagasse(25), Fire clay(7),Edible oils booked in covered wagons and charged as LR4, booked in 4 wheeled Tank wagon and charged as Train Load class-100
8	Kerosene oil meant for supply through public distribution system; Petroleum products including LPG Cylinders (filled and empty) booked by public sector Oil Marketing Companies transported by Indian Railways

F. No. 356/24/2009-TRU

Rail Containers for Export Goods Exempted from Service Tax

33-ST
01.09.2009
(DoR)

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service provided to any person in relation to transport of goods by rail, as referred to in sub-clause (zzzp) of clause (105) of section 65 of the Finance Act, from the whole of the service tax leviable thereon under section 66 of the Finance Act,

provided, nothing contained in this notification shall apply to any service provided or to be provided, by any person other than government railway, in relation to transport of goods in containers by rail.

F. No. 356/24/2009-TRU

Service Tax Exempted on Transport of Goods in Containers by Rail

34-ST
01.09.2009
(DoR)

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 1/2006-Service Tax, dated the 1st March 2006, G.S.R. 115(E), dated the 1st March, 2006, namely:-

2. In the said notification, in the Table, in S.No.11 for the entry in column (3), the following entry shall be substituted, namely:-

"Transport of goods in containers by rail."

F. No. 356/24/2009-TRU

Earlier Notification on the Subject

29-ST
31.08.2009
(DoR)

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 1/2006-Service Tax, dated the 1 st March, 2006, G.S.R. 115(E), dated the 1 st March, 2006, with effect from the 1st day of September, 2009 namely:-

2. In the said notification, in the Table, in S.No.11 for the entry in column (3), the following entry shall be substituted, namely:-

"Transport of goods by rail."

F. No. 356/24/2009-TRU

World Bank Pink Sheet – August 2009 Prices

World Bank Pinksheet issued in September 2009 covers price movements in 43 energy and non-energy products is published by the World Bank every month. This Pink Sheet focuses on price movements in August 2009.

World Sugar, Gold and Silver on the Rise

- Crude oil on the rise. Coal down. Natural gas steady.
- Cocoa and Coffee up. Tea up.
- Copra and Coconut oil up. Groundnut oil down. Palm oil, Palmkernel oil, Soybean meal, Soybean oil and Soymeans up.
- Thai Rice down, Barley down, Maize and Sorghum up.
- Wheat down. Bananas US and Oranges up.
- Shrimp and Meat, beef steady, Fishmeal up, Meat, chicken down, Meat, sheep up.
- World sugar on the rise.
- Logs, Cameroon up. Plywood steady. Sawnwood and Woodpulp up.
- Cotton and Rubber up.
- DAP, TSP and Urea up. Phosphat e rock steady. Potassium Chloride down.
- Gold and Silver on the rise.
- Aluminium, Copper, Lead, Nickel, Tin and Zinc up.
- Iron ore steady. Steel sheets steady. steel wire rod down.

	Monthly averages			Quarterly averages					Annual averages		
	2009			2008			2009		2007	2008	2009
	June	July	Aug	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jan-Dec	Jan-Dec	Jan-Aug
Energy											
Coal, Australia $/mt	71.38	73.80	72.50	138.65	162.80	92.97	71.93	66.48	65.73	127.10	70.19
Crude oil, average $/bbl	69.15	64.67	71.63	120.97	115.68	56.00	44.11	59.19	71.12	96.99	55.78
Crude oil, Brent $/bbl	68.62	64.91	72.50	122.39	115.60	55.89	44.98	59.13	72.70	97.64	56.22
Crude oil, Dubai $/bbl	69.21	64.97	71.32	116.67	113.47	53.67	44.56	58.93	68.37	93.78	55.85
Crude oil, West Texas Int. $/bbl	69.62	64.12	71.06	123.85	117.98	58.45	42.80	59.52	72.28	99.56	55.27
Natural gas Index 2000=100	141.0	122.5	122.3	286.0	284.1	266.2	198.2	142.9	186.5	267.9	158.5
Natural gas, Europe $/mmbtu	7.95	6.67	6.92	12.40	14.62	15.75	11.94	8.18	8.56	13.41	9.25
Natural gas, US $/mmbtu	3.80	3.39	3.15	11.35	9.03	6.40	4.57	3.70	6.98	8.86	3.92
Natural gas LNG, Japan $/mmbtu	7.18	7.25	7.25	11.71	13.33	14.62	10.90	7.60	7.68	12.53	8.75
Beverages											
Cocoa ¢/kg	270.4	277.5	295.7	276.4	282.6	224.1	259.7	258.7	195.2	257.7	266.1
Coffee, Arabica ¢/kg	330.2	310.6	330.2	315.1	321.2	267.8	283.9	320.2	272.4	308.2	306.6
Coffee, robusta ¢/kg	162.7	158.0	159.5	243.6	244.8	192.6	175.8	165.3	190.9	232.1	167.6
Tea, auctions (3) average ¢/kg	278.2	295.9	298.7	254.7	272.3	206.6	218.0	266.1	203.6	242.0	255.9
Tea, Colombo auctions ¢/kg	313.6	346.0	344.3	298.5	303.2	208.8	261.7	299.1	252.2	278.9	296.6
Tea, Kolkata auctions ¢/kg	280.1	274.4	272.0	244.0	260.9	220.2	177.4	271.3	192.1	225.5	236.5
Tea, Mombasa auctions ¢/kg	240.8	267.3	279.8	221.6	252.8	190.8	214.9	228.0	166.5	221.8	234.5
Fats and Oils											
Coconut oil $/mt	747	685	744	1,499	1,246	772	677	779	919	1,224	725
Copra $/mt	480	448	492	1,013	817	520	447	513	607	816	477
Groundnut oil $/mt	1,154	1,149	1,130	2,328	2,417	1,773	1,283	1,166	1,352	2,131	1,203
Palm oil $/mt	726	639	722	1,198	928	512	577	743	780	949	665
Palmkernel oil $/mt	741	666	724	1,420	1,114	609	577	763	888	1,130	676
Soybean meal $/mt	446	429	437	484	450	320	365	424	308	424	404
Soybean oil $/mt	896	836	891	1,466	1,353	830	755	863	881	1,258	823
Soybeans $/mt	503	462	474	585	566	377	394	461	384	523	437
Grains											
Barley $/mt	148.6	140.3	122.3	239.1	216.6	129.5	116.3	129.5	172.4	200.5	125.0
Maize $/mt	179.5	151.6	152.0	259.0	244.7	168.4	166.9	176.0	163.7	223.1	166.5
Rice, Thailand, 5% $/mt	574.5	572.0	529.5	855.3	703.0	564.4	586.3	552.4	326.4	650.2	564.7
Rice, Thailand, 25% $/mt	476.0	463.5	434.5	n.a.	669.5	449.9	469.4	458.7	306.5	n.a.	460.3
Rice, Thailand, 35% $/mt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	300.1	n.a.	n.a.
Rice,Thai, A.1 $/mt	320.8	320.3	308.0	693.7	478.6	314.1	323.4	326.3	272.3	482.3	322.1

	Monthly averages			Quarterly averages					Annual averages		
	2009			2008			2009		2007	2008	2009
	June	July	Aug	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jan-Dec	Jan-Dec	Jan-Aug
Sorghum $/mt	153.0	133.8	142.4	246.9	214.7	151.0	145.3	155.8	162.7	207.8	147.4
Wheat, Canada $/mt	326.8	288.4	266.1	484.4	390.2	322.1	321.9	325.6	300.4	454.6	312.1
Wheat, US, HRW $/mt	256.6	224.9	210.4	346.5	317.7	228.1	231.6	250.5	255.2	326.0	235.2
Wheat, US SRW $/mt	201.7	175.6	161.7	277.8	241.5	182.7	187.4	195.6	238.6	271.5	185.8
Other Food											
Bananas EU $/mt	1,284	1,146	1,076	1,263	1,123	944	1,142	1,287	1,037	1,188	1,189
Bananas US $/mt	854	827	834	920	775	847	891	858	676	844	864
Fishmeal $/mt	1,149	1,207	1,271	1,185	1,198	1,023	1,013	1,097	1,177	1,133	1,101
Meat, beef ¢/kg	269.2	273.4	273.4	332.7	372.4	268.0	245.2	262.8	260.3	313.8	258.8
Meat, chicken ¢/kg	176.8	177.5	173.9	167.9	177.1	174.7	173.5	174.1	156.7	169.6	174.3
Meat, sheep ¢/kg	453.9	453.7	455.5	493.2	477.3	410.0	378.5	428.7	412.0	458.5	416.3
Oranges $/mt	816	715	803	1,322	1,163	842	799	870	957	1,107	815
Shrimp, Mexico ¢/kg	970	970	970	1,109	1,048	1,014	976	970	1,010	1,069	972
Sugar EU ¢/kg	55.35	55.63	56.34	77.59	74.70	51.97	51.44	53.76	68.09	69.69	53.45
Sugar US ¢/kg	49.15	50.74	57.46	46.34	51.52	44.72	43.82	47.89	45.77	46.86	47.92
Sugar, world ¢/kg	36.22	40.63	49.47	27.01	31.14	26.28	28.85	33.89	22.22	28.21	34.79
Timber											
Logs, Cameroon $/cum	406.5	408.6	413.7	554.4	548.5	473.8	426.8	394.8	381.3	526.9	410.9
Logs, Malaysia $/cum	279.3	281.4	276.4	282.3	277.7	315.7	313.6	284.5	268.0	292.3	294.0
Plywood ¢/sheets	563.6	561.9	561.6	647.3	648.6	645.5	572.8	565.8	640.7	645.5	567.4
Sawnwood, Cameroon $/cum	761.6	776.0	784.6	1,052.3	974.5	770.8	689.2	721.2	759.8	958.3	724.0
Sawnwood, Malaysia $/cum	817.9	760.3	767.3	935.8	900.3	859.9	813.7	829.7	806.3	889.1	807.2
Woodpulp $/mt	565.7	596.2	605.0	870.7	848.8	711.0	565.1	549.9	767.0	820.2	568.3
Other Raw Materials											
Cotton A Index ¢/kg	135.4	142.9	141.6	166.5	168.2	126.9	120.8	132.4	139.5	157.4	130.5
Cotton Memphis ¢/kg	141.4	142.2	154.9	171.6	170.0	130.1	129.8	142.4	142.9	161.5	139.2
Rubber RSS1, US ¢/kg	187.6	191.4	223.1	311.7	329.1	202.8	165.8	187.0	248.0	284.1	184.1
Rubber RSS3, SGP ¢/kg	167.5	174.9	205.9	303.5	298.4	159.0	146.0	166.4	226.3	258.6	164.8
Fertilizers											
DAP $/mt	277.8	293.3	318.6	1,191.6	1,153.7	663.3	362.2	303.6	432.5	967.2	326.1
Phosphate rock $/mt	96.9	90.0	90.0	367.5	409.2	371.3	193.3	113.3	70.9	345.6	137.5
Potassium chloride $/mt	717.5	655.5	432.5	511.1	635.0	766.7	865.2	726.7	200.2	570.1	733.0
TSP $/mt	220.0	224.0	225.0	1,036.4	1,107.8	658.7	321.7	247.7	339.1	879.4	269.6
Urea $/mt	237.4	243.7	247.1	575.7	745.4	292.2	267.3	241.1	309.4	492.7	252.0
Metals and Minerals											
Aluminum $/mt	1,574	1,668	1,934	2,940	2,787	1,821	1,360	1,485	2,638	2,573	1,517
Copper $/mt	5,014	5,216	6,165	8,443	7,680	3,905	3,428	4,663	7,118	6,956	4,457
Gold $/toz	946	934	949	896	870	795	909	922	697	872	922
Iron ore ¢/dmtu	101.0	101.0	101.0	140.6	140.6	140.6	101.0	101.0	84.7	140.6	101.0
Lead ¢/kg	167.4	167.9	190.0	230.7	191.2	124.5	115.7	149.9	258.0	209.1	144.4
Nickel $/mt	14,960	15,985	19,642	25,682	18,961	10,843	10,471	12,920	37,230	21,111	13,225
Silver ¢/toz	1,466	1,339	1,443	1,720	1,495	1,020	1,265	1,376	1,341	1,500	1,338
Steel products index 2000=100	213.6	211.3	210.3	279.2	338.2	310.4	274.5	215.5	182.0	289.3	236.4
Steel cr coilsheet $/mt	700	700	700	900	1,100	1,100	1,033	700	650	966	825
Steel hr coilsheet $/mt	600	600	600	833	1,000	1,000	933	600	550	883	725
Steel rebar $/mt	475	500	500	838	934	630	473	450	522	760	471
Steel wire rod $/mt	900	870	850	950	1,135	1,200	1,200	1,007	533	1,010	1,043
Tin ¢/kg	1,499	1,404	1,487	2,265	2,051	1,310	1,103	1,351	1,454	1,851	1,281
Zinc ¢/kg	155.7	157.9	182.2	211.3	177.0	118.5	117.2	147.3	324.2	187.5	141.7

$ = US dollar; ¢ = US cent; bbl = barrel; cum = cubic meter; dmtu = Dry Metric Ton Unit; kg = kilogram; mmbtu = million British thermal units; mt = metric ton; toz = troy oz; n.a. = not available; n.q. = no quotation

Service Tax Exemption to Councils

35-ST
03.09.2009
(DoR)

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following amendment in the Government of India in the Ministry of Finance (Department of Revenue) Notification No.16/2009-Service Tax, dated the 7th July, 2009 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 488(E), dated the 7 th July 2009, namely:-

In the said notification,-

In paragraph 1, after serial number (xxii), the following shall be inserted, namely:-

"(xxiii) Electronics and Computer Software Export Promotion Council, PHD House, 3 rd Floor, Ramakrishna Dalmia Wing, New Delhi-110 016.

(xxiv) Indian Oilseeds & Produce Export Association Export Promotion Council, 62, Mittal Chambers, Nariman Point, Mumbai-400 021.

(xxv) Jute Manufacturers Development Council, 3A, Park Plaza,71, Park Street, Kolkata-700016.

(xxvi) Services Export Promotion Council, #1206, Chiranjiv Tower, 43, Nehru Place, New Delhi- 110 019.

(xxvii) Wool Industry Export Promotion Council, Churchgate Chamber, 7th Floor, 5, New Marine Lines, Mumbai - 400 020."

[F.No.354/159/2009-TRU]

Service Tax Exempted to Excise Duty Paid Goods under Medicinal and Toilet Preparations (Excise Duties) Act, 1955

32-ST
01.09.2009
(DoR)

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service referred to in sub-clause (zzb) of clause (105) of section 65 of the Finance Act,1994, provided by any person, to a client as defined in clause (19) of Section 65 of the Finance Act,1994, in relation to the manufacture of pharmaceutical products, medicines, perfumery, cosmetics or toilet preparations containing alcohol, which are charged to excise duty under Medicinal and Toilet Preparations (Excise Duties) Act, 1955 from the whole of the service tax leviable thereon under section 66 of the said Finance Act.

[F.No.354/182/2009-TRU]

Zero Service Tax for Sale or Purchase of Securities Listed in a Registered Stock Exchange

31-ST
01.09.2009
(DoR)

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service referred to in sub-clause (zzb) of clause (105) of section 65 of the Finance Act,1994, provided by a sub-broker, to a stock-broker as defined in clause (101) of Section 65 of the Finance Act,1994, in relation to sale or purchase of securities listed on a registered stock exchange from the whole of the service tax leviable thereon under section 66 of the said Finance Act.

[F.No.354/175/2009-TRU]

Export Credit of US $17.34 mn to Laos

Sub: Exim Bank's Line of Credit of USD 17.34 million to the Government of Lao People's Democratic Republic

AP(DIR Srs)
Cir.07
18.08.2009
(RBI)

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated February 20, 2009 with the Government of Lao People's Democratic Republic making available to the latter, a Line of Credit (LOC) of USD 17.34 million (USD seventeen million three hundred and forty thousand) for financing eligible goods and services including consultancy services from India pertaining to inputs for development of irrigation schemes in the Chamassack Province to be executed by Water and Power Consultancy Services (WAPCOS) (India) Limited in Lao PDR. The goods and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services of the value of at least 60 per cent of the contract price shall be supplied by the seller from India or be of Indian origin, and the remaining 40 per cent goods and services (other than consultancy services) may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from July 24, 2009 and date of execution of Agreement is February 20, 2009. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in case of project exports and 72 months (February 19, 2015) from the execution date of the Credit Agreement in case of supply contracts .

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances of his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to www.eximbankindia.in.

6. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Returns of Used Capital Goods into DTA from SEZ

Instruction No. 32 – No. D-12/1/2009-SEZ dated the 17th August, 2009

Subject: Clearance of used capital goods into Domestic Tariff Area.

32-SEZ-Cir
17.08.2009

The undersigned is directed to say that references have been received in this Department as to whether capital goods procured from Domestic Tariff Area (DTA) for development of non-processing area can be cleared back into DTA and if so under what conditions.

2. The matter has been examined in this department and it is clarified that the capital goods which have been procured by the developer or co-developer for undertaking authorise operations in SEZ can be cleared back into DTA following the procedure as per the provisions of rule 49(3).

3. This may be brought to the notice of all units, developers and the Unit Approval Committee of your zone.

FDI into SSI/ MSE and in Industrial Undertaking Manu-facturing Items Reserved for SSI/MSE – Clarification

1.0 FDI into SSI/MSE

1.1 A Small Scale industrial undertaking (SSI) was defined in terms of: (i) investment in fixed assets in plant and machinery and (ii) equity participation (both domestic and foreign) in the SSI, by other industrial undertakings prior to 2006.

1.2 Vide Press Note 18 (1997), it was further notified that, for cases of foreign collaborations, since the maximum equity participation allowed for in small scale units was 4%, proposals for induction of foreign equity more than 24% would be subject to the condition that: (i) the company would get itself de-registered as a small scale unit and (ii) obtain industrial licence or file Industrial Entrepreneur Memorandum with SIA, as per prescribed policy and procedure.

1.3 With the promulgation of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the ceiling for equity participation (both domestic and foreign) in the micro and small enterprises, by other enterprises, was removed and Micro and Small Enterprises (MSE) (earlier small scale industries) were defined solely on the basis of investment in plant & machinery (for micro and small enterprise engaged in manufacturing) and equipment (for micro and small enterprise engaged in providing or rendering of services). Accordingly, this change was notified by Notification No. S.O. 563(E) dated 27th February 2009 of Department of Industrial Policy & Promotion, Ministry of Commerce & Industry.

1.4 Thus the present policy on FDI in MSE permits FDI subject only to the sectoral equity caps, entry routes and other relevant sectoral regulations.

1.5 Press Note 18 (1997 series) stands modified to the above extent. Page 1 of2

2.0 FDI in Industrial Undertaking manufacturing items reserved for SSI/MSE

2.1 Vide Press Note 14 (1997), it was notified that Industrial Undertakings manufacturing items reserved for small scale sector were not eligible for automatic approval for induction of foreign investment.

2.2 Accordingly, the FDI policy notified vide Press Note 2 (2000) prescribed prior approval of Government where foreign investment was more than 24% in the equity capital of units manufacturing items reserved for small scale industries. This was reiterated in the Annex to Press Note 4 (2006) and at Para III (ii) of Annex to Press Note 7 (2008).

2.3 Thus, any industrial undertaking, with or without FDI, which is not a MSE, manufacturing items reserved for manufacture in the MSE sector (presently 21 items) as per the Industrial Policy, would require an Indus-

Customs Valuation Exchange Rates

September 2009		Imports	Exports
Schedule I			
1	Australian Dollar	41.50	40.25
2	Canadian Dollar	45.50	44.35
3	Danish Kroner	9.55	9.20
4	EURO	70.70	68.90
5	Hong Kong Dollar	6.35	6.25
6	Norwegian Kroner	8.20	7.95
7	Pound Sterling	80.70	78.85
8	Swedish Kroner	7.05	6.80
9	Swiss Franc	46.60	45.30
10	Singapore Dollar	34.25	33.40
11	U.S. Dollar	49.25	48.35
Schedule II			
1	Japanese Yen	52.55	51.15

Rate of exchange of one unit of foreign currency equipment to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 125(NT)/27.08.2009)

Commodity Spot Prices in India – 05-08 September 2009

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 05-08 September.

(Rs.)

Commodity	Unit	Market	5-Sep	7-Sep	8-Sep
CER (Carbon Trading)	1 MT	Mumbai	942.5	942.5	945
Chana	100 KGS	Delhi	2302	2354	2390
Masur	100 KGS	Indore	4646	4679	4710
Potato	100 KGS	Agra	1166.8	1186.3	1203.3
Potato TKR	100 KGS	Tarkeshwar	1321.6	1317.2	1317.9
Arecanut	100 KGS	Mangalore	8151	8154	8157
Cashewkern	1 KGS	Quilon	302	305	305
Cardamom	1 KGS	Vandanmedu	792.25	806.75	817.25
Coffee ROB	100 KGS	Kushalnagar	69.3	69.3	71.9
Jeera	100 KGS	Unjha	11498	11422	11327
Pepper	100 KGS	Kochi	14911	14647	14461
Red Chili	100 KGS	Guntur	6000	6003	5997
Turmeric	100 KGS	Nzmbad	8010	8007	8128
Guar Gum	100 KGS	Jodhpur	4725	4700	4725
Maize	100 KGS	Nzmbad	925.5	921.5	921.5
Mentha Oil	1 KGS	Chandausi	548.6	545.6	545.2
Cotton Seed	100 KGS	Akola	1379	1364	1353
Castorsd RJK	100 KGS	Rajkot	2699	2694.5	2735.5
Guar Seed	100 KGS	Jodhpur	2095	2095	2113
Soya Bean	100 KGS	Indore	NA	NA	NA
Mustrdsd JPR	20 KGS	Jaipur	526.5	524.5	526.85
Sesame Seed	100 KGS	Rajkot	5975	5850	5825
Coconut Oil Cake	100 KGS	Kochi	1014	1014	1014
RCBR Oil Cake	1 MT	Raipur	7033	7000	6950
Kapaskhali	50 KGS	Akola	598.2	597	591.7
Coconut Oil	100 KGS	Kochi	4836	4784	4784
Refsoy Oil	10 KGS	Indore	436.6	424.15	429.1
CPO	10 KGS	Kandla	334.8	327.2	333.1
Mustard Oil	10 KGS	Jaipur	510.9	501.3	505.2
Gnutoilexp	10 KGS	Rajkot	624.3		612
Castor Oil	10 KGS	Kandla	565	575	575
Crude Oil	1 BBL	Mumbai	3325	3325	3325
Furnace Oil	1000 KGS	Mumbai	27807	27769	27785
Sourcrd Oil	1 BBL	Mumbai	3279	3294.5	3274.5
Brent Crude	1 BBL	Mumbai	3235	3235	3241
Gur	40 KGS	Muzngr	1115	1110.4	1107.9
Sugars	100 KGS	Kolhapur	NA	3151	3108
Sugarm	100 KGS	Delhi	3172	3192	3167
Natural Gas	1 mmBtu	Hazirabad	133.4	133.4	133.4
Rubber	100 KGS	Kochi	10835	10800	10826
Cotton Long	1 Candy	Kadi	23440	23480	23430
Cotton Med	1 Maund	Abohar	2429	2425	2423.5
Jute	100 KGS	Kolkata	1954	1981	1980.5
Gold	10 GRMS	Ahmd	15735	15740	15861
Gold Guinea	8 GRMS	Ahmd	12588	12592	12690
Silver	1 KGS	Ahmd	25403	25458	26158
Sponge Iron	1 MT	Raipur	15055	15045	15045
Steel Flat	1000 KGS	Mumbai	32340	32070	31790
Steel Long	1 MT	Bhavnagar	23170	23145	23610
Copper	1 KGS	Mumbai	308.95	308.95	308.95
Nickel	1 KGS	Mumbai	877.7	875.2	870.9
Aluminium	1 KGS	Mumbai	88.75	89.45	89.45
Lead	1 KGS	Mumbai	NA	112.8	115.3
Zinc	1 KGS	Mumbai	93.25	93.4	92.9
Tin	1 KGS	Mumbai	714	710.75	720

(Source: MCX Spot Prices)

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trial License under the Industries (Development & Regulation) Act, 1951, for such manufacture. The issue of the Industrial Licence will be subject to a few general conditions and the specific condition that the undertaking shall undertake to 'export a minimum of 50% of the new or additional annual production of the MSE reserved items to be achieved within a maximum period of three years. The export obligation would be applicable from the date of commencement of commercial production'. Such an industrial undertaking would also require prior approval of the Government (FIPB) where foreign investment is more than 24% in the equity capital.

[Source: Department of Industrial Policy & Promotion, Ministry of Commerce & Industry Press Note No.6 (2009), New Delhi, 7th September, 2009]

Edible Oils Import Up by 108%, Refined Oil 168%

The total import of sensitive items for the period April-June 09 has been Rs.13509 crore as compared to Rs.9608 crore during the corresponding period of last year thereby showing an increase of 40.6%. The gross import of all commodities during same period of current year was Rs.248171 crore as compared to Rs.334191 crore during the same period of last year. Thus import of sensitive items constitutes 2.9% and 5.4% of the gross imports during last year and current year respectively.

Imports of automobiles, products of SSI and alcoholic beverages have shown a decline at broad group level during the period. Imports of all other items viz. edible oil, fruits & vegetables (including nuts), cotton & silk, rubber, spices, marble & granite, milk & milk products, tea & coffee and food grains have shown increase during the period under reference.

In the edible oil segment, the import has increased from Rs.2572.24 crore last year to Rs.5546.53 crore for the corresponding period of this year. The imports of both crude edible oil as well as refined oil have gone up by 108.2% and 168.2% respectively. The increase in edible oil import is mainly due to substantial increase in import of crude palm oil and its fractions.

Imports of sensitive items from Indonesia, China P RP, Myanmar, United States of America, Malaysia, Ukraine, Japan, Canada, Brazil, Argentina, Benin, Cote D' Ivoire, Australia etc. have gone up while those from Korea RP, Germany, Thailand etc. have shown a decrease.

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