



Export Awareness Seminar at Baroda
on 4th December, 2008.

Highlights

India Pavilion at Asia Pharma Expo 2009, Dhaka, Bangladesh

EEPC is organising an India Pavilion at Asia Pharma Expo 2009 in Dhaka, Bangladesh from 22 - 24 January, 2009. Members are requested to register their participation within **18th December, 2008**.

India Pavilion at TECMA Show 2009, Mexico City, Mexico

EEPC is organising an India Pavilion at TECMA Show 2009 in Mexico City, Mexico from 10 - 13 March, 2009. Members are requested to register their participation within **31st December, 2008**.

Govt. Notices/ Notifications/ Circulars

Public Notice No. 113 (RE-2008)/2004-2009-dated 8th December, 2008 – Regarding validity of Current HBP beyond March 2009.

Policy Circular No. 47 (RE-2008)/2004-2009-dated 8th December, 2008 – Clarification regarding Service Tax Refund.

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For information about Engineering Export Promotion Council
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For information about EEPC Exhibitions
visit : www.eepcindee.com

Chairman's Pen

My dear fellow exporters,

The first meeting of the Special Task Force, constituted by me under the Chairmanship of Shri Rakesh Shah was held in Mumbai on December 10, 2008. The main issues that emerged at the meeting were –

- While engineering growth in the months of October 2008 was 0.8% and was the only sector which recorded a positive growth rate in October'08, it was felt that the long gestation period of the engineering sector would ensure that engineering exports may exceed the last year's export growth of US\$ 33 billion by 10 to 15% this fiscal. However, the major impact of the crisis will be felt from April 2009 onwards when the current order cycle would have been completed for the companies. The STF, therefore, felt that the present positive growth was illusory and it would be wrong for the Government to be complacent about the fact that engineering sector was doing well when in effect it is the long gestation cycle that is overestimate the actual impact of the global crisis.*
- The STF noted that the engineering sector in India accounts for 4 million direct and indirect employment. In particular the SME sector plays a critical role in providing employment. For instance in the SME sector, engineering industry accounts for 24.8% of the total employment making it the largest employment segment in this sector. The cotton textile comes next accounting for 17% of total SME employment, while non-metallic mineral products account for 14.1% of the total SME employment.*
- The Special Task Force (STF) noted that companies had reduced their work force by an average of 35% with the upper end being 50% for some companies in the SME sector and 20% at the lower end by some. While the major cut backs were with respect to casual and/or indirect labour, a few companies mentioned that they had already cut permanent staff also. The STF expressed concern that this situation may aggravate and become serious after April 2009 when the gestation period with respect to the present work orders are completed.*

The Special Task Force also recommended a set of measures to be taken by the Government as well as the Council. These include measures to inject liquidity, increase interest subvention for engineering units to BPLR minus 6.5% as has been given to certain sectors like leather, bring back the concept of development banking and give more benefits to the Merchant exporters. The Council has already taken up the recommendations of the first meeting of the Special Task Force with the Hon'ble Prime Minister, the Hon'ble Commerce & Industry Minister and the Committee of Secretaries set up by the Finance Minister to look into the problems being faced by the Industry.

I do hope that the Government will come out with a separate package for the engineering industry as well.

Yours sincerely,



(AMAN CHADHA)

**Council's Activities****EEPC India Invites Participation for India Pavilion at
Asia Pharma Expo 2009, Dhaka, Bangladesh****(22-24 January, 2009)**

EEPC India is organizing an **India Pavilion at Asia Pharma Expo 2009** to be held in Dhaka, Bangladesh during January 22 to 24, 2009. Bangladesh is emerging as a base with tremendously high potential for pharmaceutical formulations manufacturing, and for producing the medicines at par with international standards. Asia Pharma Expo exhibitions form a major platform for the South Asian pharmaceutical market for the pharmaceutical-allied suppliers from India, China, European Union, USA, Korea, Indonesia, Thailand, Malaysia, Singapore and Burma etc; and therefore, each Asia Pharma Expo becomes a landmark event, and also a meaningful business meeting point to interact with the entire South Asian pharmaceutical community.

The trade event is being organised by Bangladesh Association of Pharmaceutical Industries (BAPI), Dhaka, Bangladesh and GPE Expo Pvt. Ltd., Ahmedabad, India. The Asia Pharma Expo 2009 is expected international participation of more than 400 exhibitors and over 8,000 visitors mainly trade professionals from 25 countries including India, Bangladesh, China, European Union, USA, Korea, Indonesia, Thailand, Malaysia, Singapore and Burma etc.

Focus Products

- Pharmaceutical Processing Plants & Equipments
- Pharma Packaging Machinery & Materials
- Analytical Laboratory Supplies (Instruments, Glassware, Lab. Reagents - Chemicals)
- Environment Control Equipment & Services
- Utility, Utility Services & Maintenance
- R & D, Biotechnology, CROs
- Contractors - Turnkey
- ISO/GMP Consultancy Service
- Contract Manufacturing

Venue

Bangladesh China Friendship Conference Center (BCFCC)
Dhaka, Bangladesh

Date and Time

22nd to 24th January, 2009 (3 days)

Participation Charges

Built-up booths minimum 9 sq. mtr. : US\$ 280 per sq. mtr. or Indian Rs. 13,500/- per sq. mtr.
(row stand, one side open) + Rs. 1,669/- per sq. mtr. as deposit towards Service Tax.
20% extra for corner booths (subject to availability).

Note : In case Service Tax is not chargeable, the deposit would be returned to participants.

If participants make payments in US dollars, then Service Tax is not applicable.

Display Booth

Participation charges includes following services for 9 sq. mtr. booth :

- Carpeting
- Fascia
- 1 Display Table
- 2 Chairs
- 2 Lights
- 1 West Basket
- Listing in the Event Catalogue

Mode of Payment

Full payment is to be made along with the filled-up **Application Form latest by 18th December, 2008** by Demand Draft/ Cheque drawn in favour of **Engineering Export Promotion Council**.

Reservation and Cancellation

- Reservation requests will be considered only after receiving payments in full.
- No refund will be made for any cancellation after 5th December, 2008.

MDA Entitlements

All eligible participants will be entitled to get MDA grant under General Area Programme of Ministry of Commerce, Government of India as per the MDA Guidelines effective from April 01, 2006.

Assistance would be permissible on charges of built-up furnished stall subject to an upper ceiling of Rs. 80,000/- only.

Further, eligibility for MDA grant is subject to exporting companies having FOB value of exports up to Rs. 15 crores in the preceding year, having complete 12 months membership with EEPC with regular filing of returns and fulfilling other conditions, details of which can be obtained from Council's Website : www.eepcindia.org or respective Regional and Sub-Regional Offices of EEPC India.

Submission of Application

Interested firms may please send their Application Form, duly filled in and signed, along with full payment **latest by 18th December, 2008** to the respective Regional Offices or to :

Bhaskar Sarkar

Addl. Executive Director & Secretary
EEPC India

Vanijya Bhavan (1st Floor)
International Trade Facilitation Centre
1/1, Wood Street, Kolkata – 700 016
Tel. : 91-33-22890651/52/53
Fax : 91-33-22890654
E-mail : eepcho@eth.net
Website : www.eepcindia.org

It may kindly be noted that in view of limited space, application will be entertained on a *first-come-first-served* basis.



Application Form

**India Pavilion at Asia Pharma Expo 2009, Dhaka, Bangladesh
(22 - 24 January, 2009)**

Name of the Company	:			
Postal Address	:			
Phone (with area code)	:			
Fax (with area code)	:			
E-mail	:			
Website	:			
Name & Designation of the Chief Executive	:			
Name & Designation of the Participant	:			
Type of Units (please tick mark)	:	<input type="checkbox"/> SSI	<input type="checkbox"/> Non-SSI	
Status (please tick mark)	:	<input type="checkbox"/> Manufacturer/Exporter	<input type="checkbox"/> Merchant Exporter	<input type="checkbox"/> Export House
Total Annual Export (in Million US\$)	:	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Total Export to South Asian countries (in Million US\$)	:	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Foreign Collaboration, if any	:			
Products Manufactured/Exported	:			
Countries of Export	:			
Accreditation to International Standards (like ISO, QS, etc.)	:			
Nature of Display (please tick mark)	:	<u>Display of Samples</u> <input type="checkbox"/>	<u>Display of Posters</u> <input type="checkbox"/>	

Please use separate sheet to furnish details of your company (**within 80 words**) for the Exhibitor's Profile.

Please send us this Form duly completed and signed along with your participation fees by Demand Draft/Cheque and 2 (two) copies of passport size colour photographs of the Participant.

Signature :

Date : Office Seal :



EEPC India Invites Participation for India Pavilion at TECMA Show 2009 (International Machine Tools Exhibition in Mexico) (10 – 13 March, 2009)

EEPC India is organizing an India Pavilion at **TECMA Show 2009** to be held at Mexico City, Mexico during 10 - 13 March, 2009.

TECMA Show 2009 will bring together Manufacturers, Distributors and Trade Professionals of all kinds of industries. There is a tremendous flow of serious trade visitors at this Exposition. TECMA is the only show in Mexico which specializes in Machine Tool technology related equipment and peripherals. TECMA 2009 will be the 13th edition of the largest show in Mexico. More than 200 exhibiting companies and 500 trade names will occupy over 21,600 sq. mtr. of exhibit space at the Expo Santa Fe Complex at Mexico City. TECMA attracts over 12,000 Buyers and Sellers. TECMA is organized by The Mexican Association of Machinery Distributors (AMDM).

Economy and Indo-Mexico Trade

Mexico has a free market economy. It contains a mixture of modern and outmoded industry and agriculture, increasingly dominated by the private sector. Recent administrations have expanded competition in seaports, railroads, telecommunications, electricity generation, natural gas distribution, and airports. Per capita income of this country is one-fourth that of the US. Mexico's real GDP grew by 4.8% in 2006 and by 3.3% in 2007. As of March 2008, Moody's, Standard & Poor's, and Fitch Ratings had all issued investment-grade ratings for Mexico's sovereign debt.

Mexico's trade regime is among the most open in the world. It has 12 free trade agreements with over 40 countries including, Guatemala, Honduras, El Salvador, the European Free Trade Area, and Japan, putting more than 90% of trade under free trade agreements.

The Indian exports of engineering goods to Mexico during 2006-07 were US\$ 185.52 million, and reached US\$ 188.65 million in 2007-08. Major items of exports from India include transport equipment, electrical and non-electrical machineries, iron, steel and articles thereof, various instruments and products of base metals.

In May 2007, India and Mexico signed a MoU on Bilateral High Level Group on Trade, Investment and Economic Cooperation. The objective of this MoU includes promotion of economic and trade relations between the two countries; facilitating better access to their respective markets and avoid imposition of new barriers to trade and investment; creation of bilateral consultative mechanism to include trade and economic cooperation.

Product Categories

This event provides a unique opportunity to the Indian manufacturer-exporters to specially penetrate in the Mexican market. However, the following are the fast moving products in this exhibition :

- Machine Tools and Accessories
- Material Handling Equipment
- Hydraulics and Pneumatics/Pumps
- Motors/Gears/Power Transmission
- Testing and Calibrating Instruments
- Industrial Packaging
- Machine – CNC's
- Industrial Automation
- Valves and Compressors
- Electrical, Electronics, Instrumentation and Controls
- Welding Equipment
- Non-conventional source of energy

Venue

Expo Bancomer Santa Fe
Mexico City, Mexico

Date and Time

10 - 13 March 2009 (4 days)
(1100 hrs. to 2000 hrs.)

Participation Charges

Built-up booths minimum 9 sq. mtr. : US\$ 391 per sq. mtr. or Indian Rs. 18,000/- per sq. mtr.
(row stand, one side open) + Rs. 2,225/- per sq. mtr. as deposit towards Service Tax.
20% extra for corner booths (subject to availability).

Note : In case Service Tax is not chargeable, the deposit would be returned to participants. If participants make payments in US dollars, then Service Tax is not applicable.

Display Booth

Participation charges includes following services for 9 sq. mtr. booth :

- | | |
|--------------------------------|-----------------------------------|
| - Carpeting | - Fascia |
| - 1 Exhibitor Desk, 2 Chairs | - 110 Volts outlet for each booth |
| - 2 Spot lights, 75 watts each | - 1 Waste Basket |
| - General Lighting | - Cleaning of all common area |
| - Security during 24 hours | |

Mode of Payment

Full payment is to be made along with the filled up **Application Form latest by 31st December, 2008** by Demand Draft/ Cheque drawn in favour of **Engineering Export Promotion Council**.

Reservation and Cancellation

- Reservation requests will be considered only after receiving payments in full.
- No refund will be made for any cancellation after 15th January, 2009.
- Acceptance of application and allocation of space will be at the sole discretion of the Council.

MDA Entitlements

All eligible participants will be entitled to get MDA grant under Focus LAC programme of Ministry of Commerce, Government of India as per the MDA Guidelines effective from April 01, 2006.

Assistance would be permissible on travel expenses by Air in Economy Excursion Class fare and/or charges of built-up furnished stall subject to an upper ceiling of Rs. 1,80,000/- (Rupees one lakh eighty thousand only).

Further, eligibility for MDA grant is subject to exporting companies having FOB value of exports up to Rs. 15 crores in the preceding year, having complete 12 months membership with EEPC India with regular filing of returns and fulfilling other conditions, details of which can be obtained from Council's Website: www.eepcindia.org or respective Regional and Sub-Regional Offices of EEPC.

Submission of Application

Interested firms may please send their Application Form, duly filled in and signed (as per the enclosed format), along with full payment latest by **31st December, 2008** to the respective Regional Offices or to :

Nishikant Jumde

Deputy Director

EEPC India

Vandhna, 4th Floor, 11, Tolstoy Marg

New Delhi – 110 001

Tel. : 91-11-23711124/25

Fax : 91-11-23310920

E-mail : eepcto@eepc.gov.in

Website : www.eepcindia.org



Application Form

**India Pavilion at TECMA Show 2009, Mexico City, Mexico
(10 - 13 March, 2009)**

Name of the Company	:			
Postal Address	:			
Phone (with area code)	:			
Fax (with area code)	:			
E-mail	:			
Website	:			
Name & Designation of the Chief Executive	:			
Name & Designation of the Participant	:			
Type of Units (please tick mark)	:	<input type="checkbox"/> SSI	<input type="checkbox"/> Non-SSI	
Status (please tick mark)	:	<input type="checkbox"/> Manufacturer/Exporter	<input type="checkbox"/> Merchant Exporter	<input type="checkbox"/> Export House
Total Annual Export (in Million US\$)	:	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Total Export to Latin American countries (in Million US\$)	:	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Foreign Collaboration, if any	:			
Products Manufactured/Exported	:			
Countries of Export	:			
Accreditation to International Standards (like ISO, QS, etc.)	:			
Nature of Display (please tick mark)	:	<u>Display of Samples</u> <input type="checkbox"/>		
		<u>Display of Posters</u> <input type="checkbox"/>		

Please use separate sheet to furnish details of your company (**within 80 words**) for the Exhibitor's Profile.

Please send us this Form duly completed and signed along with your participation fees by Demand Draft/Cheque and 2 (two) copies of passport size colour photographs of the Participant.

Date : _____ Signature : _____
Office Seal : _____

**Overseas Market Information****Iran**

Embassy of India, Tehran, Iran has informed the Council that Islamic Republic of Iran has imposed some law & regulation for protection of foreign investors in their country. The law and regulation are given below for information of our members :

Some important law and regulation for protecting of foreign investors in Islamic Republic of Iran

Introduction :

The Organization for Investment Economic and Technical Assistance of Iran (OIETAI) is the Sole Iranian authority responsible for promotion and protection of Foreign Investment in Iran as well as the legal provisions of the above mentioned subject in the context of the related Act and its Implementing Regulations.

Following the ownership of governmental companies is transferable to private sectors through stocks and tender, it is worth saying that these companies have promising prospects in foreign markets; consequently prospective investors can achieve sensible advantages by holding such ownership. Herewith attached the “Monthly Programmer for Preparation of Privatization Stocks” for your kind attention and consideration.

Guarantees provided by Iran’s legislation for Foreign Investments :

Two applicable regulations have been passed in recent years in I.R. of Iran. The first one, Foreign Investment Promotion and Protection Act, (FIPPA) is a common Act for all foreign investments. The second act, article 6 of “The Act of Supplementing Some Articles to the Law of Regulating Parts of Government Fiscal Legislations”, passed by parliament in 1384, is an exclusive law for foreign investments.

In respect of risks and uncertainties associated with investment projects, FIPPA and the Act of Supplementing laid down specific facilities and protections. We will consider them respectively.

The risks recovered by Iran’s regulation will consider political risks as follow :

Political risks protected by Iran’s laws :**a. Equal treatment and non discrimination**

According to article 8 of FIPPA “Foreign Investments shall equally enjoy all rights, protection and facilities available to local investments” this rule is common to all types of foreign investments.

b. Expropriation and Nationalization

According to article 9 of FIPPA “foreign Investments shall not be subjected to expropriation or nationalization, unless for public interests, by means of legal process in a non-discriminatory manner, and against payment of appropriate compensation on the immediately before the expropriation”.

c. Transfer of profits

FIPPA has guaranteed transferring the principal of the foreign capital and profits there of or the balance of capital remaining in the country. For more details you can refer to articles 13, 14 of FIPPA and its implementing rules, like section a, b and protections, applicable to all foreign investments.

**d. Regulation Changes**

FIPPA has guaranteed regulation changes with regard to investment projects. According to Note 2 of article 17 of FIPPA+ACI- if as a result of enactment of legislation of Cabinet decrees, the execution of the financial agreements approved within the framework of FIPPA is prohibited or interrupted, the resulting losses, up to a maximum of installments at maturity shall be provided and paid by the Government.

For full information on foreign investment circumstance in Iran including legislation and application procedure, you are invited to visit our website at www.investiniran.ir and for more information on these issues you can send your questions and applications to these addresses :

1. Organization for Investment Economic and Technical Assistance of Iran :

Address : 15th Khordad sq-davar st
P.O. Box 11365/4618
Tehran, Iran
Tel. : 21-33967770
Fax : 21- 33967759
E-mail : info@investiniran.ir
Website : www.investiniran.ir

2. Privatization Organization of Iran :

Address : No. 75, Zarafshan St
Ayvanak Ave, 4 phase
Shahrak-e-Qouds
P.O. Box 14665-516
Tehran, Iran
Tel. : 21-88083380
Fax : 21-88087882
E-mail : info@ipo.ir
Website : www.ipo.ir

3. Tehran Stock Exchange :

Address : No. 228, Hafez Ave.
Tehran 11355, Iran
Tel. : 21-66708385
Fax : 21-66702124
Website : www.irbourse.com

4. Foreign Investment Office, OIETAI

Tel. : 21-33967755
Fax : 21-33967075
E-mail : m.aliabadi@investiniran.ir

5. Foreign Economic Relation Office, OIETAI

Tel. : 21-33967777
Fax : 21-33967764
E-mail : ravabet@investiniran.ir, m.ranjbardar@investiniran.ir

6. Foreign Investment Service Center

Tel. : 21-33967749
Fax : 21-33967774

(Source : Embassy of India, Tehran)

Tender Information**Bangladesh****(EEPC Ref. No. DB-44)**

Project : Health Nutrition and Population Sector Program
Credit No. 4052-BD, TF No. 56510
Credit from IDA

Notice No. : **WB4825-741/08**

Issued by : Brigadier General Bazle Quader
Director, Stores & Supplies
Central Medical Stores Depot
30 Shaheed Tajuddin Ahmed Sharani
Tejgaon, Dhaka-1208, Bangladesh
Tel. : (880-2) 811-5479
Fax : (880-2) 912-6547
E-mail : cmsd@dekko.net.bd

For : Supply of Sucker Machine.

Tender cost : Non-refundable fee of BDT 1,000.00 or US\$ 20.00

Bid security : BDT. 400,000.00 or US\$ 5,500.00

Bid deadline : **12.01.2009**

Bangladesh**(EEPC Ref. No. DB-45)**

Project : Health Nutrition and Population Sector Program
Credit No. 4052-BD, TF No. 56510, Project ID No. P074841
Credit from IDA

Notice No. : **WB4832-741/08**

Issued by : Brigadier General Bazle Quader
Director, Stores & Supplies
Central Medical Stores Depot
30 Shaheed Tajuddin Ahmed Sharani
Tejgaon, Dhaka-1208, Bangladesh
Tel. : (880-2) 811-5479
Fax : (880-2) 912-6547
E-mail : cmsd@dekko.net.bd

For : Supply of Radiology Equipment & accessories :

- Lot 1 : 1000 mA x-ray system with II for Radiography & TV Fluoroscopy-1 no., 500 mA x-ray machine for Radiographic functions-2 nos., X-ray Diagnostic 300 mA machine-3 nos.
- Lot 2 : 250 mA portable x-ray machine-3 nos., Mobile C-Arm x-ray system-2 nos. & Mammography machine-1 no.

- Lot 3 : Digital Ultra sound machine with rectal,vaginal & other probes-2 nos.

- Lot 4 : X-ray accessories.

Tender cost : Non-refundable fee of BDT 1,000.00 or US\$ 20.00

Bid security : - Lot 1 : BDT 4,30,000 or US\$ 6,200.00 or equivalent amount in a freely convertible currency

- Lot 2 : BDT 4,50,000 or US\$ 6,500.00 or equivalent amount in a freely convertible currency

- Lot 3 : BDT 1,50,000 or US\$ 2,200.00 or equivalent amount in a freely convertible currency

- Lot 4 : BDT 1,60,000 or US\$ 2,300.00 or equivalent amount in a freely convertible currency

Bid deadline : **19.01.2009**

Bangladesh

(EEPC Ref. No. DB-46)

Project : Health Nutrition and Population Sector Program
Credit No. 4052-BD, TF No. 56510, Project ID No. P074841
Credit from IDA

Notice No. : **WB4827-741/08**

Issued by : Brigadier General Bazle Quader
Director, Stores & Supplies
Central Medical Stores Depot
30 Shaheed Tajuddin Ahmed Sharani
Tejgaon, Dhaka-1208, Bangladesh
Tel. : (880-2) 811-5479
Fax : (880-2) 912-6547
E-mail : cmsd@dekko.net.bd

For : Supply of Angiogram Machine (Complete Cardiac Angio Cath Lab).

Tender cost : Non-refundable fee of BDT 1,000.00 or US\$ 20.00

Bid security : BDT 13,50,000.00 or US\$ 19,600 or equivalent amount in a freely convertible currency.

Bid deadline : **19.01.2009**

Bangladesh

(EEPC Ref. No. DB-47)

Project : Health Nutrition and Population Sector Program
Credit No. 4052-BD, TF No. 56510, Project ID No. P074841
Credit from IDA

Notice No. : **WB4831-741/08**

Issued by : Brigadier General Bazle Quader
Director, Stores & Supplies
Central Medical Stores Depot
30 Shaheed Tajuddin Ahmed Sharani
Tejgaon, Dhaka-1208, Bangladesh
Tel. : (880-2) 811-5479
Fax : (880-2) 912-6547
E-mail : cmsd@dekko.net.bd

For : Supply of MRI Machine.

Tender cost : Non-refundable fee of BDT 1,000.00 or US\$ 20.00

Bid security : BDT 15,00,000 or US\$ 22,000.00 or equivalent amount in a freely convertible currency.

Bid deadline : **19.01.2009**

China

(EEPC Ref. No. DB-48)

Project : Heilongjiang Dairy Project
Loan No. 4815-CHA; Project ID No. P086629
Loan from IBRD

Notice No. : **WB4802-741/08**

Issued by : Heilongjiang Provincial Development & Reform Commission World Bank Project
Management Office
Harbin, Heilongjiang Province
No. 202 Zhongshan Road
Nangang District
Harbin, 150001 China
Tel. : (86-451) 8862-8375
Fax : (86-451) 8263-2146
E-mail : pmohl@tom.com

For : Supply of Milking Equipment as specified following :

- Lot 1 : 0723-081008100007/1 Milking Equipment for Demonstration Farms (1 set of 2 x 4/48)
- Lot 2 : 0723-081008100007/2 Milking Equipment for Dairy Parks (9 sets of 2 x 12/24)
- Lot 3 : 0723-081008100007/3 Milking Equipment for Small Dairy Parks (10 sets of 2 x 16/16)

Tender cost : Non-refundable fee in RMB 2,000 Yuan per document or in US\$ 300 per document.

Bid security : Not less than 2% of total bid price in a freely convertible currency for each lot.

Bid deadline : **20.01.2009**

Vietnam

(EEPC Ref. No. DB-49)

Project : Mekong Regional Health Support Project
Credit No. 4153-VN, Project ID No. P089124
Credit from IDA

Notice No. : **WB4745-741/08**

Issued by : The Central Project Management Unit (CPMU)
Rooms C21-22, 5th Floor
Horison Hotel, 40 Cat Linh St.
Dong Da District
Hanoi, Vietnam
Attn. : Dr. Le Thi Thanh
E-mail : mrhsp.proc@fpt.vn, richard.kousek@procurementconsultants.com

For : Supply of Washing and Extractor Machines and Fabric Dryers to Hospitals :

1.1 : Washing and extracting machine 50 kg. (10 Sets)

1.2 : Fabric dryer 50 kg. capacity (3 Sets)

Tender cost : Non-refundable fee of VND 1,600,000 or US\$ 100 + US\$ 100 (courier charges).

Bid security : Not less than 2% of bid price or an equivalent amount in a freely convertible currency.

Bid deadline : **20.01.2009**

Vietnam

(EEPC Ref. No. DB-50)

Project : Mekong Regional Health Support Project

Credit No. 4119 MD; Development Grant Agreement No. H187 MD; Japanese Grant For Co-Financing No. TF055175; Project ID No. P089124

Credit from IDA

Notice No. : **WB4746-741/08**

Issued by : The Central Project Management Unit (CPMU)

Rooms C21-22, 5th Floor, Horison Hotel, 40 Cat Linh St.

Dong Da District

Hanoi, Vietnam

Attn. : Dr. Le Thi Thanh

E-mail : mrhsp.proc@fpt.vn, richard.kousek@procurementconsultants.com

For : Procurement of Medical Equipment for the Can Tho Central General Hospital and other 8 Provincial Hospitals in the Mekong region :

- Lot 1 : X- Ray System

- Lot 2 : Ultrasound diagnostic system

- Lot 3 : Endoscopy equipment system

Tender cost : Non-refundable fee of VND 1,600,000 or US\$ 100 + US\$ 100 (courier charges).

Bid security : Not less than 2% of total bid price in a freely convertible currency for each lot.

Bid deadline : **20.01.2009**

Vietnam

(EEPC Ref. No. DB-51)

Project : Mekong Regional Health Support Project

Credit No. 4153-VN, Project ID No. P089124

Credit from IDA

Notice No. : **WB4744-741/08**

Issued by : The Central Project Management Unit (CPMU)

Rooms C21-22, 5th Floor

Horison Hotel, 40 Cat Linh St.

Dong Da District, Hanoi, Vietnam

Attn. : Dr. Le Thi Thanh

E-mail : mrhsp.proc@fpt.vn, richard.kousek@procurementconsultants.com

For : Supply of Vehicles :

- Lot 1 : 14 units of 4 x 4 Vehicles for Preventive Health Centres

- Lot 2 : 1 unit of 16-seater minibus for CPMU in Ho Chi Minh City

Tender cost : Non-refundable fee of VND 1,600,000 or US\$ 100 + US\$ 100 (courier charges).

Bid security : Not less than 2% of total bid price in a freely convertible currency for each lot.

Bid deadline : **20.01.2009**

(Source : UN Development Business Website)

Egypt

(EEPC Ref. No. MEED-158)

Tender for : Steel Pipes and Cast Iron Fittings

Tender details : Supply, in two lots, of small sized steel pipes and malleable cast iron fittings for a natural gas connection project.

Details on payment of \$ 550.

Bid bond : \$ 150,000 and \$ 100,000 respectively.

Closing date : **12.01.2009**

Issued by : Town Gas

Materials General Manager

Materials Department

Corniche el-Nil, Warraq el-Arab

Imbaba, Giza, Egypt

Tel. : (202) 35444494

Fax : (202) 300908

E-mail : materials@towngas.com.eg

Website : www.towngas.com.eg

Egypt

(EEPC Ref. No. MEED-159)

Tender for : Copper and Fibre Optic Cables

Tender No. : 23/2008/2009

Tender details : Turnkey design, engineering, manufacturing, testing, delivery, installation and commissioning of double-circuit, 220 kV, cross-linked, single-core cross-linked polyethylene (XLPE) underground oil-filled copper cables and fibre optic cables.

Details on payment of \$ 1,000.

Bid bond : \$ 600,000

Closing date : **15.01.2009**

Issued by : Egyptian Electricity Transmission Company

5 Six October Street

off El-Bahr el-Aazam Street

El-Mounib, Giza, Cairo, Egypt

Tel/Fax : (202) 5716390

Kuwait

(EEPC Ref. No. MEED-160)

Tender for : Transformer Substation Locks

Tender No. : 46/2008-2009

Tender details : Supply of locks with non-immitigable keys for transformer substations for the Electricity & Water Ministry.
Details on payment of KD 500.

Bid bond : KD 45,000

Closing date : 23.01.2009

Issued by : Central Tenders Committee
PO Box 1070
Safat 13011, Kuwait
Tel. : (965) 2401200
Fax : (965) 2416574

(Source : MEED.com website)

Kuwait

Issued by : Central Tender Committee
P.O. Box 1070
Safat 13011
Kuwait
Tel. : 2401200 (5 lines)
Telefax : 2416574
Website : www.ctc.gov.kw

Tender No. : 7/2008-2009 A.P. 34

Concerned Party : General Directorate of Civil Aviation

Requirements : Supply & installation of remote control system for runway lightening devices (first stage).

Relevant Fee : KD 50

Initial Guarantee : KD 4,750 and valid for 90 days.

Closing Date : 20.01.2009, 1.00 p.m.

Tender No. : KPA/31-2008 A.P. 34

Concerned Party : Kuwait Ports Authority

Requirements : Leasing of new document photocopiers with maintenance for KPA.

Relevant Fee : KD 60

Initial Guarantee : KD 5750 and valid for 90 days.

Closing Date : 30.01.2009, 1.00 p.m.

Tender No. : PACI/10/2008-2009 A.P. 18

Concerned Party : Public Authority for Civil Information

Requirements : Supply & installation of communication devices with Fire Wall Program.

Relevant Fee : KD 20

Initial Guarantee : KD 1750 and valid for 90 days.

Closing Date : **30.12.2008**, 1.00 p.m.

Tender No. : S/MQA/59/2008-2009 A.P. 32

Concerned Party : Ministry of Health

Requirements : Supply & installation of (1) water steam boiler at Adan hospital.

Relevant Fee : KD 30

Initial Guarantee : KD 3,500 and valid for 90 days.

Closing Date : **30.12.2008**

Following tenders are open only for qualified tenderers :

Tender No. : 10/2008-2009 A.P. 24

Concerned Party : Kuwait Institute for Scientific Research

Requirements : Maintenance of central control system for KISR utility

Relevant Fee : KD 40

Initial Guarantee : KD 4250 and valid for 90 days

Closing Date : **18.01.2009**, 1.00 p.m.

Tender No. : 10/2007-2008 A.P. 34

Concerned Party : General Directorate of Civil Aviation

Requirements : Replacement & development project for internal coating for firefighting, fire protection systems and testing, assessment & construction repair works for passengers building at Kuwait International Airport.

Relevant Fee : KD 800

Initial Guarantee : KD 200,000 and valid for 90 days.

Closing Date : **20.01.2009**, 1.00 p.m.

For further details, please contact :

Mr. Anuj Gupta
Attache (Commerce)
Embassy of India
P.O. Box 1450
Safat 13015
Kuwait
Tel. : 2530600/612/613
Fax : 2525811
E-mail : indcommuMnity@indembkwt.org

(Source : Embassy of India, Safat)

Mauritius

Issued by : The Registry (Ground Floor)
Head Office
Central Electricity Board
Royal Road
Curepipe
Mauritius
Tel. : (230) 601 1100
Fax : (230) 675 7958/59
E-mail : ctc@ceb.intnet.mu
Website : www.ceb.intnet.mu

Tender No. : TD-2881

For : Supply of procurement of three phase electronic energy meters.

Tender cost : MRs 500 plus VAT per set [non-refundable]

Closing date : **21.01.2009** [up to 13.30 (local time)]

For further details, please contact :

Mr. Suja K. Menon
Third Secretary (Political & Economic)
High Commission of India
6th Floor, LIC Building
President John Kennedy Street
Port Louis, Mauritius
Tel. : 230 2083775/76
Fax : 230 2086859

(Source : High Commission of India, Port Louis)

Public Notice



**Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
New Delhi**

Public Notice No. 112 (RE-2008)/2004-2009

Dated 8th December, 2008

S.O (E) In exercise of powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2004-09, as amended from time to time, the Director General of Foreign Trade hereby makes the following amendment in the Public Notice No. 27 (RE-2005)/2004-09, dated 14th July, 2005, read with Public Notice No. 14 (RE-2006)/2004-09 dated 30th May, 2006, Public Notice No. 91 (RE-2007)/2004-09 dated 11th December, 2007 and Public Notice No. 77 (RE-2008)/2004-09 dated 10th September, 2008 :-

The existing Para 4 (ii) (c) in the above Public Notice No.27 dated 14th July, 2005, shall stand substituted as under :-

"A copy of Certificate of Physical Verification from the DCF/DFO of the concerned Division. The Physical Verification Report must be duly supported/mentioned with the transit permit. The unexported materials against the licence obtained but lying in premises/godowns of the firm must also be inspected at that time and must be duly reflected in the Physical Verification Report"

2.The above amendment/provision shall be effective from 1st December, 2008.

(File No. 01/91/171/17/AM06/PC-III)

Sd/-
(R. S. GUJRAL)
Director General of Foreign Trade



**Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
New Delhi**

Public Notice No. 113 (RE-2008)/2004-2009

Dated 8th December, 2008

In exercise of powers conferred under Paragraph 2.4 of the Foreign Trade Policy 2004-2009, the Director General of Foreign Trade hereby makes the amendment in the Handbook of Procedures, v1 (RE-2008) :

1. Paragraph 1.1 stands replaced by the following :

1.1 In pursuance of the provisions of paragraph 2.4 of FTP, the Director General of Foreign Trade (DGFT) hereby notifies the compilation known as HBP v1, HBP v2 and Schedule of DEPB rates. These compilations, as amended from time to time, shall remain in force 'until further amendments' except DEPB Scheme which shall continue to be operative till May 2009."

Sd/-

(R. S. GUJRAL)

Director General of Foreign Trade

[File No. 01/94/180/ HBP.V1 (2004-09) Extn/AM09/PC 4]



**Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
New Delhi**

Notification No. 70 (RE-2008)/2004-2009

Dated 8th December, 2008

S.O.(E) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 read with paragraph 1.3 of the Foreign Trade Policy (FTP), 2004-2009, as amended, the Central Government hereby makes the following amendments in FTP, 2004-2009 (RE 2008) :

1. Paragraph 1.2 related to 'Duration' stands replaced by the following :

"This Foreign Trade Policy (FTP) 2004-2009 (RE-2008), incorporating provisions relating to export and import of goods and services, shall come into force with effect from 1st April, 2008 and shall remain in force 'till further amendments' unless otherwise specified."

Sd/-

(R. S. GUJRAL)

Director General of Foreign Trade

[File No. 01/94/180/FTP (2004-09) Extn/AM09/PC 4]



**Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
New Delhi**

Policy Circular No. 47 (RE-2008)/2004-2009

Dated 8th December, 2008

Subject : Clarification regarding Service Tax Refund

Attention is invited to the Policy Circular No. 1 dated 11.4.08 on the above subject wherein in clause 2(c) of the said Circular, it was stated that "Clearing and Forwarding (C&F) Agency Service is not leviable to Service Tax". Department of Revenue have now issued TRU Notification No. 33 dated 7.12.2008 allowing refund of Service Tax paid on the services provided by a Clearing and Forwarding Agent in relation to Export Goods. Accordingly, Clause 2(c) of the DGFT Policy Circular No. 1 dated 11.4.08 stands withdrawn.

- 2.This is for information of all concerned.
- 3.This issues with the approval of Competent Authority.

(File No. 01/94/180/Service Tax/AM 09/PC 4)

Sd/-
(TAPAN MAZUMDER)
Joint Director General of Foreign Trade



**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Notification No. 130/2008-Customs

Dated 7th December, 2008

G.S.R. (E).- In exercise of the powers conferred by Sub-Section (1) of Section 25 of the Customs Act, 1962 (52 of 1962), 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 No. 79/2008-Customs, dated the 13th June, 2008, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R. 458(E), namely :-

In the said Notification, for the figures and words "15% ad valorem", the figures and words "5% ad valorem" shall be substituted.

Sd/-

(UNMESH WAGH)

Under Secretary to the Government of India

[F. No. 334/5/2008-TRU(Pt-I)]

Note. - The principal Notification No. 79/2008-Customs, dated the 13th June, 2008 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R. 458(E), dated the 13th June, 2008 and was last amended vide Notification No. 117/2008, dated the 31st October, 2008, which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R. 761(E) of the same date.

Member-exporters can avail the Notification No. 79/2008-Customs, dated the 13th June, 2008 and Notification No. 117/2008-Central Excise (N.T.), dated the 31st October, 2008 from the following Website :

<http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2k8/cs79-2k8.htm>

<http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2k8/cs117-2k8.htm>



**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Notification No. 131/2008-Customs

Dated 7th December, 2008

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government hereby rescinds the notification of the Government of India in the Ministry of Finance (Department of Revenue), no. 116/2008, dated the 31st October, 2008, which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 760(E) of the same date, except as respects things done or omitted to be done before such rescission.

Sd/-

(UNMESH WAGH)

Under Secretary to the Government of India

[F. No. 334/5/2008-TRU(Pt-I)]



**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Notification No. 48/2008-Central Excise (N.T.)

Dated 5th December, 2008

G.S.R. (E).- In exercise of the powers conferred by Section 37 of the Central Excise Act, 1944 (1 of 1944) and Section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2004, namely :-

1. (1) These rules may be called the CENVAT Credit (Second Amendment) Rules, 2008.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the CENVAT Credit Rules, 2004, in rule 3, in sub-rule (7), in clause (a), in the proviso, for the expression "X multiplied by [(1+BCD/400) multiplied by (CVD/100)]", the expression "X multiplied by [(1+BCD/200) multiplied by (CVD/100)]" shall be substituted.

Sd/-

(UNMESH WAGH)

Under Secretary to the Government of India

[F. No. 354/158/2008-TRU]

Note.- The principal rules were notified vide Notification No. 23/2004-Central Excise(N.T.), dated the 10th September, 2004 and were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R.600(E) of the same date and were last amended by Notification No. 35/2008-Central Excise(N.T.), dated the 24th September, 2008 that was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R.677(E) of the same date.

Member-exporters can avail the Notification No. 23/2004-Central Excise (N.T.), dated the 10th September, 2004 and Notification No. 35/2008-Central Excise (N.T.), dated the 24th September, 2008 from the following Website :

<http://www.cbec.gov.in/excise/cx-act/notfns-2k4/cent23-2k4.htm>

<http://www.cbec.gov.in/excise/cx-act/notfns-2k8/cent35-2k8.htm>

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Notification No. 33/2008-Service Tax

Dated 7th December, 2008

G.S.R. (E).- 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 further amendments in the Notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 41/2007-Service Tax, dated the 6th October, 2007 which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R. 645(E), dated the 6th October, 2007, namely :-

In the said Notification,-

(1) in paragraph 1, in the proviso, sub-paragraph (e) shall be omitted;

(2) in the Schedule,-

(i) against Sr. No.15, in column (4), in item (vi), for the words “two per cent.”, the words “ten per cent.” shall be substituted;

(ii) after Sr. No.18 and the entries relating thereto, the following shall be inserted, namely :-

(1)	(2)	(3)	(4)
"19.	Section 65(105)(j)	services provided by a clearing and forwarding agent in relation to export goods exported by the exporter.	exporter shall produce,- (i) invoice issued by clearing and forwarding agent for providing services specified in column (3) specifying : (a) number and date of shipping bill, (b) description of export goods, (c) number and date of the invoice issued by the exporter relating to export goods, (d) details of all the charges, whether or not reimbursable, collected by the clearing and forwarding agent from the exporter in relation to export goods, (ii) details of other taxable services provided by the said clearing and forwarding agent and received by the exporter, whether or not relatable to export goods.”;



(3) in the Form, in serial No.10, item (iii) shall be omitted.

2. This Notification shall come into force on the date of its publication in the Official Gazette.

Sd/-

(UNMESH WAGH)

(F. No. 341/15/2007-TRU)

Under Secretary to the Government of India

Note.- The principal Notification was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i), vide number G.S.R. 645(E), dated the 6th October, 2007 and was last amended by Notification No. 32/2008-Service Tax, dated the 18th November, 2008 which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R. 794(E), dated the 18th November, 2008.

Member-exporters can avail the Notification No. 32/2008-Service Tax, dated the 18th November, 2008 from the following Website :
http://www.servicetax.gov.in/servtax_notfns_idx.htm



Reserve Bank of India
Foreign Exchange Department
Central Office, Mumbai 400 001

RBI/2008-09/317
A. P. (DIR Series) Circular No. 39

Dated 8th December, 2008

Buyback/Prepayment of Foreign Currency Convertible Bonds (FCCBs)

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to Regulation No. 21 of Part III and Schedule I to the Notification No. FEMA 120/RB-2004 dated July 7, 2004, as amended from time to time, relating to FCCBs. Attention of AD Category - I banks is also invited to A. P. (DIR Series) Circular No. 5 dated August 1, 2005, A. P. (DIR Series) Circular No. 60 dated May 21, 2007, A. P. (DIR Series) Circular No. 4 dated August 7, 2007, A. P. (DIR Series) Circular No. 43 dated May 29, 2008, A.P. (DIR Series) No. 16 dated September 22, 2008, A. P. (DIR Series) Circular No.20 dated October 10, 2008 and A. P. (DIR Series) No. 26 dated October 22, 2008 relating to instructions/guidelines in respect of External Commercial Borrowings, which are also applicable, mutatis mutandis, to FCCBs.

2. Under the extant ECB Guidelines, AD Category - I banks are permitted to allow prepayment of ECB up to USD 500 million without prior approval of the Reserve Bank, subject to compliance with the stipulated minimum average maturity period as applicable to the loan. Further, existing ECB can be refinanced by raising a fresh ECB, subject to the conditions that the fresh ECB is raised at a lower all-in-cost and the outstanding maturity of the original ECB is maintained. The existing provisions for prepayment and refinancing will continue, as hitherto.

3. As announced in para 4 (v) of the Press Release 2008:2009/697 dated November 15, 2008, Reserve Bank has been considering proposals, under the approval route, from Indian companies for buyback of their FCCBs, provided the buyback is financed out of their foreign currency resources held in India or abroad and/or out of fresh external commercial borrowing (ECB) raised in conformity with the current ECB norms.

4. As announced in para 12 of the Press Release 2008-2009/842 dated December 6, 2008, the existing policy on the premature buyback of FCCBs has been reviewed and it has been decided to liberalise the procedure and consider applications for buyback of FCCBs by Indian companies, both under the automatic and approval routes, as detailed hereunder :

A. Automatic Route

The designated AD Category - I banks may allow Indian companies to prematurely buyback FCCBs, subject to compliance with the terms and conditions set out hereunder :

- (i) the buyback value of the FCCB shall be at a minimum discount of 15 per cent on the book value;
- (ii) the funds used for the buyback shall be out of existing foreign currency funds held either in India (including funds held in EEFC account) or abroad and / or out of fresh ECB raised in conformity with the current ECB norms; and
- (iii) where the fresh ECB is co-terminus with the outstanding maturity of the original FCCB and is for less than three years, the all-in-cost ceiling should not exceed 6 months Libor plus 200 bps, as applicable to short term borrowings. In other cases, the all-in-cost for the relevant maturity of the ECB, as laid down in A. P. (DIR Series) No.26 dated October 22, 2008 shall apply.

B. Approval Route

The Reserve Bank will consider proposals from Indian companies for buyback of FCCBs under the approval route, subject to compliance with the following conditions :

- (i) the buyback value of the FCCB shall be at a minimum discount of 25 per cent on the book value;
- (ii) the funds used for the buyback shall be out of internal accruals, to be evidenced by Statutory Auditor and designated AD Category – I bank's certificate; and
- (iii) the total amount of buyback shall not exceed USD 50 million of the redemption value, per company.

Applications complying with the above conditions may be submitted, together with the supporting documents, through the designated AD Category - I bank, to the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, ECB Division, Central Office, 11th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai-400 001, for necessary approval.

5. General Conditions

In addition to the conditions set out above, the following additional conditions shall be applicable for the proposals both under the automatic and approval routes :

- (i) The FCCB should have been issued in compliance with the extant guidelines.
- (ii) The FCCB should have been registered with the Reserve Bank; the LRN number obtained and ECB 2 returns submitted up to date.
- (iii) No proceedings for contravention of FEMA are pending against the company.
- (iv) The right for buyback is vested with the issuer of FCCBs. However, the actual buyback is subject to the consent of the bond holders.
- (v) The FCCBs bought back/repurchased from the holders must be cancelled and should not be re-issued or re-sold.
- (vi) The buyback will not have any effect on the bond holders not opting for the buyback or on the non-participating bond holders of companies opting for the buyback.
- (vii) The Indian company shall open an escrow account with the branch or subsidiary of an Indian bank overseas or an international bank for buying back the FCCBs to ensure that the funds are used only for the buyback.

6. The existing requirement of submission of ECB 2 return will continue as hitherto. Further, on completion of the buyback, a report giving details of buyback, such as, the outstanding amount of FCCBs, book value of FCCBs bought back, rate at which FCCBs bought back, amount involved, and source/s of funds may be submitted, through the designated AD Category - I bank, to the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, ECB Division, Central Office, 11th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai-400 001.

7. This facility will come into force with immediate effect and the entire procedure of buyback should be completed by March 31, 2009.

8. AD Category - I banks may bring the contents of this Circular to the notice of their constituents and customers concerned.

9. The directions contained in this Circular have been issued under Sections 10(4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any, required under any other law.

Sd/-
(SALIM GANGADHARAN)
Chief General Manager-in-Charge



Reserve Bank of India
Foreign Exchange Department
Central Office, Mumbai 400 001

RBI/2008-09/318

A. P. (DIR Series) Circular No. 40

A. P. (FL Series) Circular No. 03

Dated 10th December, 2008

Foreign Exchange Management Act, 1999 – Foreign Travel – Mode of payment in Rupees

Attention of Authorised Dealers Category I & II and Full Fledged Money Changers (FFMCs) is invited to paragraph A.10 of the Annexure to A. P. (DIR Series) Circular No. 19 dated October 30, 2000, in terms of which Authorised Dealers may accept payment in cash up to Rs. 50,000 (Rupees Fifty Thousand only) against sale of foreign exchange for travel abroad (for private visit or for any other purpose). Wherever the sale of foreign exchange exceeds the amount equivalent to Rs. 50,000, the payment must be received only by a -

(i) crossed cheque drawn on the applicant's bank account

or

(ii) crossed cheque drawn on the bank account of the firm/company sponsoring the visit of the applicant

or

(iii) Banker's cheque/Pay Order/Demand Draft.

2. With a view to provide flexibility in the mode of payment against sale of foreign exchange, in addition to the payment by Rupees/through crossed cheque/Banker's cheque/Pay order/Demand draft, Authorised Dealers Category I & II and FFMCs may also accept the payments made by the traveller through debit cards/credit cards/prepaid cards for travel abroad (for private visit or for any other purpose) provided -

(i) KYC/AML guidelines are complied with,

(ii) sale of foreign currency/issue of foreign currency travellers' cheques is within the limits (credit/prepaid cards) prescribed by the bank,

(iii) the purchaser of foreign currency/foreign currency travellers' cheque and the credit/debit/prepaid card holder is one and the same person.

3. Authorised Dealers Category I & II and Full Fledged Money Changers may bring the contents of the Circular to the notice of their constituents and customers concerned.

4. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any, required under any other law.

Sd/-

(SALIM GANGADHARAN)
Chief General Manager-in-Charge



Special Task Force on Impact of Global Financial Crisis on Engineering Sector

Overview of the Engineering Industry in India

The engineering sector is the largest segment of the overall Indian industrial sector. The engineering industry accounts for 12 per cent of India's GDP. In the year 2004-05, as per the latest Annual Survey of Industry data, the total Net Value Added by the Engineering Industry in India was USD 25 billion. Engineering goods enjoy 30.5 per cent weight in the Index of Industrial Production (IIP); 29.9 per cent share of total investment; and 62.8 per cent share in foreign collaborations.¹ The important groups within the engineering industry include machinery & instruments, primary and semi finished iron & steel, steel bars & rods, non-ferrous metals, electronic goods and project exports.

India has a well-developed and diversified industrial machinery/capital base capable of manufacturing the entire range of industrial machinery. The industry has also managed to successfully develop advanced manufacturing technology over the years. Among the developing countries, India is a major exporter of heavy and light engineering goods, producing a wide range of items. The bulk of capital goods required for power projects, fertilizer, cement, steel and petrochemical plants and mining equipment are made in India. The country also makes construction machinery, equipment for irrigation projects, diesel engines, tractors, transport vehicles, cotton textile and sugar mill machinery.

The Principal Characteristics of the Engineering Industry in India as given by the Annual Survey of Industries for the year 2004-05 is given in Table below :

Table 1 : Principal Characteristics by Major Engineering Group in ASI 2004-05

(Value Figures in Rs. Lakhs)

NIC-2004	Description	Total Input	Gross Output	Depreciation	Net Value Added
27	Basic Metals	18746221	24480111	808820	4925070
34	Motor Vehicles, Trailers and Semi-Trailers	12302779	14345878	364101	1678997
29	Machinery and Equipment N.E.C.	5673191	7218344	192792	1352361
35	Other Transport Equipments	3510072	4400557	99802	790683
31	Electrical Machinery and Apparatus, N.E.C.	3424259	4313241	104989	783993
28	Fabricated Metal Products	3190239	3881993	88421	603333
36	Furniture & Other Manufacturing N.E.C.	2802014	3226210	42489	381707
32	Radio, Television and Communication Equipments	2607310	3096112	116398	372405
33	Medical, Precision and Optical Instruments	690941	962201	29295	241966
30	Office, Accounting and Computing Machinery	503605	653471	40777	109089
Total Engineering		53450634	66578122	1887889	11239610
Grand Total for All Industry Groups		136294133	167256142	4971324	25990686
Engineering Goods as Percent of Total		39.21%	39.80%	37.97%	43.24%



Current Trends in Industrial Production

Engineering Exports is a product of engineering production. It may be interesting to see what is the latest trend in industrial production. The Quick Estimates of Index of Industrial Production (IIP) with base 1993-94 for the month of September 2008 have been released by the Central Statistical Organisation of the Ministry of Statistics and Programme Implementation on November 12, 2008. The General Index stands at 273.0, which is 4.8% higher as compared to the level in the month of September 2007. The cumulative growth for the period April-September 2008-09 stands at 4.9% over the corresponding period of the previous year.

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of September 2008 stand at 162.8, 294.4, and 219.3 respectively, with the corresponding growth rates of 5.7%, 4.8% and 4.4% as compared to September 2007. The cumulative growth during April-September, 2008-09 over the corresponding period of 2007-08 in the three sectors have been 3.8%, 5.2% and 2.5% respectively, which moved the overall growth in the General Index to 4.9%.

In terms of industries, nine (9) out of the seventeen (17) industry groups (as per 2-digit NIC-1987) have shown positive growth during the month of September 2008 as compared to the corresponding month of the previous year. The industry group 'Transport Equipment and Parts' have shown the highest growth of 16.8%, followed by 16.1% in 'Machinery and Equipment other than Transport Equipment' and 12.8% in 'Metal Products and Parts, except Machinery and Equipment'. On the other hand, the industry group 'Wood and Wood Products: Furniture and Fixtures' have shown a negative growth of 9.7% followed by 9.3% in 'Cotton Textiles' and 8.6% in 'Leather and Leather & Fur Products'.

As per Use-based classification, the Sectoral growth rates in September 2008 over September 2007 are 4.6% in Basic goods, 18.8% in Capital goods and (-)3.3% in Intermediate goods. The Consumer durables and Consumer non-durables have recorded growth of 13.1% and 2.8% respectively, with the overall growth in Consumer goods being 5.6%.

Table 2 : Index of Industrial Production - Sectoral

(Base : 1993-94 = 100)								
Month	Mining		Manufacturing		Electricity		General	
	(104.73)		(793.58)		(101.69)		(1000.00)	
	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009
Apr	161.2	171.1	267.1	285.0	215.2	218.2	250.7	266.3
May	168.1	177.4	280.5	293.1	225.6	230.1	263.1	274.6
Jun	158.6	158.8	273.6	290.4	211.7	217.1	255.3	269.2
Jul	157.0	161.7	272.9	294.7	216.2	225.9	255.0	273.8
Aug	156.0	160.2	279.2	283.1	219.9	221.6	260.3	264.0
Sep*	154.0	162.8	281.0	294.4	210.1	219.3	260.5	273.0
Oct	169.6		280.2		221.4		262.6	
Nov	174.2		278.9		210.9		261.0	
Dec	184.1		306.3		219.6		284.7	
Jan	186.7		301.9		223.8		281.9	
Feb	183.6		296.8		211.3		276.2	



Month	Mining		Manufacturing		Electricity		General	
	(104.73)		(793.58)		(101.69)		(1000.00)	
	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009
Mar	205.8		327.9		227.1		304.9	
Average								
Apr-Sep	159.2	165.3	275.7	290.1	216.5	222.0	257.5	270.2
Growth over the corresponding period of previous year								
Sep	4.9	5.7	7.4	4.8	4.5	4.4	7.0	4.8
Apr-Sep	4.9	3.8	10.0	5.2	7.7	2.5	9.5	4.9
*Indices for Sep 2008 are Quick Estimates.								
Note : Indices for the months of Jun'2008 and Aug'2008 incorporate updated production data.								

Table 3 : Index of Industrial Production
(Growth at 2-digit level)
(Base : 1993-94 = 100)

Industry Code	Description	Weight	Index		Cumulative Index		Percentage growth	
			Sept'2007	Sept'2008	Apr-Sep		Sept'2008	Apr-Sep
					2007-2008	2008-2009		2008-2009
20-21	Food Products	90.8	126.2	132.7	150.3	148.2	5.2	-1.4
22	Beverages, Tobacco and Related Products	23.8	483.9	540.5	481.5	593.9	11.7	23.3
23	Cotton Textiles	55.2	165.9	150.5	164.1	163.2	-9.3	-0.5
24	Wool, Silk and man-made fibre textiles	22.6	262.1	265.9	276.3	275.8	1.4	-0.2
25	Jute and other vegetable fibre Textiles (except cotton)	5.9	123.4	122.9	120.3	113.7	-0.4	-5.5
26	Textile Products (including Wearing Apparel)	25.4	289.5	284.1	294.5	305.6	-1.9	3.8
27	Wood and Wood Products; Furniture and Fixtures	27.0	127.5	115.1	129.3	115.9	-9.7	-10.4
28	Paper & Paper Products and Printing, Publishing & Allied Industries	26.5	250.6	271.4	249.9	257.5	8.3	3.0
29	Leather and Leather & Fur Products	11.4	171.9	157.2	165.5	165.0	-8.6	-0.3
30	Basic Chemicals & Chemical Products (except products of Petroleum & Coal)	140.0	321.8	310.1	317.2	336.5	-3.6	6.1



Industry Code	Description	Weight	Index		Cumulative Index		Percentage growth	
			Sept'2007	Sept'2008	Apr-Sep		Sep'2008	Apr-Sep
					2007-2008	2008-2009		2008-2009
31	Rubber, Plastic, Petroleum and Coal Products	57.3	240.6	232.3	246.3	236.0	-3.4	-4.2
32	Non-Metallic Mineral Products	44.0	318.1	316.3	319.6	321.5	-0.6	0.6
33	Basic Metal and Alloy Industries	74.5	308.9	326.1	301.5	320.2	5.6	6.2
34	Metal Products and Parts, except Machinery and Equipment	28.1	188.4	212.5	164.6	166.7	12.8	1.3
35-36	Machinery and Equipment other than Transport equipment	95.7	400.3	464.8	374.9	411.7	16.1	9.8
37	Transport Equipment and Parts	39.8	379.3	443.0	358.3	404.1	16.8	12.8
38	Other Manufacturing Industries	25.6	402.0	444.3	328.9	325.4	10.5	-1.1
1	Mining & Quarrying	104.7	154.0	162.8	159.2	165.3	5.7	3.8
2-3	Manufacturing	793.6	281.0	294.4	275.7	290.1	4.8	5.2
4	Electricity	101.7	210.1	219.3	216.5	222.0	4.4	2.5
	General Index	1000.0	260.5	273.0	257.5	270.2	4.8	4.9

Table 4 : Index of Industrial Production - Use-Based

(Base : 1993-94 = 100)						
Month	Basic goods		Capital goods		Intermediate goods	
	(355.65)		(92.57)		(265.14)	
	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009
Apr	212.8	221.3	278.4	313.0	249.2	256.9
May	223.6	230.4	334.7	349.0	264.2	269.1
Jun	215.8	220.5	358.3	386.3	260.1	267.5
Jul	216.7	228.3	317.4	382.2	264.1	271.1
Aug	217.6	225.2	368.6	371.8	273.3	256.5
Sep*	214.0	223.9	389.1	462.1	264.8	256.0
Oct	227.2		350.8		260.5	
Nov	220.8		392.1		255.7	
Dec	230.0		420.5		271.7	
Jan	235.2		340.0		266.6	
Feb	226.4		356.8		259.4	



Month	Basic goods		Capital goods		Intermediate goods	
	(355.65)		(92.57)		(265.14)	
	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009
Mar	246.3		543.4		279.3	
Average						
Apr-Sep	216.8	224.9	341.1	377.4	262.6	262.9
Growth over the corresponding period of previous year						
Sep	6.5	4.6	20.9	18.8	10.1	-3.3
Apr-Sep	9.3	3.7	20.2	10.6	9.9	0.1
*Indices for Sep 2008 are Quick Estimates.						
Note : Indices for the months of Jun'2008 and Aug'2008 incorporate updated production data.						

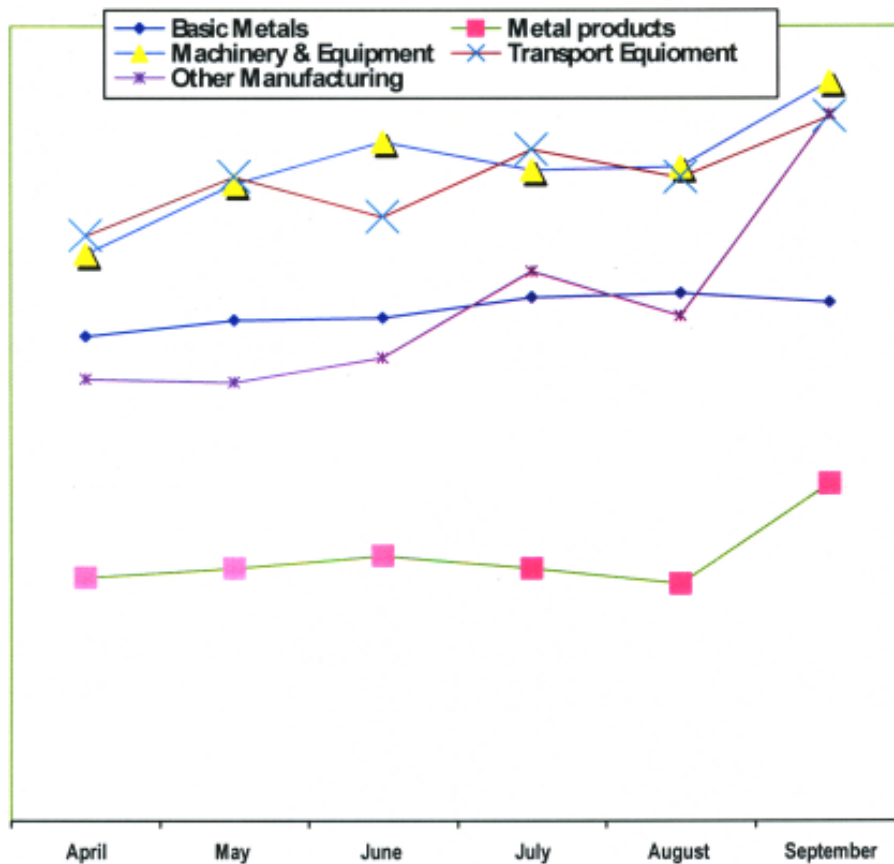
Table 4 : Index of Industrial Production - Use-Based
(2-Digit Level)
(Base : 1993-94 = 100)

Industry code	Description	Weight	Apr'2008	May'2008	Jun'2008	Jul'2008	Aug'2008	Sep'2008
20-21	Food Products	90.8	209.5	150.6	130.0	133.9	132.7	132.7
22	Beverages, Tobacco and Related Products	23.8	611.0	678.2	602.2	621.5	510.2	540.5
23	Cotton Textiles	55.2	162.1	171.4	168.6	164.7	161.7	150.5
24	Wool, Silk and man-made fibre textiles	22.6	259.2	321.8	296.9	248.1	263.0	265.9
25	Jute and other vegetable fibre Textiles (except cotton)	5.9	109.0	106.7	109.0	118.2	116.6	122.9
26	Textile Products (including Wearing Apparel)	25.4	311.3	323.8	301.4	324.4	288.7	284.1
27	Wood and Wood Products; Furniture and Fixtures	27.0	107.7	99.3	127.4	123.5	122.5	115.1
28	Paper & Paper Products and Printing, Publishing & Allied Industries	26.5	247.5	259.0	243.4	261.7	261.9	271.4
29	Leather and Leather & Fur Products	11.4	148.0	182.4	169.8	172.0	160.3	157.2
30	Basic Chemicals & Chemical Products (except products of Petroleum & Coal)	140.0	341.7	347.4	343.8	348.2	327.9	310.1
31	Rubber, Plastic, Petroleum and Coal Products	57.3	234.7	227.0	247.8	240.9	233.5	232.3
32	Non-Metallic Mineral Products	44.0	317.8	329.0	321.3	332.7	311.6	316.3



Industry code	Description	Weight	Apr'2008	May'2008	Jun'2008	Jul'2008	Aug'2008	Sep'2008
33	Basic Metal and Alloy Industries	74.5	303.4	314.5	316.1	329.2	331.9	326.1
34	Metal Products and Parts, except Machinery and Equipment	28.1	153.2	158.9	167.1	159.3	149.0	212.5
35-36	Machinery and Equipment other than Transport equipment	95.7	356.6	400.7	427.1	409.7	411.5	464.8
37	Transport Equipment and Parts	39.8	368.4	405.5	380.2	422.2	405.1	443.0
38	Other Manufacturing Industries	25.6	277.7	275.8	291.1	346.1	317.5	444.3
1	Mining & Quarrying	104.7	171.1	177.4	158.8	161.7	160.2	162.8
2-3	Manufacturing	793.6	285.0	293.1	290.4	294.7	283.1	294.4
4	Electricity	101.7	218.2	230.1	217.1	225.9	221.6	219.3
	General Index	1000.0	266.3	274.6	269.2	273.8	264.0	273.0

A quick analysis of the above table indicates that while for most engineering products, the growth rate has been positive for the data available during April-September 2008, the trend is one of decline, except possibly in the month of September (as a consequence of festival seasons) as is given in the graph below :





Engineering Exports Trend

Clearly, therefore, as production growth has been rather inconsistent, the impact on engineering exports too would have been similar. According to the Ministry of Commerce & Industry, India's cumulative value of exports for the period April- October, 2008 was US\$ 107796 million (Rs. 467505 crore) as against US\$ 87144 million (Rs. 354064 crore) registering a growth of 23.7 per cent in Dollar terms and 32 per cent in Rupee terms over the same period last year. Exports during October, 2008 were valued at US\$ 12822 million which was 12.1 per cent lower than the level of US\$ 14588 million during October, 2007. In rupee terms, exports touched Rs.62387 crore, which was 8.2 per cent higher than the value of exports during October, 2007.

EXPORTS & IMPORTS (US \$ million)		
PROVISIONAL	OCTOBER	APRIL-OCTOBER
EXPORTS (including re-exports)		
2007-2008	14588	87144
2008-2009	12822	107796
%Growth 2008-09/2007-2008	-12.1	23.7
IMPORTS		
2007-2008	21126	132780
2008-2009	23360	180789
%Growth 2008-09/2007-2008	10.6	36.2
TRADE BALANCE		
2007-2008	-6538	-45636
2008-2009	-10538	-72993

Exports & Imports : (Rs. Crore)

(PROVISIONAL)	OCTOBER	APRIL-OCTOBER
EXPORTS(including re-exports)		
2007-2008	57641	354064
2008-2009	62387	467505
%Growth 2008-09/2007-2008	8.2	32.0
IMPORTS		
2007-2008	83472	539879
2008-2009	113659	786059
%Growth 2008-09/2007-2008	36.2	45.6
TRADE BALANCE		
2007-2008	-25831	-185815
2008-2009	-51272	-318554
Figures for 2007-08 are the latest revised whereas figures for 2008-09 are provisional		

Assuming that engineering accounts for 20% of India's total exports, India's engineering exports was to the tune of USD 2564.4 million in October 2008 which is 10.65% lower than USD 2870.38 million in October 2007.

It may be mentioned that the full impact of the global slowdown would be felt by exporters in the months subsequent to October 2008. And the responses received from our members indicate that the global financial crisis was being felt from November 2008 onwards.

(To be continued at next issue)

(Source : EEPC Policy Department)

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