



ISSN 0971-9776

Info

ENGINEERING EXPORT BULLETIN

WEEKLY NEWSLETTER

VOL. 9 ISSUE NO. 24 JUNE 11, 2007

Highlights

INDEE - Johannesburg, 2007

EEPC is organising an Indian Engineering Exhibition (INDEE) in Johannesburg, South Africa from 23rd to 26th October, 2007. Members are requested to register their participation within **15th June, 2007**.

India Pavilion at MIDEST-2007, Paris, France

EEPC is inviting participation for India Pavilion at MIDEST-2007, Paris, France to be held on November 13 - 16, 2007. Members are requested to enlist their participation within **29th June, 2007**.

Govt. Notifications/ Circular

Notification No. 72/2007-Customs dated 21.05.07 – Amendments in various notifications related to Foreign Trade Policy.

Circular No. 21/2007-Cus. dated 08.05.07 – Clarification : Scope and coverage of goods imported under Target Plus Scheme.

Notification No. 28/2007-Central Excise (N.T.) dated 28.05.07 – Makes Central Excise (Settlement of Cases) Rules, 2007.

Circular No. 852/2007-CX dated 31.05.07 – Export Warehousing - specifying class of exporters under sub-rule 2 of Rule 20 of the Central Excise Rules, (No. 2) 2001 read with Notification No. 46/2001-CE(NT) dated 26.06.2001.



Export Awareness Seminar with Bihar Industrial Area Development Authority (BIADA) held at Patna on 6th June, 2007

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For information about India Engineering Center, Chicago
visit : www.indiaengineeringchicago.com

For information about Engineering Export Promotion Council
visit : www.eepcindia.org

For information about EEPC Exhibitions
visit : www.eepcindee.com

Chairman's Pen



My dear fellow exporters,

Friends, on June 8, 2007, the Council made a presentation to the Government on an Alternative DEPB Scheme. We have suggested that the present DEPB Scheme be allowed to continue till 2010 when the GST is expected to go on line. In fact, to take into account the Rupee appreciation, the high export credit cost as well as escalating prices of raw materials, the value addition norms should be reduced from 50% to 25%. This would then obviate the need for an alternative DEPB Scheme. We have also suggested that in case the Government finds it difficult to carry further with the DEPB Scheme for some reason, then the new DEPB Scheme must not only include Customs Duties but also all types of taxes and duties in lieu of the DEPB Scheme and must cover all items presently mentioned in the DEPB Schedule as also a deviation from a base rate of the exchange rate of Rupee vis-à-vis the USD. The scheme should have similar ease of operation as the existing DEPB Scheme and must not insist on the import content requirement. Further, it is imperative that a transition period of at least six months must be granted to the exporting community whenever it is decided to put in place the alternate scheme so that the exporters are in a position to incorporate the changes effected under the new scheme while negotiating their contracts with the overseas buyers.

The Council has also requested the Government to look at the possibility of devising a State Level Drawback Scheme so that CST, Electricity Duty, Octroi, Mandi Tax and a host of other local levels can benefit from duty drawback for exports of goods. Further, all State Governments should be requested to follow the Gujarat Government model of allowing input credit in the VAT chain for inter-state purchased of inputs for export purposes. The Council will also be recommending to the Government the need for a Special Packing Credit Scheme and the need to bring about comprehensive VAT reforms, particularly in light of the problem of VAT refunds faced by exporters in various States of the country.

The Council is currently in the process of making a series of policy recommendations on a range of issues with the Government during the ensuing week. This includes, among others, setting a target for engineering exports for the current fiscal year, making presentation on various procedural issues pertaining to engineering exports including the problem of Rupee appreciation, high cost of credit and sharp escalation in prices of raw materials. The Council is making detailed background papers on each of these issues and would be placing before the Government its suggestions on the above issues.

Finally, the Government has also requested the Council to send a detailed note on the various issues facing the engineering exporters. It seems that the Government has realized the acute crisis under which engineering exporters are operating and have in recent days acknowledged the need for compensating the exporters for the adverse circumstances that the exporters find themselves in. The Council hopes to play a proactive role in helping the Government formulate export friendly policies and we urge members to continue to keep us informed about the problems being faced at their end. This will enable the Council to adequately make its representations to the Government.

Yours sincerely,



(RAKESH SHAH)



ENGINEERING EXPORT PROMOTION COUNCIL

Invites Participation in

**INDEE - Johannesburg, 2007
(Indian Engineering Exhibition)**

October 23 - 26, 2007

In association with

Manufacturing Technology International Expo (MTI)

at

Expo Centre, Nasrec, Johannesburg, South Africa

Preamble

It has always been EEPC's endeavour to foster exports of India's state-of-the-art Engineering Industry into world market.

In line with above EEPC is pleased to announce one of its major events – INDEE, Johannesburg – to be held in South Africa at Expo Centre, Nasrec, Johannesburg during 23-26 October, 2007. This is a major step forward to enter into the South African market.

About South Africa

South Africa is the economic powerhouse of Africa with a Gross Domestic Product (GDP) four times that of its Southern African neighbours and comprising around 25% of the entire continent's GDP. The country leads the continent in industrial output (40% of the total output) and mineral production (45%) and generates most of Africa's electricity (over 50%). Its major strengths include its physical and economic infrastructure, natural mineral and metal resources, a growing manufacturing sector, strong growth potential in the tourism, high value-added manufacturing and service industries. The financial and industrial sectors are concentrated in Gauteng Province which on its own accounts for over 30% of the country (GDP).

South African economy has been showing an upward trend since September-1999 and the annual economic growth rate from September-1999 through June-2005 has averaged at 3.5%. Gross Domestic Product (GDP) was running at an annualized 4.8% at the second half of 2005 (compared to 3.7% in 2004 and 2.8% in 2003).

India-South Africa Trade Relations

Since 1994 India South Africa relation has shown smooth development with signing of a number of bilateral agreements in diverse areas ranging from Defence, Culture, Science and economic cooperation.

Total trade between the two countries has grown significantly since 2001 with surge in both export and import, but India has remained a net Importer. But in the engineering sector, India's export to South Africa has maintained a steady growth 89.5% in 2005-06 and 94% in 2004-05 on year on year basis.

Potential growth areas for Indian exports to South Africa are – Vehicle and vehicle components, Transport equipments, Castings, Forgings, Hand Tools, Agricultural equipments, Two wheelers etc. There are also good potential for exports in the service industry like Software expertise, technical man-power training.

Indian investments in South Africa have grown significantly both in quantity as well as diversity. Major investors includes UB Group of India, Tatas, Mahindras, Ranbaxy, Cipla, Godrej, Ashok Leyland etc.

Product Sector

INDEE - Johannesburg will be focusing mainly on following industry sectors :

- Castings
- Forgings
- Bright Bars
- Fasteners
- Machine Tools
- Cutting Tools
- Automobile & Components
- Primary Iron & Steel
- Bicycle & Parts
- Industrial Machinery
- Food Processing Machinery
- Textile & Jute Mill Machinery
- Pumps & Compressors
- Cranes
- Lifts & Winches
- Electric Home Appliances & Parts
- Electrical Power Equipments
- Heating & Cooling Equipments
- Utensils & Kitchenwares
- Tractors & Agricultural Equipments
- Primary Aluminium & Aluminium Products
- Ferro Alloys
- Construction Machinery

Date and Time of Exhibition

Date : October 23-26, 2007

Time : 10.00 Hrs. – 17.00 Hrs.



Venue of the Exhibition

Expo Centre, Nasrec, Johannesburg

Display Booth

Only built up booth of minimum 9 sq. mtrs. will be available with following standard furniture :

1 Table, 2 Chairs, 1 Waste Paper Basket, 1 Ashtray, 3 Spot Lights, Fascia, one 10 Amp. Electrical Socket, Carpet.

Larger booth in multiple of 3 sq. mtrs. will be available for booking.

Participation Charge

One side open booth : Rs. 17,000/- per sq. mtrs.

Two side open booth : Rs. 18,700/- per sq. mtrs.

Due to limited availability of 2 side open booths, allocation will be done on first-come-first-served basis subject to receiving full payment.

Payment

Full payment should be made along with **Application Form**, duly filled in latest by 15th June, 2007. The payment should be made by way of **Demand Draft** drawn in favour of "**Engineering Export Promotion Council**" payable at New Delhi.

Reservation requests will be considered only on receipt of full payment.

Acceptance of application and allocation of stall will be at the sole discretion of the Council.

Cancellation

Any request for cancellation received on or after **29th June, 2007** shall result in forfeiture of the amount paid on this account.

Shipment of Exhibits

In order to facilitate shipment of exhibits, Council will appoint a Shipping Agent.

Selection Criteria

Final selection of the participants will be done by a Committee based on the criteria such as Accreditation to the International Standards (like ISO, QS, etc.) foreign collaboration, annual export, and exports to South Africa.

Travel and Hotel Accommodation

Council will assist participants in locating suitable air lines and hotels at Johannesburg at negotiated rates through accredited Travel Agents. However, participants are free to stay and travel through their own agencies.

MDA Grant

All eligible participants will be entitled to MDA grant under Focus Africa 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. 1,50,000/- (Rupees One Lakh Fifty 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 with regular filing of returns and fulfilling other conditions, details of which can be obtained from respective Regional Offices of EEPC.

Submission of Application

Interested firms may please send their **Application** (as per enclosed format) duly filled in and signed, along with payment **latest by 15th June, 2007** to any of the following :-

R. Maitra

Executive Director

Engineering Export Promotion Council
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

Rajat Srivastava

Regional Director

Engineering Export Promotion Council
Centre 1, 12th Floor
World Trade Centre
Cuffe Parade
Mumbai – 400 005
Tel. : 91-22-22186655/56/60
Fax : 91-22-22180119
E-mail : eepcmum@mtnl.net.in, eepcmum@vsnl.com

Bhaskar Sarkar

Addl. Executive Director & Secretary
Engineering Export Promotion Council
Vanijya Bhavan (1st Floor)
International Trade Facilitation Centre
1/1, Wood Street, Kolkata – 700 016
Tel. : 91-33-22890651/52
Fax : 91-33-22890654
E-mail : eepcho@eth.net
Website : www.eepcindia.org

S. Dole

Regional Director

Engineering Export Promotion Council
19, Kasturba Gandhi Marg
Surya Kiran (4th Floor)
New Delhi – 110 001
Tel. : 91-11-23314171/74
Fax : 91-11-23317795
E-mail : eepc@spectranet.com

Ms. Anima Pandey

Regional Director

Engineering Export Promotion Council
Vanijya Bhavan (2nd Floor)
International Trade Facilitation Centre
1/1, Wood Street
Kolkata – 700 016
Tel. : 91-33-22890673/74
Fax : 91-33-22890687
E-mail : eepcokol@vsnl.net

M. Ganesan

Regional Director

Engineering Export Promotion Council
Greems Dugar (3rd Floor)
149, Greems Road
Chennai – 600 006
Tel. : 91-44-28295501/02
Fax : 91-44-28290495
E-mail : eepcchen@md4.vsnl.net.in

Application Form

INDEE - Johannesburg, 2007 (23 - 26 October, 2007)

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	:			
Status	:	<input type="radio"/> Manufacturer/Exporter	<input type="radio"/> Merchant Exporter	<input type="radio"/> Export House
Booth Requirement	:	<input type="radio"/> One side open	<input type="radio"/> Two side open	
Area (Minimum Booth area : 9 sq. mtrs.)	:	Total area required :		
Total Annual Export (in Million US\$)	:	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
Total Export to South Africa (in Million US\$)	:	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
Foreign Collaboration, if any	:			
Products Manufactured/Exported	:			
Countries of Export	:			
Accreditation to International Standards (like ISO, QS, etc.)	:			
Nature of Display	:	<u>Display of Samples</u> <input type="checkbox"/> <u>Display of Posters</u> <input type="checkbox"/>		
Name to be displayed in the Fascia (in capital letters)	:			

1. Please use separate sheet to furnish details of your company (**within 80 words**) for the Exhibitors' Profile.
2. Please send us this Form duly completed and signed along with your participation fees by Demand Draft and 2 (two) copies of passport size colour photographs of the Participant.

Date : _____ Signature : _____
 Office Seal : _____

EEPC Invites Participation for MIDESt-2007, Paris, France (November 13 - 16, 2007)

MIDESt is the world's largest Industrial Subcontracting Show. It provides a service for manufacturers, component suppliers and assemblers who want face-to-face meetings with solution providers in the fields of metals, plastics, electronics and industry services. MIDESt-2007 is scheduled to be held from 13 to 16 November, 2007 at Paris, France.

MIDESt attracts an average of 2,000 exhibitors every year out of which 38% exhibitors are from countries other than France. Last year the fair was visited by 47,915 visitors, 14% of which come from 61 outside countries.

The export of engineering goods from India to European countries has reached a level of US\$ 4.40 billion in 2005-06 against a value of US\$ 3.95 million during 2004-05 thereby registering a growth of 11.14%. The last three years trend indicates an average growth of 36.78%. This shows that the Indian engineering goods are regularly finding a favourable place in European market.

Engineering Export Promotion Council (EEPC) is inviting participation for India Pavilion at MIDESt-2007, Paris which would provide an excellent opportunity for business relationships with customers from all over the world.

Focus Products

Main focus of the Council would be on the following items :

- Metal Processing
 - Fabrication
 - Screw cutting
 - Industrial fasteners
 - Foundry
 - Forging
 - Metal cutting
 - Semi-finished products in metal processing
 - Machining, special machines
 - Finishing, thermal & surface treatments in metal processing
- Tooling/Moulds/Models/Equipment
 - Tooling – Moulds – Models
 - Accessories and industrial equipment
- Industry Services
 - Engineering, design, research, quality, services
 - Industrial maintenance

Venue

Paris-Nord Villepinte Exhibition Centre, France

Date

13 - 16, November, 2007 (4 days)

Participation Charges

Built-up booths minimum 9 sq. mtrs.

Rs. 19,000/- per sq. mtr. for one side open stall.

Corner stall charges will be extra.

Display Booth

Participation charge includes following services :

- Fascia
- Carpeting
- Structure/participation
- Decoration
- Accessories (details to follow)
- Electricity – 3 Spotlights, 1 triple plug, showcase connection
- Furniture (details to follow)
- Floral decoration

Mode of Payment

Full payment is to be made by Demand Draft/at par Cheque favouring "Engineering Export Promotion Council" payable at "Kolkata" along with the filled-up Application Form.

Date of Payment

Full payment is to be made along with the **Application Form latest by 29th June, 2007.**

Cancellation of Participation

Request for cancellation of participation will be accepted if Council receives the same in writing on or before **16th July, 2007.** Council shall not entertain any cancellation afterwards. Any cancellation after the due date shall result in forfeiture of the amount already paid on this account.

Selection Criteria

Since limited space is available, selection of participation will be done strictly on *first-come-first served* basis.

Benefit of the member-exporters

EEPC is organizing this event under the MAI Scheme of Ministry of Commerce, Government of India. Therefore no MDA grant would be available. The rates mentioned above are highly subsidized as per MAI Scheme guidelines of Government of India.

Interested firms may please send the **Application Form**, duly filled in and signed, along with full payment **latest by 29th June, 2007** to the respective Regional Offices or to :

Bhaskar Sarkar

Addl. Executive Director & Secretary

Engineering Export Promotion Council

Vanijya Bhawan, 1st Floor

International Trade Facilitation Centre

1/1 Wood Street, Kolkata 700016

Tel. : (+91 33) 22890651/52

Fax : (+91 33) 22890654

E-mail : eepcho@eth.net

Application Form
EEPC Invites Participation for MIDEEST-2007 at Paris, France
(November 13 - 16, 2007)

Name of the Company	:			
Postal Address	:			
Phone (with area code)	:			
Fax (with area code)	:			
E-mail	:			
Website	:			
Total Space required	:			
Amount with DD/Cheque No. & date	:			
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>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
Total Export to European countries (in Million US\$)	:	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
Foreign Collaboration, if any	:			
Products Manufactured/Exported	:			
Countries of Export	:			
Accreditation to International Standards (like ISO, QS, etc.)	:			

Please use separate sheet to furnish details of your company (**within 80 words**) for the Exhibitors' 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 :

Overseas Market Information



Automobile Industry in Malaysia

(Continued from previous issue)

Business Environment Ranking

BMI's revised Business Environment Ranking for the automotive industry sees Malaysia falling to join 13th place with Hong Kong going into the final quarter of the year, on a composite score of 31. This is four points lower than in our last report, due to a substantial decrease in our production forecast for the next five years, which has reduced the country's CBU output potential. The Government's new auto policy could see an improvement in regulatory scores in future to lift the market in the rankings. However, a high level of vehicle ownership compared with the rest of the region, coupled with lingering protectionist policies, continue to reduce the scope for new market entrants.

Table : Asia-Pacific Business Environment Ranking

Country	Economics - LT Risk	Politics - LT Risk	CBU Output Growth	Vehicle Ownership/ Penetration	Potential Regulation	Competitive Environment	Composite Score
Australia	9	10	3	1	10	9	42
Vietnam	3	3	10	9	8	8	41
India	5	9	8	10	8	3	38
China	7	3	8	9	6	4	37
Singapore	10	9	1	6	8	2	36
South Korea	10	7	3	2	8	6	36
Thailand	6	5	4	6	7	6	34
Indonesia	4	4	3	9	7	7	34
Pakistan	4	3	4	9	6	7	33
Taiwan	8	8	1	3	5	7	32
Philippines	3	4	7	2	7	7	30
Japan	6	10	3	1	9	1	30
Malaysia	8	6	2	4	6	5	31
Hong Kong	5	5	1	8	7	5	31

LT Economic Risk : Based on BMI Country Risk Service Long-Term Economic Risk Rating. **LT Political Risk** : Based on BMI Country Risk Service Long-Term Political Risk Rating. **CBU Output Growth** : Based on BMI forecasts for 200 CBU production. **Vehicle Ownership/Penetration Potential** : Based on saturation of market. **Regulation** : Based on BMI Business Environment Rankings, Foreign Direct Investment and Industry Regulations. **Competitive Environment** : Based on level of existing market competition. **Composite Score** : Unweighted total of preceding six scores. **Re Rank** : Highest composite score = most attractive auto sector environment within the Asia/Pacific region; lowest composite score = least attractive.

(Source : BMI research)

Economics - Long-Term Risk

Malaysia will continue to boast one of the most open, investment-friendly economies in Southeast Asia. The export of basic electronic components, made in the local branch plants and subsidiaries of Western manufacturing companies, will remain the main pillar of Malaysia's economic growth.

CBU Output Growth

Malaysia's production of CBU is expected to rise by 7.06% over the forecast period to 2010, which means Malaysia's output growth is well below average for the region and the market therefore received a ranking of two from a possible 10.

Vehicle Ownership/Penetration Potential

This measures the opportunity for market growth based on the market's vehicle ownership as a percentage of the population. Around 20.19% of the population own a car in Malaysia, while the regional average is 16.45%. Based on this, Malaysia scores four out of 10.

Regulation

This is a reflection of the regulatory environment in the market. Malaysia scores slightly above average due to its investor friendly regulations. However, deferment of adherence to AFTA tariff regulations remains an issue. Malaysia, therefore, received six out of 10.

Competitive Environment

The competitive environment category measures the opportunity for new market entrants, based on existing manufacturers and brands in the country. Despite increasing numbers of car makers launching production activities in Malaysia, some major manufacturers are still absent, leaving opportunity for extra competition. The market scores five out of 10.

Industry Forecast Scenario

**Table : Malaysia Autos Sector - Historical Data & Forecasts
(CBUs unless otherwise stated)**

	2003	2004	2005	2006f	2007f	2008f	2009f	2010f
Total Production (CBUs)	350,000	471,975	563,408	488,300	502,949	518,037	533,579	549,586
Total Production (US\$ bn)*	3.8	4.0	4.5	3.9	4.0	4.1	4.3	4.4
Total Production (MYR bn)	14.5	15.1	17.0	14.8	15.2	15.7	16.2	16.6
Cars (CBUs)	325,000	370,475	445,092*	390,640	402,359	414,430	426,863	439,669
Commercial Vehicles (CBUs)	25,000	101,500	118,316*	97,660	100,590	103,607	106,716	109,917
Total sales (CBUs)	405,100	487,605	551,042	481,500	500,760	530,806	567,961	613,399
Total sales (US\$ bn)*	5.3	5.6	6.0	5.3	5.5	5.8	6.2	6.7
Total sales (MYR bn)*	20.0	21.3	22.8	20.1	20.8	22.1	23.7	25.6

e/* = BMI estimate, f = BMI forecast.

(Source : OICA, Malaysian Automotive Association & BMI estimates)

Restrictions on hire purchase loans and festive periods have resulted in a fall in monthly new vehicle sales in Malaysia, taking the total for the year to date down further. Around 35,563 units were sold in October, down 37% from the same month in 2005 and 17% lower than September's sales. The year to date total of 417,966 units is 11.3% lower than the sales of 465,106 units achieved by October 2005.

According to data from the Malaysian Automotive Association (MAA), passenger cars accounted for 26,571 units, with commercial vehicles contributing the remaining 8,992 units. Broken down by origin, national brands accounted for 23,938 units, down 64.7% from 39,441 in October 2005. Non-national brands sold 11,625 units, down from 17,316 units. Although both sides lost out, this shows national brands' share of sales falling from 81% to 65% over the year, despite the aim of the NAP to create a strong domestic industry.

The Government is looking to the current incumbents to increase production, while rationalizing models in order to streamline the industry. However, production for the month was also down from 41,288 units to 29,586 units in October. Production for the first 10 months of the year combined fell from 466,172 units in 2005 to 428,937 units.

BMI had initially expected a year-end rally to support sales in line with our full-year forecast of 568,742 units. This now looks unattainable, although the freezing of interest rates at Bank Negara Malaysia's last three policy meetings, coupled with the view that the current rate of 3.50% will be held until 2007, suggests that there will be no further squeeze on borrowing and consumers may feel more comfortable in undertaking major purchases.

We now believe sales of around 481,500 are more realistic, reflecting a 12% y-o-y decline from 2005. Our production forecast of 568,742 units was optimistic, given the continuing downturn over the year to date, so we have revised our forecast to a 13% drop to 488,300 units. We retain our view, however, that this will be a temporary slide until the industry has adapted to the NAP, although we still do not expect production growth to rise about 2-3% for the next five years.

Trade

**Table : Malaysia Autos Sector - Historical Data & Forecasts
(CBUs unless otherwise stated)**

	2003	2004	2005	2006f	2007f	2008f	2009f	2010f
Automotive Exports*	14,850	21,922	28,176	37,987	52,351	69,690	80,144	89,761
Auto exports (value, US\$ bn)*	0.2	0.2	0.3	0.5	0.7	1.0	1.4	1.6
Auto exports (value, MYR bn)	0.6	0.9	1.2	1.7	2.4	3.3	4.5	5
Auto imports*	78,125	98,515	109,310	125,492	146,187	166,147	187,939	210,492
Auto imports (value, US\$ bn)	1.7	2.2	2.6	3.2	4.1	4.8	5.5	6.2
Auto imports (value, MYR bn)	6.5	8.5	9.8	11.4	13.5	15.6	17.9	20.1
Balance (US\$ bn)	-1.6	-2.0	-2.3	-2.7	-3.4	-3.8	-4.1	-4.6
Balance (MYR bn)	-5.9	-7.5	-8.6	-9.7	-11.1	-12.3	-13.5	-15.1

e/f = BMI estimate/forecast.

(Source : OICA, Malaysian Automotive Association & BMI estimates)

After deferring the introduction of the full AFTA benchmark tariff of 5% for some time, the NAP has reduced the tax rate for ASEAN passenger car CBUs by 20% to 40%, while the duty on non-ASEAN CBUs has been cut by 5% to 30%. Excise Duty on completely knock down (CKD) kits has fallen from between 80% and 200% to between 75% and 125%. Meanwhile, the ASEAN Common Effective Preferential Tariff scheme sees the duty on vehicles with at least 40% ASEAN content reduced from 15% to 5%.

However, Mr. Naris Chaiyasoot, Director General of Thailand's Fiscal Policy Office, claims that Malaysia's demand that all manufacturers register for approval on imports acts as a non-tariff barrier, which does not comply with AFTA. He added that although the lowering of Malaysia's import tariffs would have some effect on Thai exports, the impact would be minor as many manufacturers already have bases in both countries.

The issue has escalated, with Thailand's Fiscal Policy Office refusing to reduce the import duty on vehicles from Malaysia, claiming that its ASEAN neighbour still has non-tariff barriers in place, which contravene the AFTA agreement. As a result, Thailand will retain the existing 20% Duty on Malaysian vehicles for now. If this issue is not resolved swiftly, it could have serious consequences for regional trade.

However, despite the dispute, Thailand's exports of vehicles, parts and accessories to its ASEAN neighbour rose by 11.6% y-o-y in the year to August. The value of total automotive exports to Malaysia increased from US\$441 million in the first eight months of 2005 to US\$492.6 million, with CBUs accounting for US\$52.4 million. Full-year exports for 2005 reached US\$653.9 million, of which vehicles contributed US\$56.7 million. The results confirm Malaysia's position as the fourth-largest market for Thai automotive goods, behind Australia, Japan and Indonesia.

Exports are still likely to play more of a role in the strategies of manufacturers, if over-production is to be avoided. In particular, national producers **Proton** and **Perodua** will need to find alternative markets as their market share continues to dwindle at home. Domestic car company **Naza** has already been actively expanding its reach, launching its own-branded 1.1-litre compact car in April 2006, which it intends to export. This would make Naza, Malaysia's third car maker, to export domestically built cars. **BMI** had expected a considerable recovery of around 28.5% in 2005, with shipments of 28,176 units. We believe this level of growth will slow to 12% by the end of the period under review to 2010.

The import market is likely to witness considerable activity over the forecast period as the Government brings the industry in line with its ASEAN counterparts but struggles to retain some protective measures. Lost revenue from import tariffs will be offset by a rise in Excise Duties to as much as 250%. **BMI** believes that this will be the key to restraining imports in what could threaten to become a market-flooding scenario. We forecast consistent growth of around 11-13% for the remainder of the forecast period, surpassing the 200,000-unit mark by 2010.

Economic Contribution

**Table : Malaysia Autos Sector - Historical Data & Forecasts
(CBUs unless otherwise stated)**

	2003	2004	2005	2006f	2007f	2008f	2009f	2010f
GDP (US\$ bn)	104	118.5	130.8	149.9	168.4	190.5	209.7	227.2
Contribution to GDP* (%)	3.7	3.4	3.6	3.7	3.9	4.1	4.3	4.5
Total stock of passenger cars* (mn)	4.5	4.7	5.0	5.2	5.4	5.6	5.8	6.1
Car ownership (% of population)*	18.2	18.8	19.4	19.9	20.3	20.9	21.4	22.0
Population (mn)	24.4	24.9	25.3	25.8	26.2	26.7	27.1	27.5
Sectoral employment* (mn)	41.8	43.6	45.2	46.7	48.2	49.7	51.2	52.4

f = BMI forecast,

* BMI estimates.

(Source : OICA, Malaysian Automotive Association)

Macroeconomic Forecast Scenario

Moderate Slowdown Ahead - Due to the effects of the global monetary tightening cycle and high energy prices, which will weigh on demand for Malaysia's exports, we anticipate a slowdown in the second-half of the year. Consequently our 2006 GDP forecast for Malaysia is 5.4%, despite a strong Q106 performance. Going forward, a slower global economy will continue to hurt the export industry and will limit growth to 5.2% in 2007. While this is a concern, a lower rate of inflation should help support domestic demand next year.



The Malaysian economy grew by 5.9% y-o-y in Q206, up from 5.5% in the previous quarter, despite a deceleration in external demand, the main driver of economic growth. The effects of a slowdown in export growth to 5.4% y-o-y in Q206 from a revised 7.3% in Q106 were accompanied by a slowdown in import growth to 7.7% y-o-y from 10.8% in Q106, which helped to limit its impact on GDP. Growth was also supported by a 6.6% y-o-y increase in consumption expenditure, compared with 6.1% in Q106. Concerns over growth do exist, however, with easing external demand posing the biggest downside risk. The US is poised for a slowdown on the back of a cooling housing market and, although September's core US CPI rose by 0.2% month-on-month (m-o-m) from August, on a yearly basis it is closer to 3%, well above the 1-2% comfort range indicated by Fed policymakers. This suggests that one more 25 basis point (bp) rate hike to 5.25% in 2006 may be on the cards, hurting consumption levels in Malaysia's primary export market.

Fearing the worst, Malaysia is turning to Europe, hoping that strong growth in the region will translate into increased demand for its hi-tech goods. In Q2006, the eurozone exhibited growth at an annualized rate of 3.6%, its best performance in six years. The continent proved to be a major export destination for Malaysia in Q106, with annual growth in exports of almost 14%, compared with 12% to China and 9% to the US. Continued growth in Europe should ensure sustained demand from the region. However, it is unlikely that European imports will be able to fill the gap in demand caused by a downturn in the US economy, especially if Germany, Europe's biggest economy, is hit with a 3% rise in VAT next year. Indeed a deceleration in Malaysia's industrial production, to 5.0% y-o-y in August from 6.7% in July, indicates that manufacturers are wary of the effects of a slowdown in external demand, which has been intensified by a strong ringgit (relative to the start of the year), and which will hurt the country's vital export industry.

(Source : EEPC Singapore Office)

(To be continued in the next issue)



Afghanistan

(EEPC Ref. No. DB-1638)

Project : Sustainable Development of Natural Resources Project
IDA Grant No. H238-AF; Project ID No. P098118
Grant from IDA

Notice No. : **WB2083-704/07**

Issued by : Program Management Unit (PMU)
Afghanistan Geological Survey Bldg.
3rd Macrorayan Close to Abdul Haq Circle
2nd Floor, Room No. 12
Kabul
Afghanistan
Attn. : Dr. David Greenbaum/Pavel Cemirtan
Tel. : (93-798) 254 396, 797-203579
E-mail : deegee2006@googlemail.com, pcemirtan@gmail.com

For : Supply of vehicles. The requested goods consist of 2 lots as follows :
- Lot No. 1 : Hardtop station wagons - 7 units
- Lot No. 2 : 6 x 6 Truck (6 tons) - 1 unit

Bid security : - Lot 1 : US\$ 4,900
- Lot 2 : US\$ 1,000

Bid deadline : **12.07.2007**

Ethiopia

(EEPC Ref. No. DB-1639)

Project : Post Secondary Education Project
Credit No. 3984-ET; Project ID No. P078692
Credit from IDA

Notice No. : **WB2160-705/07**

Issued by : Ministry of Education
Procurement Unit
Ministry of Education
Room 131, Arat Kilo
PO Box 1367
Addis Ababa
Ethiopia
Attn. : Dr. Solomon Mogus
Tel. : (251-111) 565-566, 155-3133 Ext. 392
Fax : (251-11) 156-5565
E-mail : Solomon_mogus@yahoo.com

For : Procurement of Vehicles for the Higher Education System Support Institutions and the Ministry of Education :
- Lot I : Pick Up 4WD Double cab (2 units)
- Lot II : 4WD Station Wagon (6 units)

Tender cost : Non-refundable fee of ETB 150 or its equivalent in a freely convertible currency.

Bid security : ETB 120,000 or an equivalent amount in a freely convertible currency.

Bid deadline : **19.07.2007**

Georgia

(EEPC Ref. No. DB-1640)

Project : Forests Development Project
Credit No. 3699-GE, Project ID No. P044800
Credit from IBRD

Notice No. : **WB2141-705/07**

Issued by : Vakhtang Jaliashvili
Sustainable Development Projects Implementation Agency
6 Gulua St. VI Floor
Tbilisi 0114
Georgia
Tel. : (995-32) 752-415, 752-416, 752-417
E-mail : vjaliashvili@sdpia.ge, kskhireli@sdpia.ge

For : Supply of 3-Door 4-Wd Vehicles

Tender cost : Non-refundable fee of US\$ 100 or GEL 170

Bid security : US\$ 5,000 or GEL 8,500.

Bid deadline : **12.07.2007**

Ukraine

(EEPC Ref. No. DB-1641)

Project : Hydropower Rehabilitation Project in Support of the
Energy Sector Reform and Development Program
Loan No. 4795-UA; Project ID No. P083702

Notice : **WB2127-705/07**

Issued by : Open Joint-Stock Company "UkrHydroEnergo"
OJSC "UkrHydroEnergo" office
Vyshgorod 07300
Kyiv region
Ukraine
Attn. : Mrs. Zhanna Gutina
Tel. : (38-44) 965-8227
Fax : (38-44) 962-2007, 965-8227
E-mail : gutina@ges.kv.energy.gov.ua

For : Supply of medium voltage boards for Kyiv pumped-storage power plant and Kyiv, Kaniv, Kremenchuk, Dniprodzerzhynsk, Dnipro - 1, 2, Kakhovka and Dnister hydro power plants.

Tender cost : Non-refundable fee of US\$ 300

Bid security : 2% of bid price.

Bid deadline : **07.08.2007**

(Source : Asian Development Bank Website)

Egypt

Issued by : COKE - El Nasr Co. for Coke & Basic Chemicals
The Foreign Purchases Committee
El Tebbin, Helwan
16 Sherif St., Cairo, Egypt
Tel.: 02-5011391/375/565
Fax : 02-5011426/3916939

Reference No. : 3/2006/2007

For : Refining & re-manufacturing of 6 used platinum & rhodium gauzes, and the supply of 4 rushing ring supports.

Tender cost : LE 500

Closing date : **25.06.2007**

Reference No. : 4/2006/2007

For : Import of a diesel engine.

Tender cost : LE 100

Closing date : **01.07.2007**

For further details, please contact :

Mr. Debashish Banerjee
Second Secretary (Com.)
Embassy of India
Commerce Wing, 5, Aziz Abaza St.
Zamalek, Cairo, Egypt
Tel. : 00 20 2 7360223
Fax : 00 20 2 7364038
E-mail : attachecom@indembcairo.com

(Source : Embassy of India, Cairo)

Mauritius

Issued by : Ministry of Health and Quality of Life
10th Floor, Emmanuel Anquetil Building
SSR Street
Port Louis, Mauritius
Tel. : 201 1269
Fax : 201 1011



Tender No. : **MHPQ/EQUIP/06-07/Q23**

For : Supply, installation and commissioning of central suction motor for vacuum suction plant for Flacq hospital.

Closing date: **25.07.2007** up to 13.30 Hrs. (local time)

For further details, please contact :

Mr. Gaurav Shresth
First Secretary (Commerce)
High Commission of India
Port Louis, Mauritius
Tel. : 230 2083775/76

(Source : High Commission of India, Port Louis)

Trade Enquiries



USA

(Source : EEPC Chicago Office)

Name of the Company	Addresses	Contact Person/Tel./Fax/E-mail	Items interested
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M/s. Source Motors, Knoxville, TN, USA, Tel. : 865-548-4208, E-mail : sourcemotors@aol.com (Attn. : Mr. Gary Grantham) are interested to import Electric Motor as per following specifications :

- HP : 1 to 200
- Design : NEMA Design B
- Voltage : (60HZ) 208-230/460v (1 to 200 HP), 460v (over 200 HP)
- Frame : 143T-447T
- Enclosure : TEFC
- Insulation : Class F
- Service Factor : 1.15 continuous duty
- Windings : Copper with class F enamel double-dipped, baked non-hygroscopic epoxy resin varnish
- Connection : 9-Lead for 208-230/460v
6-Lead (Wye/Delta) for 460v
12-lead (Wye/Delta) for 208-230/460v
- Frame : FC 150 Cast Iron-Unibody Construction
- Junction Box : Cast Iron rotatable in 90 degree increments complete rubber gasket, ground lug and dust curtain in junction box
- Rotor : Die cast aluminium with 1045 steel shaft
- Mounting : F1/F2 mount interchangeable to 447T frame
- V-Ring Slinger : Drive end & opposite drive
- Fan Cover : Steel
- Fan : 143T to 364T- Plastic
404T to 447T-Aluminium
- Stator/Rotor : Laminations high grade silicone steel
- Hardware : Zinc Plated - Industrial strength
- Bearings : All motors feature SKF and NSK bearings with drive-end roller bearings (for crusher applications) on 404T and larger
- Efficiency : All motors exceed standards mandated by the 1992 Energy Policy EPACKT.

Kuwait

(Source : Indo-Arab Chamber of Commerce & Industries, Mumbai)

Name of the Company	Addresses	Contact Person/Tel./Fax/E-mail	Items interested
Al-Awama General Trading & Contracting Company	P.O. Box 5049 Fahd Al Salem Street Hamoud Tower, 7th Floor Safat 13051 Kuwait	Attn. : Mr. Ibrahim J. S. Al-Ghanim Chairman Tel. : (965) 241-4322/3/4 Fax : (965) 241-4325 E-mail : alawamak@qualitynet.net Website : www.alawama.com	Engineering services.
Al-Bahar & Bardawil Specialities W.L.L.	P O Box 20376 Safat 13064 Kuwait	Tel. : +965 822 999/434 73 63 Fax : +965 822 002/434 68 13 E-mail : info@bahar-bardawil.com	Special engineering services.
Al-Ghanim International Corporation WLL	Al Mubader Center, Qurtoba Block 2, Street 4 P. O. Box 58, Safat 13001 Kuwait	Tel. : 887744, 804499 Fax : 5333889 E-mail : aicamc@dyagroup.com	Civil, mechanical & electrical contractors.
Boodai Trading Co. Ltd. (W.L.L.)	P. O. Box 1287 Safat 13013 Kuwait	Tel. : (965) 4841314/3986 Fax : (965) 4848368/4818294 E-mail : btc@boodai.com	All kinds of contractors equipments and related items to oil, gas and power stations.
HOT Engineering & Construction Co. (KSCC)	P.O. Box 2518 Safat 13026 Kuwait	Tel. : 965-46 109 46 Fax : 965-46 109 40 E-mail : hotkuwait@hotecc.com Website : www.hotecc.com	Civil, mechanical and electrical contractors, pipes, valves, heat exchangers, pumps.



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

Notification No. 72/2007-Customs

Dated 21st May, 2007

G.S.R. 364(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, being satisfied that it is necessary in the public interest so to do, hereby directs that each of the Notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table below, shall be amended or further amended, as the case may be, in the manner specified in the corresponding entry in column (3) of the said Table, namely :-

Table

S. No. (1)	Notification No. and date (2)	Amendment (3)
1.	92/2004-Customs, dated the 10th September, 2004. [G.S.R. 605 (E), dated the 10th September, 2004]	In the said Notification, - (a) in the opening paragraph, in clause (i), the following words shall be added at the end, namely :- “and items not permitted to be imported as specified in para 3.12.4 of the Policy”; (b) in the opening paragraph, in clause (ii), the following words shall be added at the end, namely :- “but excluding the items not permitted to be imported as specified in para 3.12.4 of the Policy”. (c) after condition (iv), the following condition shall be inserted, namely : - “(v) that the foreign exchange counted towards fulfillment of export obligation (over and above the average) under Export Promotion Capital Goods Scheme shall not be eligible for benefits under the scheme”.
2.	97/2004-Customs, dated the 17th September, 2004. [G.S.R. 620 (E), dated the 17th September, 2004]	In the said Notification, - (a) in paragraph 2, in condition (2), in the third proviso, for the words “imported by agro units”, the words “imported by agro units and units in tiny and cottage sector” shall be substituted; (b) S. No. 3 of the table shall be omitted.

S. No. (1)	Notification No. and date (2)	Amendment (3)
		<p>(c) for S. No. 4, the following S. No. shall be substituted, namely :-</p> <p>“4. spare parts of goods specified at S. Nos. 1 and 2 as actually imported and required for maintenance of capital goods so imported, assembled or manufactured”;</p> <p>(d) in S. No. 5 of the table, the words “including consumables” shall be omitted;</p> <p>(e) after paragraph 3, after the table and before the Explanation, the following paragraph shall be inserted, namely :-</p> <p>“4. waiver of Export Obligation may be considered where, because of force majeure or other unforeseen circumstances/reasons, exporter is unable to fulfill export obligation. Such requests shall be considered by a Committee comprising representative(s) of Department of Commerce and Department of Revenue under Directorate General of Foreign Trade. Decision of this Committee shall be notified by Department of Revenue for implementation”;</p> <p>(f) In the Explanation, in clause (4), in sub-clause (ii), the fifth proviso shall be omitted.</p>
3.	41/2005-Customs, dated, the 9th May, 2005. [G.S.R. 282 (E) dated, the 9th May, 2005].	<p>In the said Notification,-</p> <p>(a) for condition (2), the following condition shall be substituted, namely :-</p> <p>“(2) that the items allowed for import shall be in accordance with paragraph 3.12.4 of the Foreign Trade Policy”;</p> <p>(b) after condition (4), the following conditions shall be inserted, namely,-</p> <p>“(5) that the foreign exchange counted towards fulfillment of export obligation (over and above the average) under Export Promotion Capital Goods Scheme shall not be eligible for benefits under the scheme;</p> <p>(6) that the exports made by EOUs/BTPs who do not avail of direct tax benefits/exemption shall be eligible provided the same is not covered under paragraph 3.8.2.2 of the Policy”;</p>

S. No. (1)	Notification No. and date (2)	Amendment (3)
		<p>(c) after condition (6) as so inserted, the following new paragraph shall be inserted, namely : - “2. The following categories of exports specified in paragraph 3.8.2.2 of the Foreign Trade Policy shall not be taken into account for duty credit scrip entitlement under the scheme :- a. (i) export of imported goods covered under Para 2.35 of Foreign Trade Policy; (ii) exports through transshipment, meaning thereby that exports originating in third country but transshipped through India; b. deemed exports; c. exports made by Social Economic Zone units; and d. items, which are restricted or prohibited for export under Schedule-2 of Export Policy in ITC (HS).”</p>
4.	90/2006-Customs, dated, the 1st September, 2006. [G.S.R. 528 (E) dated, the 1st September, 2006].	<p>In the said Notification,- (a) after condition (6), the following conditions shall be inserted, namely, - “(7) that the exports made by EOUs/EHTPs/BTPs who do not avail of direct tax benefits/exemption shall be eligible, provided the same is not covered under paragraph 3.9.2.2 of the Policy; (8) that the items allowed for import shall be in accordance with Paragraph 3.12.4 of the Foreign Trade Policy ; (9) that the foreign exchange counted towards fulfillment of export obligation (over and above the average) under Export Promotion Capital Goods Scheme shall not be eligible for benefits under the scheme”.</p> <p>(b) for paragraph 2, the following paragraph shall be substituted, namely :- “2. The following categories of exports specified in Paragraph 3.9.2.2 of the Foreign Trade Policy shall not be counted for calculation of export performance or for computation of entitlement under the scheme :- (a) (i) export of imported goods covered under Para 2.35 of Foreign Trade Policy; (ii) exports through transshipment, meaning thereby that exports originating in third country but transshipped through India;</p>

S. No. (1)	Notification No. and date (2)	Amendment (3)
		<ul style="list-style-type: none"> (b) export turnover of Special Economic Zone units or supplies made to such units or Special Economic Zone products exported through Domestic Tariff Area units; (c) deemed exports; (d) service exports; (e) diamonds and other precious, semi precious stones; (f) gold, silver, platinum and other precious metals in any form, including plain and studded jewellery; (g) ores and concentrates, of all types and in all forms; (h) cereals, of all types; (i) sugar, of all types and in all forms; (j) crude/petroleum oil and crude/petroleum based products covered under ITC HS Codes 2709 to 2715, of all types and in all forms; and (k) items, which are restricted or prohibited for export under Schedule-2 of Export Policy in ITC (HS).
5.	91/2006-Customs, dated, the 1st September, 2006. [G.S.R. 529 (E) dated, the 1st September, 2006].	<p>In the said Notification,-</p> <ul style="list-style-type: none"> (a) after condition (6), the following conditions shall be inserted, namely, - <ul style="list-style-type: none"> “(7) that the exports made by EOUs/EHTPs/BTPs who do not avail of direct tax benefits/exemption shall be eligible, provided the same is not covered under paragraph 3.10.2.2 of the Policy; (8) that the items allowed for import shall be in accordance with Paragraph 3.12.4 of the Foreign Trade Policy; (9) that the foreign exchange counted towards fulfillment of export obligation (over and above the average) under Export Promotion Capital Goods Scheme shall not be eligible for benefits under the Scheme”. (b) for paragraph 2 the following paragraph shall be substituted, namely :- <ul style="list-style-type: none"> “2. The following categories of exports specified in paragraph 3.10.2.2 of the Foreign Trade Policy

S. No. (1)	Notification No. and date (2)	Amendment (3)
		<p>shall not be counted for calculation of export performance or for computation of entitlement under the scheme :-</p> <p>(a) (i) export of imported goods covered under Para 2.35 of Foreign Trade Policy;</p> <p>(ii) exports through transshipment, meaning thereby that exports originating in third country but transhipped through India;</p> <p>(b) export turnover of Special Economic Zone units or supplies made to such units or Special Economic Zone products exported through Domestic Tariff Area units; and</p> <p>(c) deemed exports.</p>

Sd/-

(JAGMOHAN SINGH)

Under Secretary to the Government of India

[F. No. 605/05/2007-DBK]

Note : The principal Notification No. 92/2004-Customs, dated the 10th September, 2004 was published in the Gazette of India, Part II, Section 3, Sub-Section (i) Extraordinary vide G.S.R. 605 (E), dated the 10th September, 2004, was subsequently amended by Notification No. 46/2005-Customs, dated the 17th May, 2005 vide G.S.R. 320(E) dated, the 17th May, 2005, 77/2005-Customs, dated the 22nd August, 2005 vide G.S.R. 538 (E) dated the 22nd August, 2005 and 97/2005-Customs, dated the 17th November, 2005 vide G.S.R. 673(E) dated the 17th November, 2005, 43/2006-Customs dated 5th May, 2006 vide G.S.R. 276(E) dated the 5th May, 2006, and 88/2006-Customs, dated the 31st August, 2006 vide G.S.R. 519 (E) dated the 31st August, 2006. The principal Notification No. 97/2004-Customs, dated the 17th September, 2004 was published in the Gazette of India, Part II, Section 3, Sub-Section (i) Extraordinary vide G.S.R. 620 (E), dated the 17th September, 2004 was subsequently amended by Notification No. 27/2005-Customs, dated the 2nd March, 2005 vide G.S.R. 148(E) dated the 2nd March, 2005, 46/2005-Customs, dated the 17th May, 2005 vide G.S.R. 320(E) dated, the 17th May, 2005, 77/2005-Customs, dated the 22nd August, 2005 vide G.S.R. 538 (E) dated the 22nd August, 2005 and 97/2005-Customs, dated the 17th November, 2005 vide G.S.R. 673(E) dated the 17th November, 2005, and 43/2006-Customs, dated, the 5th May, 2006 vide G.S.R. 276 (E) dated the 5th May, 2006. The principal Notification No. 41/2005-Customs, dated the 9th May, 2005 was published in the Gazette of India, Part II, Section 3, Sub-Section (i) Extraordinary vide G.S.R. 282 (E), dated the 9th May, 2005 was subsequently amended by Notification No. 77/2005-Customs, dated the 22nd August, 2005 vide G.S.R. 538 (E) dated the 22nd August, 2005 and 97/2005-Customs, dated the 17th November, 2005 vide G.S.R. 673(E) dated the 17th November, 2005, and 43/2006-Customs, dated, the 5th May, 2006 vide G.S.R. 276 (E) dated the 5th May, 2006. The principal Notification No. 90/2006-Customs, dated the 1st September, 2006 was published in the Gazette of India, Part II, Section 3, Sub-Section (i) Extraordinary vide G.S.R. 528(E), dated the 1st September, 2006. The principal Notification No. 91/2006-Customs, dated the 1st September, 2006 was published in the Gazette of India, Part II, Section 3, Sub-Section (i) Extraordinary vide G.S.R. 529(E), dated the 1st September, 2006.

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

Notification No. 73/2007-Customs

Dated 21st May, 2007

G.S.R. 365(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, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the Notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 21/2002-Customs, dated the 1st March, 2002, which was published in the Gazette of India, Extraordinary vide G.S.R. 118(E), dated the 1st March, 2002, namely :-

In the said Notification,-

(i) in the Table, after Sr. No. 565 and the entries relating thereto, the following Sr. Nos. and entries shall be inserted, namely,-

Sr. No.	Chapter or Heading or Sub-Heading	Description of goods	Standard rate	Additional duty rate	Condition No.
(1)	(2)	(3)	(4)	(5)	(6)
“566.	84 or any other Chapter	Machinery or equipment for effluent treatment plant for handloom sector.	‘Nil’	-	96
567.	84 or any other Chapter	Machinery or equipment for effluent treatment plant for handicraft sector.	‘Nil’	-	96”,

(ii) in condition No. 96 for the words “effluent treatment plant for leather industry”, the words “effluent treatment plant for leather industry or handloom sector or handicraft sector, as the case may be” shall be substituted.

Sd/-

(JAGMOHAN SINGH)

Under Secretary to the Government of India

[F. No. 605/05/2007-DBK]

Note : The Principal Notification No. 21/2002-Customs, dated the 1st March, 2002 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (1) vide G.S.R. 118(E), dated the 1st March, 2002 and was last amended by Notification No. 71/2007-Customs, dated the 14th May, 2007 vide G.S.R. 355(E) dated 14th May, 2007.



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

Notification No. 74/2007-Customs

Dated 21st May, 2007

G.S.R. 366(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, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the Notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 154/94-Customs, dated the 13th July, 1994, which was published in the Gazette of India, Extraordinary vide G.S.R. 583 (E), dated the 13th July, 1994, namely :-

In the said Notification, in the Table,-

- (i) against Sl. No. 3, in condition (iv), For the words and figures "Rs. 60,000 (sixty thousand)", the words and figures "Rs. 75,000 (seventy five thousand)", shall be substituted;
- (ii) against Sl. No. 3, in condition (v), in item (A), in sub-item (b), For the words and figures "Rs. 60,000 (sixty thousand)", the words and figures "Rs. 75000 (seventy five thousand)" shall be substituted.

Sd/-

(JAGMOHAN SINGH)

Under Secretary to the Government of India

[F. No. 605/05/2007-DBK]

Note : The principal Notification No.154/94-Customs, dated the 13th July, 1994 was published in the Gazette of India, Part II, Section 3, Sub-Section (i) Extraordinary vide G.S.R. 583 (E), dated the 13th July, 1994, and was last amended by Notification No. 21/2006–Customs, dated the 28th February, 2006 vide G.S.R. 122 (E) dated the 28th February, 2006.

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

Notification No. 54/2007-Customs (N.T.)

Dated 28th May, 2007

G.S.R. (E). - In exercise of the powers conferred by Section 156 of the Customs Act, 1962 (52 of 1962) and in supersession of the Customs (Settlement of Cases) Rules, 1999, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely : -

- 1. Short title and commencement.** - (1) These rules may be called the Customs (Settlement of Cases) Rules, 2007.
(2) They shall come into force on and from the 1st day of June, 2007.
- 2. Definitions.** - In these rules, unless the context otherwise requires, -
 - (a) "Act" means the Customs Act, 1962 (52 of 1962);
 - (b) "Form SC(C)-1" means the form appended to these rules;
 - (c) 'Section' means Section of the Act ;
 - (d) words and expressions used herein and not defined but defined in the Act, shall have the meanings respectively assigned to them in the Act.
- 3. Form and manner of application.** - (1) An application under Sub-Section (1) of Section 127B shall be made in Form SC(C)-1.
(2) The application referred to in sub-rule (1), the verification contained therein and all relevant documents accompanying such application shall be signed, -
 - (a) in case of an applicant, by the applicant himself or where the applicant is absent from India, then, either by the applicant himself or by any other person duly authorized by him in this behalf and where the applicant is a minor or is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;
 - (b) in the case of a Hindu undivided family, by Karta of such family and, where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family;
 - (c) in the case of a company or local authority, by the principal officer thereof;
 - (d) in the case of a firm, by any partner thereof, not being a minor;
 - (e) in the case of any other association, by any member of the association or the principal officer thereof; and
 - (f) in the case of any other person, by that person or some person competent to act on his behalf.
(3) Every application in Form SC(C)-1 shall be filed in quintuplicate and shall be accompanied by a fee of one thousand rupees.

- (4) The additional amount of customs duty accepted by the applicant under sub Section (1) of Section 127 B , along with interest due thereon, shall be deposited by him in any of the authorised banks under TR-6 challan in quintuplicate.

4. Disclosure of information in the application for settlement of cases. -

The Settlement Commission shall, while calling for a report from the Commissioner of Customs under Sub-Section (3) of Section 127C, forward a copy of the application referred to in sub-rule (1) of rule 3 along with the annexure to the application and the statements and other documents accompanying such annexure.

5. Manner of Provisional Attachment of Property. -

- (1) Where the Settlement Commission orders attachment of property under Sub-Section (1) of Section 127D, it shall send a copy of such order to the Commissioner of Customs or the Commissioner of Central Excise having jurisdiction over the place in which the applicant owns any movable or immovable property or resides or carries on his business or has his bank account.
- (2) On receipt of the order referred to in sub-rule (1), the Commissioner may authorise any officer subordinate to him and not below the rank of an Assistant Commissioner of Customs or an Assistant Commissioner of Central Excise, as the case may be, to take steps to attach such property of the applicant.
- (3) The officer authorised under sub-rule (2) shall prepare an inventory of the property attached and specify in it, in the case of the immovable property the description of such property sufficient to identify it and in case of the movable property, the place where such property is lodged or kept and shall hand over a copy of the same to the applicant or to the person from whose charge the property is attached.
- (4) The officer authorised under sub-rule (2) shall send a copy of the inventory so prepared each to the Commissioner of Customs or the Commissioner of Central Excise, as the case may be, and also to the Settlement Commission.

6. Fee for copies of reports. - Any person who makes an application under Section 127G , for obtaining copies of reports made by any Officer of Customs, shall pay a fee of five rupees per page of each report or part thereof.

Sd/-
(VIJAY KAUSHIK)
Under Secretary to the Government of India

Form SC (C)-1

[See rule 3 of the Customs (Settlement of Cases) Rules, 2007]

Before the Customs and Central Excise Settlement Commission

_____ Bench at _____

Form of application for settlement of a case under Section 127B

1.	Full Name of the applicant	:
2.	(i) Postal address of the applicant	:
	(ii) E-mail address of the applicant, if any	:
3.	(i) Address for communication	:
	(ii) Telephone No.	:
4.	(i) Permanent Account No.	:
	(ii) IEC No.	:
	(iii) Status	: [see note 2]
5.	(i) Commissioner of Customs having jurisdiction over the applicant	:
	(ii) Postal address of the Commissioner of Customs having jurisdiction over the applicant	:
6.	Details of the Show Cause Notice issued to the applicant	
	(a) Show Cause Notice No. and date	
	(b) Period of dispute in the notice	
	(c) Duty demanded in the notice (in Rs.)	
	(d) Dispute in connection with which the application for settlement is made.	
	(e) Adjudicating authority before whom the notice is pending adjudication.	
7.	(i) Whether Bill(s) of Entry or Shipping Bill(s), as the case may be, showing full particulars of the goods and customs duty paid was/were filed.	
	(ii) Whether the disputed goods were entered in the Bill(s) of Entry or Shipping Bill(s). If so, details thereof.	
	Note : Self-attested copies of relevant Bill(s) of Entry/Shipping Bill(s) to be enclosed.	
8.	Date of seizure, if any.	
9.	Brief facts of the case and particulars of the issues to be settled.	
10.	(a) Amount of duty accepted as payable for settlement. (in Rs.)	
	(b) Interest on the said admitted duty.(in Rs.)	
11.	Payment details of the duty accepted, by the applicant along with interest as at (10) above. (TR-6 Challan No. and date).	

12.	Whether any application for settlement has been filed by the applicant before any Bench of Settlement Commission on or before 31st May, 2007, if so, details thereof : (a) Application No. and date (b) Amount admitted for settlement (c) Details of final order of the Commission (d) Whether settlement amount has been paid in terms of the order
13.	Whether any application for settlement (other than the present one) has been filed by the applicant before any Bench of Settlement Commission on or after 1st June, 2007. If yes, the following information may be provided : (a) Application No. and date (b) Show cause notice No. and date (c) Amount of admitted duty (d) Issue involved (e) Status of the application, if decided, then (i) Settlement order No. and date (ii) Details of deposit of settlement amount
14.	If any other application, filed by the applicant, on or after 1st June, 2007, is pending before the Settlement Commission, then whether the present application for settlement involves issue identical to the issue in respect of which the other application is pending before the Settlement Commission as on date.

Signature of the applicant

Verification

I.....son/daughter/wife of.....residing at..... do solemnly declare that I am making this application in my capacity as. and I am competent to verify it.

That the contents of this application are true and that I have not filed any application for settlement in contravention of the provisions of the Chapter XIVA of the Customs Act, 1962 before the Settlement Commission and also that no information relevant to the facts of the case has been suppressed. Annexures of the documents accompanying the application are true copies of the originals and the tables showing financial transactions are correct and are duly attested by me.

That no proceeding in respect of the case for which settlement is being sought, is pending before Commissioner (Appeal), Customs, Excise and Service Tax Appellate Tribunal or the courts, as the case may be, or has been remanded back to the adjudicating authority by the said appellate authorities.

Verified today the.....day of..... (mention the month and year) at(mention the place)

Deponent

Note :

1. The application fee should be credited in a branch of the authorized bank or a branch of the State Bank of India or a branch of Reserve Bank of India and the triplicate copy of the challan sent to the Settlement Commission with the application. The Settlement Commission will not accept cheques, drafts, hundies or other negotiable instruments.
2. Please state whether individual, Hindu undivided family, company, firm, an association of persons, etc.
3. Details of the additional amount of Customs duty accepted as payable and interest thereon referred to in item 10 of the application shall be furnished in annexure to this application.
4. Original copy of the TR-6 challan indicating amount of duty accepted as payable for settlement and interest thereon, referred to in item 10, be retained by the applicant, duplicate be endorsed to Customs Officer having jurisdiction over the applicant, triplicate be endorsed to the jurisdictional Chief Accounts Officer of the Customs Commissionerate, quadruplicate be retained by the bank and quintuplicate copy be enclosed with this application form.

Annexure

Statement containing particulars, referred to in item 9 of the application made under Section 127B(1).

1. Details of information which has not been correctly declared in the Bill of Entry/Shipping Bill ;
2. Duty liability accepted to be payable out of the total duty demanded in the show cause notice issued and the manner in which such duty liability has been derived;
3. Full and true disclosure of the facts regarding the issues to be settled, including the terms of settlement sought for by the applicant.

Signature of the applicant

Place :

Date :

F. No. 605/66/2006-DBK
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi

Circular No. 21/2007-Cus.

Dated 8th May, 2007

Scope and coverage of goods imported under Target Plus Scheme – clarification reg.

I am directed to invite your attention to the above mentioned subject. The Target Plus Scheme (TPS) for the Star Export Houses was introduced in the Foreign Trade Policy (FTP) which came into force on 01.9.2004. Under the scheme the exporter gets entitled to rewards in the form of duty free credit based on incremental exports. In terms of para 3.7.6 of the FTP the duty credit may be used for import of any **inputs**, capital goods including spares, office equipment, professional equipment and office furniture provided the same is freely importable, **for their own use or that of the supporting manufacturer(s)**. In terms of para 3.2.5 (II) of the Handbook of Procedures, Vol. I (2005 edition), goods imported under this scheme shall have a 'broad nexus' with the products exported. In terms of condition No. 3 of Notification Nos. 32/2005-Cus dt. 8.4.2005 and 73/2006-Cus. dated 10.7.2006 the certificate and the goods imported against it shall not be transferred or sold.

2. It has been brought to the notice of the Ministry by the trade that some exporters had obtained duty credit certificates against exports of rice and using these certificates they have imported almonds which, after removal of the shells, have been sold in the market without payment of duty. As dry fruits/almonds cannot be used in the processing/manufacture of rice, it is alleged that the condition of 'broad nexus' stipulated in the Handbook is not fulfilled. The 'actual-user' condition specified in the Policy and the Customs Notification is also violated because almonds, after removal of shells, are being sold in the open market. It has been alleged that the act of importation of almonds which are neither inputs nor capital goods in relation to rice is nothing but misuse of the TPS.

3. The matter has been examined in consultation with the Ministry of Law (MOL). After examination of the provisions of Para 3.7.6 of the FTP and Para 3.2.5 (II) of the HBP, the MOL has opined that the FTP does not use the expression "broad nexus" and, therefore, the same cannot be dissociated from the words "input" and "use" mentioned in the Policy. The MOL has categorically stated that the addition in Para 3.2.5 (II) of the HBP is to facilitate the search for "inputs" and "use" and any interpretation so as to dissociate the import from the "inputs" and "use" in the export goods would make it ultra vires the FTP. The MOL has further stated that the words "inputs" and "use" can not be brushed aside and have to be in focus for the intended import. Together these words indicate that the item sought to be imported should be an "input" in the manufacture of the exported items which is required for "use" by the exporter or the supporting manufacturer, as the case may be. For this purpose, the intended input must have a relationship with the export product. Whereas SION will act as a prima facie evidence of the inputs, the exporter is not debarred from satisfying the authorities that there is a broad nexus between the intended import item as an input with the export product, both falling within the same product group. Ignoring to give effect to the words "inputs" in the beginning and "own use" towards the end in Para 3.7.6 of the FTP would mean to render a part of it redundant and would not be in keeping with the objective and framework of the scheme.

4. In the light of this, the Ministry of Law has clarified that the holder of TPS certificate is permitted to import an item under the TPS and get the same processed into possible resultant products only if the same has a 'broad nexus' with the product group as an **input** in the export product and is required to be **used as an input** in the product exported for which TPS benefit is sought. The Ministry of Law has also clarified that the term '**broad nexus' with the product group is in addition to and not in substitution of the words "inputs" and "own use" in Para 3.7.6 of the Scheme.**



5. The Ministry has accepted the aforesaid opinion of the Ministry of Law. Accordingly, import of goods against TPS certificates may be allowed keeping in view the said opinion discussed in paragraphs 3 and 4 above.

6. These instructions may be brought to the notice of the trade by issuing suitable Trade/Public Notices. Suitable Standing orders/instructions may be issued for the guidance of the assessing officers. Difficulties faced, if any in implementation of the Circular may please be brought to the notice of the Board at an early date.

Sd/-
(ANURAG BAKSHI)
S.T.O. (DBK)



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

Notification No. 20/2007-Central Excise (N.T.)

Dated 19th April, 2007

Export under bond except to Nepal to Bhutan - Interest payment clause amended

In exercise of the powers conferred by rule 19 of the Central Excise Rules, 2002, the Central Government hereby makes the following further amendment in the Notification of the Government of India in the Ministry of Finance (Department of Revenue, No. 42/2001-CE (N.T) dated the 26th June, 2001 published in the Gazette of India, Extraordinary, No. 471(E), dated the 26th June, 2001 (hereinafter referred to as the said Notification), namely :-

In the said Notification,

- (i) in paragraph 2, in clause (v), in sub-clause (b), for the words "interest at the rate of twenty four percent per annum", the words "interest prescribed under section 11AB of the Central Excise Act, 1944" shall be substituted.
- (ii) in Annexure-II, in clause (d), for the words "twenty four per cent interest per annum", the words "interest prescribed under Section 11AB of the Central Excise Act, 1944" shall be substituted.

Sd/-

(RAHUL NANGARE)

Under Secretary to the Government of India

[F.No. 201/46/2006-CX. 6]

Note : The principal Notification No. 42/2001-CE(NT) dated the 26th June, 2001 was published in the Gazette of India, Extraordinary, vide number G.S.R. 471(E) dated the 26th June, 2001 and was last amended vide notification No. 18/2007-CE(N.T.), dated the 8th March, 2007 vide number G.S.R. 183(E), dated the 8th March, 2007.



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

Notification No. 21/2007-Central Excise (N.T.)

Dated 19th April, 2007

Export under bond except to Nepal to Bhutan - Interest payment clause amended

In exercise of the powers conferred by rule 19 of the Central Excise Rules, 2002, the Central Government hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue, No. 45/2001-CE (N.T) dated the 26th June, 2001 published in the Gazette of India, Extraordinary, No. 474(E), dated the 26th June, 2001.

In the said Notification, in paragraph 2, sub-paragraph (3) in clause (ii), for the words "along with twenty four percent interest thereon", the words "along with interest prescribed under section 11AB of the Central Excise Act, 1944 thereon" shall be substituted.

Sd/-

(RAHUL NANGARE)

Under Secretary to the Government of India

[F. No. 201/46/2006-CX. 6]

Note : The principal Notification No. 45/2001-CE(NT) dated the 26th June, 2001 was published in the Gazette of India, Extraordinary, vide number G.S.R. 474(E) dated the 26th June, 2001 and was last amended vide Notification No. 03/2003-CE(N.T.) dated the 30th January, 2003 vide number G.S.R. 68(E), dated the 30th January, 2003.

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

Notification No. 23/2007-Central Excise (N.T.)

Dated 19th April, 2007

Form E. R-2 amended

In exercise of the powers conferred by sub-rule (3) of rule 17 of the Central Excise Rules, 2002, and sub-rule (7) of rule 9 of the CENVAT Credit Rules, 2004, the Central Board of Excise and Customs hereby makes the following amendments in the notification of the Ministry of Finance (Department of Revenue), No. 26/2004-Central Excise (N.T) dated the 27th September, 2004 published in the Gazette of India vide G.S.R. 644(E), dated the 27th September, 2004 (hereinafter referred to as the said Notification), namely :-

In the said Notification, for table given at Sr. No. 6 of Form E.R-2, the following table shall be substituted, namely :-

“6. Details of CENVAT credit availed and utilized :

<i>Details of Credit</i>	<i>CENVAT (Rs.)</i>	<i>AED (TTA) (Rs.)</i>	<i>NCCD (Rs.)</i>	<i>ADET (Rs.)</i>	<i>Education Cess on excisable goods (Rs.)</i>	<i>Secondary and Higher Education Cess on Excisable goods (Rs.)</i>	<i>Service Tax (Rs.)</i>	<i>Education Cess on taxable services (Rs.)</i>	<i>Secondary and Higher Education Cess on Taxable services (Rs.)</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Opening balance									
Credit availed on inputs									
Credit availed on capital goods									
Credit availed on input services									
Total credit availed									
Credit utilized for payment of duty on goods									
Credit utilized when inputs or capital goods are removed as such									
Credit utilized for payment of duty on services									
Closing balance									

Sd/-
(RAHUL NANGARE)
Under Secretary to the Government of India

[F.No. 201/46/2006-CX. 6]

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

Notification No. 28/2007-Central Excise (N.T.)

Dated 28th May, 2007

G.S.R. (E). - In exercise of the powers conferred by Section 37 of the Central Excise Act, 1944 (I of 1944) and in supersession of the Central Excise (Settlement of Cases) Rules, 2001, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely :-

- 1. Short title and commencement.** - (1) These rules may be called the Central Excise (Settlement of Cases) Rules, 2007.
(2) They shall come into force on and from the 1st day of June, 2007.
- 2. Definitions.** - In these rules, unless the context otherwise requires, -
 - (a) "Act" means the Central Excise Act, 1944 (1 of 1944);
 - (b) "Form SC(E)-1" means the form appended to these rules;
 - (c) 'Section' means Section of the Act;
 - (d) words and expressions used herein and not defined but defined in the Act, shall have the meanings respectively assigned to them in the Act.
- 3. Form and manner of Application.** - (1) An application under Sub-Section (1) of Section 32E shall be made in Form SC(E)-1.
(2) The application referred to in sub-rule (1), the verification contained therein and all relevant documents accompanying such application shall be signed, -
 - (a) in the case of an individual, by the individual himself or where the individual is absent from India, by the individual concerned or by some person duly authorized by him in this behalf; and where the individual is a minor or is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;
 - (b) in the case of a Hindu undivided family, by the *Karta* of such family and, where the *Karta* is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family;
 - (c) in the case of a company or local authority, by the principal officer thereof;
 - (d) in the case of a firm, by any partner thereof, not being a minor;
 - (e) in case of any other association, by any member of the association or the principal officer thereof; and
 - (f) in the case of any other person, by that person or some person competent to act on his behalf.

- (3) Every application in Form SC(E)-1 shall be filed in quintuplicate and shall be accompanied by a fee of one thousand rupees.
- (4) The additional amount of excise duty accepted by the applicant under Sub-Section (1) of Section 32E, along with interest due thereon, shall be deposited by him in any of the authorized bank under TR-6 challan in quintuplicate.

4. **Disclosure of information in the application for settlement of cases.** - The Settlement Commission shall, while calling for a report from the Commissioner of Central Excise under Sub-Section (3) of Section 32F, forward a copy of the application referred to in sub-rule (1) of rule 2 along with the annexure to the application and the statements and other documents accompanying such annexure.

5. **Manner of Provisional Attachment of Property.** -

- (1) Where the Settlement Commission orders attachment of property under Sub-Section (1) of Section 32G, it shall send a copy of such order to the Commissioner of Central Excise having jurisdiction over the place in which the applicant owns any movable or immovable property or resides or carries on his business or has his bank account.
- (2) On receipt of the order referred to in sub-rule (1), the Commissioner may authorise any officer subordinate to him and not below the rank of an Assistant Commissioner of Central Excise to take steps to attach such property of the applicant.
- (3) The officer authorised under sub-rule (2) shall prepare an inventory of the property attached and specify in it, in the case of the immovable property the description of such property sufficient to identify it and in case of the movable property, the place where such property is lodged or kept and shall hand over a copy of the same to the applicant or to the person from whose charge the property is attached.
- (4) The officer authorised under sub-rule (2) shall send a copy of the inventory so prepared each to the Commissioner of Central Excise and the Settlement Commission.

6. **Fee for Copies of reports.** – Any person who makes an application under Section 32J, for obtaining copies of reports made by any Central Excise Officer, shall pay a fee of five rupees per page of each report or part thereof.

Sd/-

(VIJAY KAUSHIK)

Under Secretary to the Government of India

(F. No. 275/59/2006 CX8A Pt)

Form SC (E)-1

[See rule 3 of the Central Excise (Settlement of Cases) Rules, 2007]

Before the Customs and Central Excise Settlement Commission

_____ Bench at _____

Form of application for settlement of a case under Section 32E

1.	Full Name of the applicant	:
2.	(i) Postal address of the applicant	:
	(ii) E-mail address of the applicant, if any	:
3.	(i) Address for communication	:
	(ii) Telephone No.	:
4.	(i) Permanent Account No.	:
	(ii) IEC No.	:
	(iii) Status	: [see note 2]
5.	(i) Commissioner of Central Excise having jurisdiction over the applicant :	
	(ii) Postal address of the Commissioner of Central Excise having jurisdiction over the applicant :	
6.	Details of the Show Cause Notice issued to the applicant	
	(a) Show Cause Notice No. and date	
	(b) Period of dispute in the notice	
	(c) Duty demanded in the notice (in Rs.)	
	(d) Dispute in connection with which the application for settlement is made.	
	(e) Adjudicating authority before whom the notice is pending adjudication.	
7.	(i) Whether monthly returns showing production, clearance and central excise duty paid were filed for the period of dispute :	
	(ii) Whether the disputed goods were entered in the daily stock register. If so, details thereof.	
	Note : Self-attested copies of relevant monthly returns and the daily stock account/register to be enclosed.	
8.	Date of seizure, if any.	
9.	Brief facts of the case and particulars of the issues to be settled.	
10.	(a) Amount of duty accepted as payable for settlement. (in Rs.)	
	(b) Interest on the said admitted duty. (in Rs.)	
11.	Payment details of the duty accepted, by the applicant along with interest as at (10) above. (TR-6 Challan No. and date).	

12.	Whether any application for settlement has been filed by the applicant before any Bench of Settlement Commission on or before 31st May, 2007, if so, details thereof : (a) Application No. and date (b) Amount admitted for settlement (c) Details of final order of the Commission (d) Whether settlement amount has been paid in terms of the order
13.	Whether any application for settlement (other than the present one) has been filed by the applicant before any Bench of Settlement Commission on or after 1st June, 2007. If yes, the following information may be provided : (a) Application No. and date (b) Show cause notice No. and date (c) Amount of admitted duty (d) Issue involved (e) Status of the application, if decided, then (i) Settlement order No. and date (ii) Details of deposit of settlement amount
14.	If any other application, filed by the applicant, on or after 1st June, 2007, is pending before the Settlement Commission, then whether the present application for settlement involves issue identical to the issue in respect of which the other application is pending before the Settlement Commission as on date.

Signature of the applicant

Verification

I.....son/daughter/wife of residing at..... do solemnly declare that I am making this application in my capacity as.....and I am competent to verify it.

That the contents of this application are true and that I have not filed any application for settlement in contravention of the provisions of the Chapter V of the Central Excise Act 1944 before the Settlement Commission and also that no information relevant to the facts of the case has been suppressed. Annexures of the documents accompanying the application are true copies of the originals and the tables showing financial transaction are correct and are duly attested by me.

That no proceeding in respect of the case for which settlement is being sought, is pending before Commissioner (Appeal), Customs, Excise and Service Tax Appellate Tribunal or the courts, as the case may be, or has been remanded back to the adjudicating authority by the said appellate authorities.

Verified today the.....day of.....(mention the month and year) at(mention the place)

Deponent

Note :

1. The application fee should be credited in a branch of the authorized bank or a branch of the State Bank of India or a branch of Reserve Bank of India and the triplicate copy of the challan sent to the Settlement Commission with the application. The Settlement Commission will not accept cheques, drafts, hundies or other negotiable instruments.
2. Please state whether individual, Hindu undivided family, company, firm, an association of persons, etc.
3. Details of the additional amount of Central Excise duty accepted as payable and interest thereon referred to in item 10 of the application shall be furnished in annexure to this application.
4. Original copy of the of the TR-6 challan indicating amount of duty accepted as payable for settlement and interest thereon referred to in item 10 be retained by the applicant, duplicate be endorsed to Central Excise Officer having jurisdiction over the applicant, triplicate be endorsed to the jurisdictional Chief Accounts Officer of the Central Excise Commissionerate, quadruplicate be retained by the bank and quintuplicate copy be enclosed with this application form.

Annexure

Statement containing particulars, referred to in item 9 of the application made under Section 32E(1).

1. Details of information which has not been correctly declared in the monthly return;
2. Duty liability accepted out of the total duty demanded in the show cause notice issued and the manner in which such duty liability has been derived;
3. Full and true disclosure of the facts regarding the issues to be settled including the terms of settlement sought for by the applicant.

Signature of the applicant

Place :

Date :



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

Notification No. 29/2007-Central Excise (N.T.)

Dated 6th June, 2007

G.S.R. 416(E).- In exercise of the powers conferred by Sub-Section (1) and Sub-Section (2) of section 4A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the Notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 2/2005-Central Excise (N.T.), dated the 7th January, 2005 which was published in the Gazette of India Extraordinary, vide number G.S.R. 10(E), dated the 7th January, 2005, namely :-

- (i) for the word "Chapter", wherever it occurs, the words "Chapter or Heading No." shall be substituted;
- (ii) in the said Notification, in the Table,-
 - (a) against S. No. 1, for the entry in column (2), the entry "3003 or 3004" shall be substituted;
 - (b) against S. No. 2, for the entry in column (2), the entry "3003 or 3004" shall be substituted.

Sd/-

(DILIP GOYAL)

Under Secretary to the Government of India

[F.No. 102/01/2007-CX-3]

Note : The principal Notification No. 2/2005-Central Excise (N.T.) dated the 7th January, 2005 was published in the Gazette of India, vide number G.S.R. 10(E), dated the 7th January, 2005 and was last amended vide Notification No. 28/2006-Central Excise (N.T.) dated 29th December, 2006, vide number G.S.R. 777(E), dated the 29th December, 2006.



**F. No. 209/02/2007-CX-6
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Circular No. 852/10/2007-CX

Dated 31st May, 2007

**Export Warehousing-specifying class of exporters under sub-rule 2 of Rule 20 of the
Central Excise Rules, (No. 2) 2001 read with Notification No. 46/2001-CE(NT) dated 26.06.2001.**

I am directed to refer to Board's Circular No. 581/18/2001-CX dated 29th June, 2001, as amended by circular No. 832/09/2006-Cx dated 04.09.2006. This circular interalia specifies conditions, procedures, class of exporters and places under sub-rule (2) of rule 20 of Central Excise Rules, 2002 for warehousing of excisable goods for the purpose of export. Vide para 2(1) of the said Circular, Board has specified the class of exporters who are eligible for availing this facility under Notification No. 46/2001-CE (NT) dated 26.06.2001.

2. The Foreign Trade Policy, 2004-09 has been amended to rename certain categories of exporters such as "One Star Export House", "Two Star Export House", "Three Star Export House", "Four Star Export House" and "Five Star Export House" respectively. Accordingly the said circular is required to be suitably amended. Therefore, in order to align the provisions of the departmental circular with that of the Foreign Trade Policy, 2004-09, para 2(1) of the aforesaid Circular is being suitably amended as follows :

- (1) *Exporters* : "The exporters who have been accorded status of Star Export House and above as per the provisions of the Foreign Trade Policy, 2004-09; the foreign departmental stores of repute and the automobiles manufacturers who have signed Memorandum of Understanding with Directorate General of Foreign Trade in the Ministry of Commerce and Industry."

3. Trade & field formations may please be informed suitably.

Sd/-

(RAHUL NANGARE)

Under Secretary to the Government of India

**F. No. B1/16/2007-TRU
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Dated 22nd May, 2007

Post Budget 2007-08 Notifications to give effect to the provisions of the Finance Act, 2007 - regarding.

The Finance Bill, 2007 received the assent of the President of India on the 11th May, 2007 and the corresponding Act is published in the Gazette of India dated 12th May, 2007 as Act No. 22 of 2007.

2. Certain provisions relating to the levy of service tax in the Finance Act, 2007 shall come into force from a date to be notified. For this purpose, Notifications No. 23/2007 to 32/2007-Service Tax, all dated 22nd May, 2007 have been issued.
3. Seven services which are specifically mentioned in the category of taxable services and amendments made relating to existing taxable services shall come into effect from the 1st June, 2007. In other words, changes made in the Budget 2007-08 relating to scope and coverage of taxable services will be effective from 01.06.07 [Notification No. 23/2007-Service Tax dated 22.05.07].
4. Section 65 defines taxable services and various terms used in relation to taxable services. Section 66 is the charging Section and provides for levy of service tax on taxable services. These two Sections have been amended in the Finance Act, 2007 and these amendments shall come into effect from 01.06.07 [Notification No. 23/2007-Service Tax dated 22.05.07].
5. Seven services which are specifically mentioned in the category of taxable services are :
 - (i) Service provided by a telegraph authority in relation to telecommunication service [sub-clause (zzzx) of Section 65(105)];
 - (ii) Service provided in relation to mining of mineral, oil or gas [sub-clause (zzzy) of Section 65(105)];
 - (iii) Service provided in relation to renting of immovable property for use in the course or furtherance of business or commerce [sub-clause (zzzz) of Section 65(105)];
 - (iv) Service provided in relation to the execution of a works contract [sub-clause (zzzza) of Section 65(105)];
 - (v) Service provided in relation to development and supply of content for use in telecom services, advertising agency services and on-line information and database access or retrieval services [sub-clause (zzzzb) of Section 65(105)];
 - (vi) Service provided by any person, except a banking company or a financial institution including a non-banking financial company or any other body corporate or commercial concern, in relation to asset management including portfolio management and all forms of fund management [sub-clause (zzzzc) of Section 65(105)]; and
 - (vii) Service provided in relation to design services [sub-clause (zzzzd) of Section 65(105)].
6. Following amendments have been made relating to existing taxable services :
 - (i) Exclusion of business directories, yellow pages and trade catalogues which are primarily meant for commercial purposes from the scope of the definition of "Book" under sale of space or time for advertisement service [Section 65(105)(zzzm)];
 - (ii) Inclusion of motor vehicles capable of carrying more than twelve passengers for hire or reward, other than such motor vehicle and maxicab rented to an educational body, imparting skill or knowledge or lessons on any subject or field, other than a commercial training or coaching centre, within the definition of "cab" under rent-a-cab service [Section 65(20)];
 - (iii) Insertion of explanation under mandap keeper service [Section 65(66) and 65(67)] and pandal or shamiana contractor service [Section 65(77a)] stating that social function appearing in these two taxable services includes marriage functions also;

- (iv) Inclusion of marriage event within the scope of event management service [Section 65(40)];
- (v) Insertion of explanation under manpower recruitment or supply service [Section 65(105)(k)] to clarify that manpower recruitment or supply agency service includes services in relation to pre-recruitment screening, verifying the credentials of the candidate, authenticity of documents submitted by the candidates and verification of antecedents;
- (vi) Banking and other financial services :
 - a. Substitution of the words “any other person” with “commercial concern” in the definition of taxable service of banking and other financial services [Section 65(105)(zm)] and also in the definition of banking and other financial services [Section 65(12)],
 - b. Inclusion of cash management services within the scope by deleting the specific exclusion [Section 65(12)], and
 - c. Insertion of explanation to explain the term “financial leasing” [Section 65(12)];
- (vii) Renaming of management consultant’s service as management or business consultant’s service [Section 65(105)(r)], and inclusion of business consultancy in the definition itself [Section 65(65)];
- (viii) Inclusion of exclusion of computer hardware engineering consultancy under consulting engineer service by deleting the specific exclusion [Section 65(105)(g)];
- (ix) Clarification that “goods” for the purposes of this service includes computer software under management, maintenance or repair service [Section 65(64)].

Amendment to Rules :

7. In view of the merger of various telecommunication related taxable services into “telecommunication service”, Notification No. 36/2004-Service Tax dated 31.12.04 and Rule 2(1)(d)(i) of the Service Tax Rules, 1994 have been amended so as to substitute the reference to various telecommunication related taxable services, namely telephone connection, pager, leased circuit, communication through telegraph, communication through telex and facsimile communication, with the merged “telecommunication service” [Notification No. 27/2007-Service Tax dated 22.05.07 & Notification No. 28/2007-Service Tax dated 22.05.07]. Amendment is consequential.

7.1 Export of Services Rules, 2005 and the Taxation of Services (Provided from Outside India and Received in India) Rules, 2006 have been amended so as to categorise the newly specified taxable services under Rule 3 [Notification No. 30/2007-Service Tax dated 22.05.07 & Notification No. 31/2007-Service Tax dated 22.05.07]. Taxable services have been categorised as under :

Sr. No.	Name of Taxable Service	Sub-clause of Section 65(105)	Export of Services Rules, 2005	Taxatio of Services (Provided from Outside India and Received in India) Rules, 2006
1.	Telecommunication service	zzzx	Category 3 [Rule 3(1)(iii)]	Category 3 [Rule 3(iii)]
2.	Mining of mineral, oil or gas	zzzy	Category 1 [Rule 3(1)(i)]	Category 1 [Rule 3(i)]
3.	Renting of immovable property	zzzz	Category 1 [Rule 3(1)(i)]	Category 1 [Rule 3(i)]
4.	Works contract service	zzzza	Category 1 [Rule 3(1)(i)]	Category 1 [Rule 3(i)]
5.	Development and supply of content	zzzzb	Category 3 [Rule 3(1)(iii)]	Category 3 [Rule 3(iii)]
6.	Asset management	zzzzc	Category 3 [Rule 3(1)(iii)]	Category 3 [Rule 3(iii)]
7.	Design services	zzzzd	Category 3 [Rule 3(1)(iii)]	Category 3 [Rule 3(iii)]

Exemption from Service Tax :

8. Notification No. 24/2007-Service Tax, dated 22.05.07 exempts taxable service provided by any person in relation to renting of immovable property from service tax equivalent to service tax payable on the amount of property tax, actually paid by the service provider to the local authority. In other words, service tax is payable on the rental amount received less the actual amount of property tax paid.
- 8.1 However, any amount such as interest, penalty paid to the local authority by the service provider on account of delayed payment of property tax or any other reasons can not be treated as property tax for the purpose of this exemption and hence, deduction of such amount from the gross amount charged shall not be allowed.
- 8.2 If property tax is paid for a period which is different from the rental period, property tax proportionate to the rental period shall be calculated and the amount so calculated shall be excluded from the rental amount received for the purpose of levy of service tax.
- 8.3 There may be a situation where property tax is paid after the payment of service tax on the rental. As a result, deduction of property tax paid from rental could not be availed of at the time of payment of service tax. In such cases, Rule 4C of the Service Tax Rules, 1994 provides self-adjustment of excess service tax paid without any limit [Notification No. 24/2007-Service Tax, dated 22.05.07].
- 8.4 Construction of ports is specifically exempted from levy of service tax under commercial or industrial construction service [Section 65(25b)] vide Notification No. 16/2005-Service Tax, dated 07.06.05. Construction of ports under the newly introduced commercial or industrial construction service provided in relation to the execution of works contract under Section 65(105)(zzzza) has also been exempted. Accordingly, Notification No. 16/2005-Service Tax, dated 07.06.05 has been rescinded and a combined Notification No. 25/2007-Service Tax dated 22.05.07 has been issued exempting commercial or industrial construction service, and services provided in relation to the execution of works contract, provided to any person by any other person in relation to construction of a port or other port. However, services such as completion and finishing, repair, alteration, renovation, restoration, maintenance or repair provided in relation to existing port or other port shall be outside the scope of this exemption and hence, leviable to service tax.

Optional Composition Scheme for Works Contract :

9. Services provided in relation to the execution of a works contract [Section 65(105) (zzzza)] is a taxable service. Works contract for the purposes of levy of service tax has been defined to mean a contract wherein :
 - (i) transfer of property in goods involved in the execution of such contract is leviable to tax as sale of goods, and
 - (ii) such contract is for the purposes of carrying out, -
 - (a) erection, commissioning or installation,
 - (b) commercial or residential construction and related completion and finishing services, and
 - (c) turnkey projects including engineering, procurement and construction or commissioning (EPC) projects.
- 9.1 Works contract is a composite contract for supply of goods and services. A composite works contract is vivisected and,-
 - (i) VAT/sales tax is leviable on transfer of property in goods involved in the execution of works contract [Art. 366(29A)(b) of the Constitution of India], and
 - (ii) service tax will be leviable on services provided in relation to the execution of works contract.

- 9.2 Service tax is chargeable on the gross amount charged by the service provider for the taxable services provided (Section 67). In the case of works contract, the taxable value of services is to be determined by vivisectioning the composite works contract. Rule 2A of Service Tax (Determination of Value) Rules, 2006 [Notification No. 29/2007-Service Tax dated 22.05.07], provides that value of works contract service shall be equivalent to the gross amount charged for the works contract less the value of transfer of property in goods involved in the execution of the said works contract. Thus, wherever the service provider maintains records, the value of services shall be the gross amount charged for the works contract less the value of transfer of property in goods involved in the execution of the works contract.
- 9.3 Wherever VAT/sales tax on transfer of property in goods involved in the execution of works contract is paid on actual value, the same value is also taken for the purpose of determining the value of works contract service. In other cases, value of works contract service shall be determined based on the actuals. It has also been explained that value of works contract service shall include :
- (i) labour charges for execution of the works;
 - (ii) amount paid to a sub-contractor for labour and services;
 - (iii) charges for planning, designing and architect's fees;
 - (iv) charges for obtaining on hire or otherwise, machinery and tools used for the execution of the works contract;
 - (v) cost of consumables such as water, electricity, fuel, used in the execution of the works contract, the property in which is not transferred in the course of execution of a works contract;
 - (vi) cost of establishment of the contractor relating to supply of labour and services;
 - (vii) other similar expenses relating to supply of labour and services; and
 - (viii) profit earned by the service provider relating to supply of labour and services;
- 9.4 If the gross amount charged for the works contract is inclusive of VAT or sales tax, the value for the purposes of service tax shall be computed as follows :
- [Gross amount charged – (Value of transfer of property in goods involved in the execution of works contract and VAT or sales tax paid, if any, on the said transfer of property in goods involved in the execution of the said works contract)].
- 9.5 As a trade facilitation measure and also for ease of administrative convenience, the service provider has been given an option to adopt the composition scheme for payment of service tax on works contract service. The Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007 has accordingly been notified vide Notification No. 32/2007-Service Tax dated 22.05.07.
- 9.6 The scheme provides that the service provider shall have an option to pay an amount equivalent to two per cent. of the gross amount charged for the works contract instead of paying service tax at the rate specified in Section 66. Gross amount charged for the works contract shall not include VAT or sales tax paid on transfer of property in goods involved in the execution of the said works contract. The provider of taxable service opting to pay service tax under the said composition scheme is not entitled to take CENVAT credit of duty on inputs, used in or in relation to the said works contract, under the provisions of CENVAT Credit Rules, 2004.
- 9.7 The provider of taxable service who opts to pay service tax under these rules shall exercise such option in respect of a works contract prior to payment of service tax in respect of the said works contract and the option so exercised shall be applicable for the entire works contract and cannot be withdrawn until the completion of the said works contract.

- 9.8 Presently, erection, commissioning or installation service [Section 65(105)(zzd)], commercial or industrial construction service [Section 65(105)(zzq)] and construction of complex service [Section 65(105)(zzzh)] are separate taxable services.
- 9.9 Various trade and industry associations have raised apprehension in respect of classification of a contract either under the newly introduced works contract service or under erection, commissioning or installation and commercial or residential construction services.
- 9.10 Contracts which are treated as works contract for the purpose of levy of VAT/sales tax shall also be treated as works contract for the purpose of levy of service tax. This is clear from the definition under Section 65(105)(zzzza).
10. Changes explained above are not exhaustive and are only for the purpose of providing guidance. Explanations are not to be treated as part of the statutory provisions and do not over ride them. The statutory provisions and the relevant Notifications have to be read carefully for interpreting the law. Any problems of implementation may kindly be brought to our notice.

Sd/-
(R. SEKAR)
Joint Secretary (TRU)



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

RBI/2006-2007/428

A. P. (DIR Series) Circular No. 69

Dated 5th June, 2007

**Exim Bank's Line of Credit (LOC) of USD 8 million
to the Government of Seychelles**

Export-Import Bank of India (Exim Bank) has concluded an agreement dated July 10, 2006 with Government of Seychelles, making available to the latter, a Line of Credit (LOC) for USD 8 million (USD Eight million only), for financing purchase of essential commodities, which are eligible for export under the Foreign Trade Policy of the Government of India and the purchase of which goods may be agreed to be financed by Exim Bank under this Agreement.

2. The Credit Agreement under the LOC is effective from April 25, 2007. Under the LOC, the last date for opening Letter of Credit/Disbursements is 72 months from the effective date of Credit Agreement.

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

4. No agency commission shall be payable in respect of exports financed under the above line of credit. However, if required the exporter may use his own resources or utilize balances of his EEFC account for payment of commission in free foreign exchange. Authorised Dealer Category-I (AD Category-I) banks may allow such remittance after realisation of full payment of contract value subject to compliance with prevailing instructions on 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.

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.

Sd/-
(SALIM GANGADHARAN)
Chief General Manager

Exim Bank's authorised capital increased by Rs. 1000 crores to Rs. 2000 crores

Government of India (GOI) has notified increase in Exim Bank's authorised capital to Rs. 2000 crores. The existing authorised capital of the Bank is Rs. 1000 crores and the same has been fully subscribed by GOI. The Bank's Capital to Risk Assets Ratio (CRAR) was 16.38% as on March 31, 2007 and the total assets of the Bank were over Rs. 26,000 crores as on the same date. The Bank has completed 25 years of operations.

The Bank is rated 'AAA' by domestic credit rating agencies viz. CRISIL and IICRA. The Bank's international credit rating corresponds to the sovereign rating viz. BBB- by Standard & Poor's & Fitch Ratings and Baa3 by Moodys. The Bank issues certificates of deposit/commercial paper/bonds in the domestic market and raises loans/floating rate notes (FRNs)/bonds in the international market.

Recently, the Bank launched its Flexible Term Deposit program, through which, the depositors are entitled to automatically receive increased interest rates on their deposits with the Bank, for the residual tenor. The Bank offers 9.50% p.a. on 1-year deposits and 10% p.a. (quarterly compounded basis) on 5-year deposits. Senior citizens and persons with disabilities are entitled to additional interest of 0.5% p.a. on deposits of tenor 3-5 years.

Key areas of the Bank's lending include project exports, export lines of credit (LOCs), export-capability creation finance (project finance, asset-credit and product/R&D finance to Indian companies to enable them to enhance their competitiveness on a global scale), finance for Indian ventures overseas and for agri-business and SMEs. The Bank also offers a range of services comprising, *inter-alia*, export-marketing services and assistance to rural grassroots enterprises (under which Exim Bank helps place products of SMEs and rural products in markets overseas), bringing out publications that disseminate information on export opportunities and highlight developments that have a bearing on Indian exports.

For further information, please contact

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Steel Prices : Ex-Mandi Gobindgarh : on immediate payment basis

Mandi Gobindgarh
Open Market Rates of Rerollables (May 26, 2007)
(Inclusive of Excise Duty) (Trade Terms 1% Cash Discount)

								(Rate Rs. per Tonne)	
Ingots		Blooms							
Arc/Ind. Furnaces		Above 251 mm Bloom (HC)		28,700/-	Rej. Wheel (Big)		22,300/-		
round quality (21x25)		24,700/-	Above 251 mm Bloom (MS)		28,700/-	Rej. Wheel (Small)		22,100/-	
structural quality (28x30)		24,650/-	Bloom 160x250 mm (DSP)		29,200/-	Cut Tyre (Big)		23,300/-	
Low carbon (12x16)		25,000/-	130/135/140 mm (Tisco) MS		–	Cut Tyre (Small)		23,100/-	
Semi-low carbon (16x20)		24,700/-	150x150 mm Concast (DSP)		30,000/-	Melting Scrap (F.O.R.)			
5x6 girder quality (28x30)		24,600/-	150x150 mm MS (SAIL)		30,000/-	Rolling Mill end (Fresh)		20,300/-	
Runners/Risers		22,800/-	Bloom Cut into pcs. (MS)		29,200/-	Good Godown		18,300/-	
Bones/Clean		21,800/-	Bloom Cut into pcs. (Medium)		26,500/-	Godown Scrap		18,600/-	
			Bloom Cut into (Patra Pass)		26,500/-	Turning		18,300/-	
Billets & Squares				Slabs					
50x50x63x63x65x65 mm MS		–	Durgapur Slabs 14"x3"		–	Sponge Iron		16,400/-	
75x75x80x80x90x90 mm MS		25,000/-	Durgapur Slabs		25,000/-	Pig Iron (F.O.R.)			
100x100 mm MS		25,000/-	Bokaro Slab Heavy		25,500/-	Foundry Grade		22,000/-	
125x125 mm MS		–	Tata Concast Slab (Heavy)		25,500/-	Steel Grade		21,000/-	
100x100 mm Concast-Billets		25,100/-	Skelp Tisco		–	C.I. Turning		16,500/-	
100x100 Concast-SAIL DSP		25,000/-	Rails			Degi Scrap		19,800/-	
H.C. Billet SAIL 150x150 mm		–	Untested Rail - 75 lbs.		23,700/-	Deg Casting		27,000/-	
H.C. Billets-Tisco 75x75 mm		–	Untested Rail - 90 lbs.		23,300/-	Ingot Moulds (Old)		19,400/-	
			Untested Rail - 105 lbs.		23,300/-	Ingot Moulds (New)		26,500/-	
						Cut Ingot Moulds		19,600/-	

Open Market Rates of Finished Goods (May 26, 2007)
(Inclusive of Excise Duty) (Trade Terms 1% Cash Discount)

										(Rate Rs. per Qntl.)	
M. S. Rounds		4 mm	5 mm	6 mm	8 mm	10 mm	12 mm	16/20 mm	22/25 mm		
Mild		2780/-	2660/-	2610/-	2670/-	2710/-	2810/-	2810/-	2770/-		
Medium-Semi		–	–	–	–	2810/-	2810/-	–	–		
Zindi Pass (Drawing)		–	–	–	2810/-	2810/-	2810/-	2810/-	2770/-		
Above rates of 6 mm rounds are of length up to 14' Above 18' = 2630/-											
Heavy Rounds		28 to 53 mm	63 to 100 mm	110 to 125 mm	140 to 150 mm	165 mm	180 mm	200 mm			
Mild		2770/-	2830/-	2930/-	3030/-	3110/-	3160/-	3210/-			
M. S. Squares		4 mm	5 mm	6 mm	8 mm	10 mm	12 mm	16/20 mm	22/25 mm		
Mild		2780/-	2710/-	2610/-	2610/-	2660/-	2790/-	2790/-	2770/-		
M. S. Angles		20 mm	25 mm	32 mm	37 mm	50 mm	65 mm	75 mm	90 mm	100 mm	
3 mm		2910/-	2910/-	2810/-	2840/-	2860/-	2860/-	–	–	–	
5 mm		–	2810/-	2810/-	2790/-	2780/-	2790/-	2790/-	2850/-	2960/-	
6 mm		–	2810/-	2810/-	2790/-	2780/-	2790/-	2790/-	2850/-	2960/-	
M. S. Flats		20 mm	25 mm	32 mm	37 mm	50 mm	65 mm	75 mm	100 mm		
3 mm		2680/-	2700/-	2730/-	2740/-	2760/-	3000/-	3000/-	2980/-		
5 mm		2680/-	2790/-	2790/-	2780/-	2770/-	2770/-	2770/-	2770/-		
6 mm		2680/-	2790/-	2790/-	2780/-	2770/-	2770/-	2770/-	2770/-		
8 mm		2680/-	2790/-	2790/-	2780/-	2770/-	2770/-	2770/-	2770/-		
10 mm		–	–	2790/-	2780/-	2770/-	2770/-	2770/-	2770/-		
12/25 mm		–	–	2790/-	2780/-	2770/-	2770/-	2770/-	2770/-		
18/19 Gauge		2960/-	2960/-	2960/-	2970/-	2990/-	3030/-	3030/-	3030/-		

[Prices at other stockyards may vary]

[Source : Steel Town (Weekly), May 26, 2007]

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