

**APPENDIX TABLES**



**Table AI.1**  
**Merchandise exports, by group of products, 2006-10**  
 (US\$ and %)

|  | 2006/07          | 2007/08          | 2008/09          | 2009/10          |
|--|------------------|------------------|------------------|------------------|
| <b>Total exports (US\$ million)</b>                                  | <b>126,414.1</b> | <b>163,132.2</b> | <b>185,295.4</b> | <b>178,751.4</b> |
|  | (% of total)     |                  |                  |                  |
| Total primary products   | 33.9             | 37.3             | 31.6             | 33.0             |
| Agriculture  | 10.6             | 11.9             | 10.0             | 10.4             |
| Food   | 8.6              | 9.7              | 8.9              | 8.5              |
| 0423 Rice, milled, semi-milled                                       | 1.2              | 1.8              | 1.3              | 1.3              |
| 0813 Oil-cake, oilseed residues                                      | 1.0              | 1.2              | 1.2              | 0.9              |
| Agricultural raw material  | 2.0              | 2.2              | 1.1              | 1.9              |
| 2631 Cotton (other than linters), not carded or combed               | 1.1              | 1.3              | 0.3              | 1.1              |
| Mining   | 23.3             | 25.4             | 21.6             | 22.5             |
| Ores and other minerals  | 5.0              | 5.2              | 3.8              | 4.6              |
| 2815 Iron ores and concentrates, not agglomerated                    | 3.1              | 3.4              | 2.5              | 3.4              |
| Non-ferrous metals   | 3.3              | 2.4              | 2.4              | 1.7              |
| 6821 Copper anodes; alloys; unwrought                                | 1.5              | 1.0              | 0.5              | 0.7              |
| Fuels  | 14.9             | 17.8             | 15.3             | 16.2             |
| Manufactures   | 65.0             | 61.7             | 65.7             | 63.9             |
| Iron and steel   | 5.6              | 5.6              | 5.6              | 3.5              |
| Chemicals  | 11.4             | 11.0             | 10.6             | 11.2             |
| 5429 Medicaments, n.e.s.   | 1.7              | 1.6              | 1.7              | 2.0              |
| 5169 Organic chemicals, n.e.s.                                       | 1.5              | 1.3              | 1.3              | 1.2              |
| 5112 Cyclic hydrocarbons   | 1.0              | 0.9              | 0.7              | 0.6              |
| Other semi-manufactures  | 14.2             | 14.1             | 13.4             | 14.6             |
| 6672 Diamonds (excl. industrial, sorted) not mounted/set             | 8.4              | 8.7              | 8.6              | 10.1             |
| Machinery and transport equipment                                    | 11.1             | 11.7             | 15.3             | 13.4             |
| Power generating machines  | 0.7              | 0.8              | 0.9              | 0.8              |
| Other non-electrical machinery                                       | 3.2              | 3.4              | 3.4              | 3.0              |
| Agricultural machinery and tractors                                  | 0.3              | 0.3              | 0.2              | 0.2              |
| Office machines and telecommunication equipment                      | 0.9              | 0.9              | 2.4              | 1.8              |
| 7643 Radio or television transmission apparatus                      | 0.1              | 0.1              | 1.3              | 0.7              |
| Other electrical machines  | 2.0              | 1.9              | 2.1              | 1.9              |
| Automotive products  | 2.4              | 2.3              | 2.7              | 2.9              |
| 7812 Motor vehicles for the transport of persons, n.e.s.             | 0.9              | 0.8              | 1.3              | 1.8              |
| 7843 Other motor vehicle parts and accessories of 722, 781 to 783    | 1.0              | 0.9              | 0.8              | 0.7              |
| Other transport equipment  | 1.9              | 2.4              | 3.8              | 3.0              |
| 7932 Ships, boats, etc. (excl. pleasure craft, tugs, etc.)           | 0.6              | 0.4              | 1.3              | 0.6              |
| Textiles   | 7.1              | 6.2              | 5.2              | 5.7              |
| 6513 Cotton yarn, excluding thread                                   | 1.3              | 1.2              | 0.8              | 0.9              |
| 6531 Fabrics, woven, of synthetic filament yarn, excl. pile/chemille | 0.4              | 0.5              | 0.6              | 0.8              |
| 6585 Curtains and other textile furnishing, n.e.s.                   | 1.0              | 0.8              | 0.6              | 0.7              |
| Clothing   | 7.5              | 6.3              | 6.3              | 6.4              |
| 8454 T-shirts, singlets and other vests, knitted or crocheted        | 1.2              | 1.0              | 1.0              | 0.9              |
| 8427 Blouses/shirts, women's/girl's, not knitted/crocheted           | 0.9              | 0.7              | 0.7              | 0.8              |
| Other consumer goods   | 8.0              | 6.8              | 9.1              | 9.1              |
| 8973 Jewellery of gold, silver or platinum metals (except watches)   | 3.9              | 3.0              | 5.6              | 5.5              |
| 8514 Other footwear, leather or composition leather uppers           | 0.6              | 0.6              | 0.6              | 0.7              |
| Other  | 1.2              | 1.0              | 2.7              | 3.1              |

Source: WTO calculations, based on Department of Commerce online information, "Export Import Data Bank".  
 Viewed at: <http://commerce.nic.in/eidb/default.asp> [24 February 2011].

**Table AI.2**  
**Merchandise imports, by group of products, 2006-10**  
(US\$ million and %)

|  | 2006/07          | 2007/08          | 2008/09          | 2009/10          |
|--|------------------|------------------|------------------|------------------|
| <b>Total imports (US\$ million)</b>  | <b>185,735.2</b> | <b>251,654.0</b> | <b>303,696.3</b> | <b>288,372.9</b> |
|  |                  | (% of total)     |                  |                  |
| Total primary products   | 44.7             | 44.2             | 44.1             | 43.7             |
| Agriculture  | 5.0              | 4.3              | 3.8              | 5.7              |
| Food   | 3.3              | 2.7              | 2.4              | 4.1              |
| 4222 Palm oil, fractions   | 0.7              | 0.7              | 0.8              | 1.4              |
| 0542 Leguminous vegetables, dried, shelled   | 0.5              | 0.6              | 0.5              | 0.8              |
| Agricultural raw material  | 1.7              | 1.6              | 1.4              | 1.6              |
| 2475 Wood, non-coniferous, in the rough, or roughly squared  | 0.5              | 0.5              | 0.4              | 0.5              |
| Mining   | 39.8             | 39.9             | 40.3             | 38.0             |
| Ores and other minerals  | 5.0              | 3.7              | 3.5              | 3.2              |
| 2831 Copper ores and concentrates  | 2.8              | 1.6              | 1.3              | 1.4              |
| 2823 Other ferrous waste and scrap   | 0.4              | 0.4              | 0.6              | 0.5              |
| Non-ferrous metals   | 1.5              | 1.9              | 2.7              | 1.4              |
| Fuels  | 33.3             | 34.3             | 34.2             | 33.4             |
| 3330 Crude oils of petroleum and bituminous minerals   | 25.3             | 25.5             | 25.5             | 26.9             |
| 3212 Other coal, whether or pulverized, not agglomerated   | 2.0              | 2.0              | 2.9              | 2.8              |
| 3431 Natural gas, liquefied  | 0.8              | 0.9              | 0.9              | 0.8              |
| Manufactures   | 46.1             | 48.2             | 47.3             | 44.1             |
| Iron and steel   | 3.4              | 3.4              | 3.1              | 2.8              |
| Chemicals  | 9.0              | 9.0              | 11.1             | 10.0             |
| 5623 Mineral/chemical fertilizers (excl. crude natural potassium salts)  | 0.4              | 0.4              | 0.9              | 0.9              |
| 5629 Fertilizers, n.e.s.   | 0.5              | 0.6              | 2.3              | 0.8              |
| 5223 Inorganic acid and oxides   | 0.5              | 0.4              | 0.9              | 0.5              |
| Other semi-manufactures  | 6.4              | 5.7              | 8.0              | 7.8              |
| 6672 Diamonds (excl. industrial, sorted) not mounted/set   | 3.9              | 3.1              | 5.4              | 5.5              |
| Machinery and transport equipment  | 22.6             | 25.7             | 21.1             | 19.5             |
| Power generating machines  | 0.8              | 0.9              | 0.8              | 0.9              |
| Other non-electrical machinery   | 7.1              | 7.4              | 6.7              | 6.0              |
| 7284 Machinery and appliances for particular industries, n.e.s.  | 0.5              | 0.5              | 0.6              | 0.5              |
| Agricultural machinery and tractors  | 0.0              | 0.0              | 0.0              | 0.1              |
| Office machines and telecommunication equipment  | 7.0              | 6.5              | 6.3              | 5.8              |
| 7641 Electrical apparatus for line telephony/telegraphy  | 0.8              | 1.4              | 1.7              | 1.8              |
| 7643 Radio or television transmission apparatus  | 2.2              | 1.6              | 1.4              | 1.2              |
| 7599 Parts and accessories of 751.1, 751.2, 751.9 and 752  | 0.7              | 0.5              | 0.4              | 0.5              |
| Other electrical machines  | 2.1              | 2.3              | 2.4              | 2.1              |
| Automotive products  | 0.8              | 1.0              | 1.1              | 1.2              |
| 7843 Other motor vehicle parts and accessories of 722, 781 to 783  | 0.5              | 0.7              | 0.7              | 0.8              |
| Other transport equipment  | 4.8              | 7.5              | 3.8              | 3.5              |
| 7923 Aeroplanes and other aircraft, mechanically-propelled (other than helicopters), of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg | 0.2              | 4.2              | 1.2              | 1.2              |
| Textiles   | 1.1              | 0.9              | 0.8              | 0.8              |
| Clothing   | 0.1              | 0.1              | 0.1              | 0.1              |
| Other consumer goods   | 3.5              | 3.4              | 3.1              | 3.1              |
| 8985 Other blank recording media (excl. of 882)  | 0.0              | 0.1              | 0.5              | 0.7              |
| Other  | 9.1              | 7.6              | 8.6              | 12.2             |
| Gold   | 7.8              | 6.6              | 7.0              | 10.0             |
| 9710 Gold, non-monetary (excl. gold ores and concentrates)   | 7.8              | 6.6              | 7.0              | 10.0             |

Source: WTO calculations, based on Department of Commerce online information, "Export Import Data Bank". Viewed at: <http://commerce.nic.in/eidb/default.asp> [24 February 2011].

**Table AI.3**  
**Merchandise exports, by destination, 2006-10**  
 (US\$ and %)

|                                     | 2006/07          | 2007/08          | 2008/09          | 2009/10          |
|-------------------------------------|------------------|------------------|------------------|------------------|
| <b>Total exports (US\$ million)</b> | <b>126,414.1</b> | <b>163,132.2</b> | <b>185,295.4</b> | <b>178,751.4</b> |
|                                     | (% of total)     |                  |                  |                  |
| America                             | 19.2             | 17.0             | 15.5             | 15.1             |
| United States                       | 14.9             | 12.7             | 11.5             | 11.0             |
| Other America                       | 4.3              | 4.3              | 4.1              | 4.1              |
| Brazil                              | 1.1              | 1.5              | 1.4              | 1.4              |
| Europe                              | 22.9             | 22.9             | 22.7             | 21.9             |
| EU27                                | 21.2             | 21.2             | 21.2             | 20.5             |
| Netherlands                         | 2.1              | 3.2              | 3.4              | 3.6              |
| United Kingdom                      | 4.4              | 4.1              | 3.6              | 3.5              |
| Germany                             | 3.2              | 3.1              | 3.4              | 3.0              |
| France                              | 1.7              | 1.6              | 1.6              | 2.1              |
| Belgium                             | 2.8              | 2.6              | 2.4              | 2.1              |
| Italy                               | 2.8              | 2.4              | 2.1              | 1.9              |
| Spain                               | 1.5              | 1.4              | 1.4              | 1.1              |
| EFTA                                | 0.5              | 0.5              | 0.6              | 0.5              |
| Other Europe                        | 1.1              | 1.1              | 0.8              | 0.9              |
| Commonwealth of Independent States  | 1.2              | 1.1              | 1.0              | 0.9              |
| Africa                              | 8.1              | 8.8              | 8.0              | 7.5              |
| South Africa                        | 1.8              | 1.6              | 1.1              | 1.2              |
| Middle East                         | 16.8             | 17.0             | 20.7             | 20.3             |
| United Arab Emirates                | 9.5              | 9.6              | 13.2             | 13.4             |
| Kingdom of Saudi Arabia             | 2.0              | 2.3              | 2.8              | 2.2              |
| Israel                              | 1.0              | 1.0              | 0.8              | 1.1              |
| Asia                                | 31.7             | 33.1             | 29.6             | 31.9             |
| China                               | 6.6              | 6.7              | 5.0              | 6.5              |
| Japan                               | 2.3              | 2.4              | 1.6              | 2.0              |
| Six East Asian traders              | 13.4             | 13.9             | 14.0             | 14.2             |
| Hong Kong, China                    | 3.7              | 3.9              | 3.6              | 4.4              |
| Singapore                           | 4.8              | 4.5              | 4.6              | 4.2              |
| Korea, Rep. of                      | 2.0              | 1.8              | 2.1              | 1.9              |
| Malaysia                            | 1.0              | 1.6              | 1.8              | 1.6              |
| Other Asia                          | 9.4              | 10.2             | 9.0              | 9.2              |
| Indonesia                           | 1.6              | 1.3              | 1.4              | 1.7              |
| Bangladesh                          | 1.3              | 1.8              | 1.3              | 1.4              |
| Sri Lanka                           | 1.8              | 1.7              | 1.3              | 1.2              |
| Other                               | 0.2              | 0.2              | 2.4              | 2.3              |
| Areas n.e.s.                        | 0.2              | 0.2              | 2.4              | 2.3              |
| Memorandum:                         |                  |                  |                  |                  |
| APEC                                | 43.6             | 41.2             | 37.8             | 39.6             |
| ASEAN                               | 10.0             | 10.1             | 10.3             | 10.1             |

Source: WTO calculations, based on Department of Commerce online information, "Export Import Data Bank".  
 Viewed at: <http://commerce.nic.in/eidb/default.asp> [24 February 2011].

**Table AI.4**  
**Merchandise imports, by origin, 2006/10**  
(US\$ and %)

|                                     | 2006/07          | 2007/08          | 2008/09          | 2009/10          |
|-------------------------------------|------------------|------------------|------------------|------------------|
| <b>Total imports (US\$ million)</b> | <b>185,735.2</b> | <b>251,654.0</b> | <b>303,696.3</b> | <b>288,372.9</b> |
|                                     | (% of total)     |                  |                  |                  |
| America                             | 10.6             | 11.8             | 10.2             | 10.2             |
| United States                       | 6.3              | 8.4              | 6.1              | 5.9              |
| Other America                       | 4.3              | 3.4              | 4.1              | 4.3              |
| Europe                              | 21.6             | 20.5             | 18.9             | 19.3             |
| EU27                                | 16.1             | 15.3             | 14.1             | 13.3             |
| Germany                             | 4.1              | 3.9              | 4.0              | 3.6              |
| Belgium                             | 2.2              | 1.7              | 1.9              | 2.1              |
| United Kingdom                      | 2.2              | 2.0              | 1.9              | 1.5              |
| France                              | 2.3              | 2.5              | 1.5              | 1.5              |
| EFTA                                | 5.3              | 4.5              | 4.3              | 5.4              |
| Switzerland                         | 4.9              | 3.9              | 3.9              | 5.1              |
| Other Europe                        | 0.2              | 0.7              | 0.5              | 0.6              |
| Commonwealth of Independent States  | 2.1              | 1.5              | 2.2              | 2.1              |
| Africa                              | 7.9              | 8.1              | 8.1              | 8.9              |
| Nigeria                             | 3.8              | 3.0              | 2.9              | 2.5              |
| South Africa                        | 1.3              | 1.4              | 1.8              | 2.0              |
| Angola                              | 0.1              | 0.4              | 0.5              | 1.5              |
| Middle East                         | 25.7             | 26.4             | 27.8             | 26.5             |
| United Arab Emirates                | 4.7              | 5.4              | 7.8              | 6.8              |
| Kingdom of Saudi Arabia             | 7.2              | 7.7              | 6.6              | 5.9              |
| Iran Islamic Rep.                   | 4.1              | 4.3              | 4.1              | 4.0              |
| Kuwait                              | 3.2              | 3.1              | 3.2              | 2.9              |
| Iraq                                | 3.0              | 2.7              | 2.5              | 2.4              |
| Qatar                               | 1.1              | 1.0              | 1.2              | 1.6              |
| Asia                                | 31.7             | 31.0             | 32.4             | 32.6             |
| China                               | 9.4              | 10.8             | 10.7             | 10.7             |
| Japan                               | 2.5              | 2.5              | 2.6              | 2.3              |
| Six East Asian traders              | 11.6             | 11.0             | 11.7             | 10.6             |
| Korea, Rep. of                      | 2.6              | 2.4              | 2.9              | 3.0              |
| Singapore                           | 3.0              | 3.2              | 2.5              | 2.2              |
| Malaysia                            | 2.8              | 2.4              | 2.4              | 1.8              |
| Hong Kong, China                    | 1.3              | 1.1              | 2.1              | 1.6              |
| Other Asia                          | 8.2              | 6.7              | 7.4              | 9.0              |
| Australia                           | 3.8              | 3.1              | 3.7              | 4.3              |
| Indonesia                           | 2.3              | 1.9              | 2.2              | 3.0              |
| Other                               | 0.4              | 0.7              | 0.5              | 0.3              |
| Memorandum:                         |                  |                  |                  |                  |
| APEC                                | 40.2             | 41.1             | 40.9             | 40.2             |
| ASEAN                               | 9.7              | 9.0              | 8.6              | 8.9              |

Source: WTO calculations, based on Department of Commerce online information, "Export Import Data Bank".  
Viewed at: <http://commerce.nic.in/eidb/default.asp> [24 February 2011].

**Table AII.1**  
**Jurisdiction between central and state legislatures, 2011**

| <b>Exclusive power of the Parliament</b>   |
|--|
| Entry into and implementation of treaties, agreements, and conventions with foreign countries  |
| Railways   |
| National highways  |
| Shipping and navigation on inland national waterways as regards mechanically propelled vessels; and the rule of the road on waterways  |
| Maritime shipping and navigation, including on tidal waters; provision of education and training for the mercantile marine and its subsequent regulation provided by states and other agencies   |
| Lighthouses including lightships, beacons, and provisions for shipping and aircraft safety   |
| Major ports, including delimitation, and constitution and power of port authorities  |
| Port quarantine including hospitals connected therewith, and seamen's and marine hospitals   |
| Airways; aircraft and air navigation; provision of aerodromes; regulation and organization of air traffic and aerodromes; provision for aeronautical education and training; and regulation of education and training provided by states and other agencies  |
| Carriage of passengers and goods by railway, sea, or air; or by national waterways in mechanically propelled vessels   |
| Posts and telegraphs, telephones, wireless, broadcasting, and other like forms of communication  |
| Banking  |
| Insurance  |
| Industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest  |
| Regulation and development of oilfields and mineral oil resources; petroleum and petroleum products; and other liquids and substances declared to be dangerously inflammable   |
| Regulation of mines and mineral development declared to be expedient in the public interest  |
| Trade and commerce with foreign countries; import and export across customs frontiers; and definition of customs frontiers   |
| Inter-state trade and commerce   |
| Establishment of quality standards for goods to be exported out of India or transported from one State to another  |
| Establishment of weight and measure standards  |
| Inter-state migration and inter-state quarantine   |
| Taxes on income other than agricultural income   |
| Customs duties including export duties   |
| Excise duties on tobacco and other goods manufactured/produced in India, except alcoholic liquors for human consumption, opium, Indian hemp, and other narcotic drugs and narcotics, but including medicinal preparations containing alcohol, opium, Indian hemp, and other narcotic drugs and narcotics |
| Corporation tax  |
| Taxes on the capital value of assets (exclusive of agricultural land, individuals, and companies) and taxes on the capital of companies  |
| Duties in respect of succession to property other than agricultural land   |
| Terminal taxes on goods or passengers carried by railway, sea or air; and taxes on railway fares and freights  |
| Taxes other than stamp duties on transactions in stock exchanges and future markets  |
| Stamp duty rate in respect of bills of exchange, cheques, promissory notes, bills of lading, letters of credit, insurance policies, transfer of shares, debentures, proxies, and receipts  |
| Taxes on the sale or purchase of newspapers and on advertisements published therein  |
| Taxes on the sale or purchase of goods other than newspapers when sale/purchase takes place in the course of inter-state trade or commerce   |
| Taxes on goods consignments (whether the consignment is to the person making it or to any other person) when consignments take place in the course of inter-state trade or commerce  |
| Taxes on services  |
| <b>States power</b>  |
| Agriculture, including agricultural education and research, protection against pests, and prevention of plant diseases   |
| Taxes on agricultural income   |
| Duties in respect of succession to agricultural land   |
| Estate duty in respect of agricultural land  |
| Taxes on lands and buildings   |
| Taxes on mineral rights subject to limitations imposed by Parliament by law relating to mineral development  |

Table AII.1 (cont'd)

Excise duties on goods manufactured/produced in the State and countervailing duties (at the same or lower rates) on similar goods manufactured/produced elsewhere in India, except alcoholic liquors for human consumption, opium, Indian hemp, and other narcotic drugs and narcotics but not including medicinal preparations containing alcohol, opium, Indian hemp, and other narcotic drugs and narcotics

Taxes on the entry of goods into local area for consumption, use or sale therein

Taxes on electricity consumption or sale

Taxes on sale or purchase of goods other than newspapers

Taxes on advertisements other than advertisements published in newspapers and broadcast on radio and TV

Taxes on goods and passengers carried by road or on inland waterways

Taxes on vehicles whether mechanically propelled or not suitable for use on roads, including tramcars

**Concurrent power**

Economic and social planning

Commercial and industrial monopolies, combines, and trusts

Prevention of the extension from one state to another of infectious, contagious diseases or pests affecting men, animals or plants

Ports other than major ports

Trade and commerce in, and production, supply and distribution of: (i) products of any industry, the control of which by the Union is declared by Parliament by law to be expedient in the public interest, and imported goods of the same kind as such products;

(ii) foodstuffs, including edible oilseeds and oils; (iii) cattle fodder, including oilcakes and other concentrates; (iv) raw cotton, whether ginned or unginned, and cotton seed; and (v) raw jute

Weights and measures, except establishment of standards

Price control

Electricity

*Source:* Ministry of Law and Justice online information, "The Constitution of India (as modified up to the 1 December 2007): Seventh Schedule". Viewed at: <http://lawmin.nic.in/coi/coiason29july08.pdf>.



**Table AII.2**  
**Notifications to the WTO, 1 January 2007-30 June 2011**

| WTO Agreement  | Description  | Document symbol<br>(most recent notification)                        | Date       |
|--|--|--|------------|
| <b>Agreement on Agriculture</b>  |  |  |            |
| Article 18.2 (DS:1)  | Domestic support   | G/AG/N/IND/7   | 09/06/2011 |
| Article 18.2 (MA:1)  | Tariff and other quota commitments   | G/AG/N/IND/6   | 07/03/2011 |
| Article 18.2 (MA:2)  | Tariff quotas  | G/AG/N/IND/5   | 07/03/2011 |
| <b>Enabling clause</b>   |  |  |            |
| GSP  | Regional trade agreement (RTA): Brunei Darussalam, Cambodia, India, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Viet Nam | WT/COMTD/N/35  | 23/08/2010 |
|  | RTA: India and Afghanistan   | WT/COMTD/N/32  | 09/03/2010 |
| Regional integration Paragraph 2(c)  | RTA: India and Korea (Rep. of)   | S/C/N/570<br>WT/COMTD/N/36   | 29/09/2010 |
|  | RTA: India and Nepal   | WT/COMTD/N/34  | 03/08/2010 |
|  | RTA: Argentina, Brazil, Paraguay and Uruguay (States Parties to the MERCOSUR), and India   | WT/COMTD/N/31  | 25/02/2010 |
|  | RTA: Chile and India   | WT/COMTD/N/30  | 14/01/2009 |
|  | RTA: India and Bhutan  | WT/COMTD/N/28  | 02/07/2008 |
| <b>General Agreement on Trade in Services</b>  |  |  |            |
| Article III:3  | Reference paper on basic telecommunications  | S/C/N/543  | 08/04/2010 |
| Article V:7(a)   | RTA: India and Korea (Rep. of)   | S/C/N/570<br>WT/COMTD/N/36   | 29/09/2009 |
|  | RTA: India and Singapore   | S/C/N/393<br>WT/REG228/N/1   | 04/05/2007 |
| <b>GATT 1994</b>   |  |  |            |
| Article XXVIII:5   | Invocation of paragraph 5  | G/MA/202   | 10/09/2008 |
| Article XXIV:7(a)  | RTA: India and Singapore   | S/C/N/393<br>WT/REG228/N/1   | 04/05/2007 |
| Article XXII:4(a)  | State trading  | G/STR/N/10/IND<br>G/STR/N/11/IND<br>G/STR/N/8/IND<br>G/STR/N/9/IND   | 06/05/2010 |
| <b>Agreement on the Implementation of Article VI of the GATT 1994 (Anti-Dumping Agreement)</b> |  |  |            |
| Article 16.5   | Competent authorities  | G/ADP/N/14/Add.28<br>G/SCM/N/18/Add.28                               | 14/10/2009 |
| Article 16.4 – ad hoc  | Reports  | G/ADP/N/214  | 09/05/2011 |
| Article 16.4   | Semi-annual report   | G/ADP/N/202/IND/Corr.1   | 03/05/2011 |
| <b>Agreement on Import Licensing</b>   |  |  |            |
| Article 1.4(a)   | Licensing procedures   | G/LIC/N/1/IND/12   | 16/10/2009 |
| Articles 5.1, 5.2, and 5.3   | List and description of products subject to licensing  | G/LIC/N/1/IND/11<br>G/LIC/N/2/IND/10                                 | 22/09/2008 |
| Article 7.3  | Replies to questionnaire   | G/LIC/N/3/IND/11   | 27/07/2010 |
| <b>Agreement on Subsidies and Countervailing</b>   |  |  |            |
| Article 25.1   | New and full notification of subsidy programmes  | G/SCM/N/123/IND/Suppl.1  | 01/02/2011 |
| Article 25.11  | Semi-annual report   | G/SCM/N/219/Add.1  | 26/04/2011 |
| Article 25.12  | Competent authorities  | G/ADP/N/14/Add.28<br>G/SCM/N/18/Add.28                               | 14/10/2009 |
| <b>Agreement on Safeguards</b>   |  |  |            |
| Article 12.4   | Notification of termination  | G/SG/N/7/IND/6/Suppl.1<br>G/SG/N/8/IND/17/Suppl.1<br>G/SG/N/9/IND/10 | 22/12/2009 |
| Article 12.1(a)  | Notification of initiation   | G/SG/N/6/IND/28  | 07/01/2011 |

Table AII.2 (cont'd)

| WTO Agreement   | Description  | Document symbol<br>(most recent notification) | Date       |
|---|--|---|------------|
| Article 12.1(b)   | Notification of finding, decision, and serious injury and decision | G/SG/N/10/IND/12                              | 20/06/2011 |
| Article 12.1(c)   |  |   |            |
| Article 9.1 footnote 2  |  |   |            |
| <b>Agreement on Sanitary and Phytosanitary Measures</b>                   |  |   |            |
| Article 7 Annex B   | Publication of regulations   | G/SPS/N/IND/71                                | 10/01/2011 |
| <b>Agreement on Trade-Related Aspects of Intellectual Property Rights</b> |  |   |            |
| Article 69  | Contact points   | IP/N/3/Rev.9/Add.3                            | 16/02/2007 |

Source: WTO documents.

**Table AII.3**  
**Overview of India's preferential trade agreements, 2011**

| <b>Asia Pacific Trade Agreement (APTA)</b>                            |   |
|---|---|
| Parties   | Bangladesh, China, India, Korea (Rep. of), Lao People's Democratic Republic, and Sri Lanka  |
| Date of signature/entry into force                                    | 31.07.1975/17.06.1976 <sup>a</sup>  |
| Transition for full implementation                                    | Immediately on implementation   |
| India's duty-free tariff lines (2009/10)                              | 3.36% of the total <sup>b</sup>   |
| Provisions concerning goods   | Rules of origin, safeguards, balance-of-payment measures, and dispute settlement  |
| Trade in goods  | Tariff concessions apply to 570 HS six-digit tariff lines (margin of preferences: 5%-100%). Special concessions apply to 48 six-digit tariff lines (margin of preferences: 14%-100%) for LDC members. The fourth round of negotiations aimed at widening the coverage of preferences to at least 40% of the tariff lines of each member State at an average margin of preference of 40%, was scheduled to be completed in October 2009 but has not been concluded yet   |
| India's merchandise trade (2009/10)                                   | Imports from APTA: 13.9% of total; exports to APTA: 11% of total  |
| of which preferential   | Imports: ..   |
| WTO document series   | L/4418 (GATT), BISD 25S/L4635 (GATT), WT/COMTD/N/22, and WT/COMTD/62  |
| <b>South Asian Free-Trade Agreement (SAFTA)</b>                       |   |
| Parties   | Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka  |
| Date of signature/entry into force                                    | 06.01.2004/01.06.2006   |
| Transition for full implementation                                    | 2013  |
| India's duty-free tariff lines (2009/10)                              | 0.028% of the total <sup>b</sup>  |
| Provisions concerning goods   | Rules of origin, safeguards, balance-of-payment measures, general exceptions, and dispute settlement  |
| Trade in goods  | Tariff reduction to 20% for non-LDC members by 2008 (30% for LDC members), followed by a reduction to 0%-5% by 2013 (by 2014 for Sri Lanka and by 2018 for LDC members). Tariff reduction to 0%-5% on imports from LDC members by 2009. However, India granted duty-free access on imports from LDC members on 1 January 2008 (i.e. one year ahead of the tariff liberalization schedule). The base rate is the MFN tariff in force on 1 January 2006. India's sensitive list includes 744 products from LDC members and 865 products from non-LDC members <sup>c</sup> |
| India's merchandise trade (2009/10)                                   | Imports from SAFTA: 0.5% of total; exports to SAFTA: 4.4% of total  |
| of which preferential   | Imports: ..   |
| WTO document series   | WT/COMTD/N/26   |
| <b>South Asian Preferential Trade Arrangement (SAPTA)<sup>d</sup></b> |   |
| Parties   | Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka   |
| Date of signature/entry into force                                    | 11.04.1993/07.12.1995   |
| Transition for full implementation                                    | On implementation   |
| India's duty-free tariff lines (2009/10)                              | 0.028% of the total <sup>b</sup>  |
| Provisions concerning goods   | Balance-of-payment measures, dispute settlement, rules of origin, and safeguards  |
| Trade in goods  | Tariff concessions apply to 2,565 HS six-digit tariff lines (margin of preferences: 10%-90% for non-LDC members and 10%-100% for LDC members)   |
| India's merchandise trade (2009/10)                                   | Imports from SAPTA: 0.5% of total; exports to SAPTA: 4.4% of total  |
| of which preferential   | Imports: ..   |
| WTO document series   | WT/COMTD/10   |
| <b>Association of Southeast Asian Nations (ASEAN)</b>                 |   |
| Parties   | India and Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Viet Nam   |
| Date of signature/entry into force                                    | 13.08.2009/01.01.2010 <sup>e</sup>  |
| Transition for full implementation                                    | 31.12.2019  |

Table AII.3 (cont'd)

|  |  |
|--|--|
| India's duty-free tariff lines (2009/10)                     | 1.13% of the total <sup>b</sup>  |
| Provisions concerning goods                                  | Rules of origin, dispute settlement, safeguards, balance-of-payment measures, customs-related measures, exceptions (general and for security), and dispute settlement  |
| Trade in goods   | Tariff concessions apply to 12,169 HS eight-digit tariff lines. For "normal track" products, applied MFN rates will be reduced and subsequently eliminated by end December 2013 (7,775 HS eight-digit tariff lines) and by end December 2016 (1,252 HS eight-digit tariff lines). For "sensitive track" products (1,805 HS eight-digit tariff lines), applied MFN rates higher than 5% will be reduced to 5% by end December 2016. For special products <sup>f</sup> , applied MFN rates will be reduced from 70%-100% to 37.5%-50% by end December 2019. For "highly sensitive" products, MFN applied rates will be reduced to 50% for category I products (nine HS eight-digit tariff lines), 45% for category II products (30 HS eight-digit tariff lines), and 37.5% for category III products (one HS eight-digit tariff line) by end December 2019. The exclusion list (1,297 HS eight-digit tariff lines) must be reviewed annually |
| India's merchandise trade (2009/10)<br>of which preferential | Imports from ASEAN: 8.9% of total; exports to ASEAN: 10.1% of total<br>Imports: ..   |
| WTO document series  | WT/COMTD/N/35  |
| <b>MERCOSUR</b>  |  |
| Parties  | India and Argentina, Brazil, Paraguay, and Uruguay   |
| Date of signature/entry into force                           | 25.01.2004/01.06.2009  |
| Transition for full implementation                           | Immediate on implementation  |
| India's duty-free tariff lines (2009/10)                     | 0.25% of the total <sup>b</sup>  |
| Provisions concerning goods                                  | Rules of origin, safeguards, and dispute settlement  |
| Trade in goods   | 450 HS eight-digit tariff lines are granted tariff concessions (margin of preferences: 10%, 20% or 100%)   |
| India's merchandise trade (2009/10)<br>of which preferential | Imports from MERCOSUR: 1.4% of total; exports to MERCOSUR: 1.5% of total<br>Imports: ..  |
| WTO document series  | WT/COMTD/N/31  |
| <b>India-Afghanistan</b>                                     |  |
| Parties  | India and Afghanistan  |
| Date of signature/entry into force                           | 06.03.2003/13.05.2003  |
| Transition for full implementation                           | Immediately on implementation  |
| India's duty-free tariff lines (2009/10)                     | Nil <sup>b</sup>   |
| Provisions concerning goods                                  | Rules of origin, safeguards, balance-of-payment measures, state trading, dispute settlement, general exceptions, safeguards, and national treatment  |
| Trade in goods   | Tariff reductions apply to 38 HS six-digit tariff lines. Margin of preferences is 50% or 100% of the MFN tariff in force as of 13 May 2003   |
| India's merchandise trade (2009/10)<br>of which preferential | Imports from Afghanistan: 0.04% of total; exports to Afghanistan: 0.3% of total<br>Imports: ..   |
| WTO document series  | WT/COMTD/N/32  |
| <b>India-Bhutan</b>  |  |
| Parties  | India and Bhutan   |
| Date of signature/entry into force                           | 28.07.2006/29.07.2006  |
| Transition for full implementation                           | Immediate  |
| India's duty-free tariff lines (2009/10)                     | Negligible <sup>b</sup>  |
| Provisions concerning goods                                  | Safeguards and customs-related measures  |
| Trade in goods   | Tariff exemptions on all goods imported from Bhutan. No restrictions on Bhutan's trade with third countries. Non-tariff restrictions may be imposed on imports of third countries from Bhutan. Annual refund of excise duties. Bhutan-flagged vessels operating to and from Indian ports are given equal treatment than granted to vessels from other foreign country  |
| India's merchandise trade (2009/10)<br>of which preferential | Imports from Bhutan: 0.1% of total; exports to Bhutan: 0.1% of total<br>Imports: ..  |
| WTO document series  | WT/COMTD/N/28  |

Table AII.3 (cont'd)

| <b>India-Chile</b>                          |   |
|---|---|
| Parties                                     | India and Chile   |
| Date of signature/entry into force          | 08.03.2006/17.08.2007 <sup>e</sup>  |
| Transition for full implementation          | Immediately on implementation   |
| India's duty-free tariff lines (2009/10)    | 0.004% of the total   |
| Provisions concerning goods                 | Anti-dumping and countervailing measures, customs-related measures, dispute settlement, general exceptions, import/export restrictions, rules of origin, safeguards, sanitary and phytosanitary measures, national treatment, state trading, agriculture export subsidies, and technical barriers to trade  |
| Trade in goods                              | Tariff preferences apply to 178 HS eight-digit tariff lines (margin of preferences: 10%-50%)  |
| India's merchandise trade (2009/10)         | Imports from Chile: 0.4% of total; exports to Chile: 0.2% of total  |
| of which preferential                       | Imports: ..   |
| WTO document series                         | WT/COMTD/N/30, WT/COMTD/RTA/M/3, and WT/COMTD/RTA/4   |
| <b>India-Korea (Rep. of)</b>                |   |
| Parties                                     | India and Korea (Rep. of)   |
| Date of signature/entry into force          | 07.08.2009/01.01.2010   |
| Transition for full implementation          | 2019  |
| India's duty-free tariff lines (2009/10)    | 0.32% of the total <sup>b</sup>   |
| Provisions concerning goods                 | Rules of origin, customs-related measures, anti-dumping and countervailing measures, safeguards, technical regulations, exceptions (general and for security), state trading, non-tariff measures, and sanitary and phytosanitary measures  |
| Trade in goods                              | E-0 group of products (460 HS eight-digit tariff lines) have been free of duty since 1 January 2010. Phased elimination of duty for E-5 group of products (448 HS eight-digit tariff lines) by 2014. Phased elimination of duty for E-8 group of products (7,248 HS eight-digit tariff lines) by 2017. Phased reduction of duty to 0%-5% for RES products (941 HS eight-digit tariff lines) by 2017. Phased reduction of duty to 50% for SEN products (704 HS eight-digit tariff lines) by 2019. Exemption of tariff reduction or elimination applies to 1,895 HS eight-digit tariff lines. The base rate is the MFN duty in force as of 1 April 2006 |
| Provision concerning services               | Yes   |
| India's merchandise trade (2009/10)         | Imports from Korea: 3.0% of total; exports to Korea: 1.9% of total  |
| of which preferential                       | Imports: ..   |
| India's commercial services trade (2009/10) | ..  |
| WTO document series                         | WT/REG286/N/1 and S/C/N/558, and WT/COMTD/N/36 and S/C/N/570  |
| <b>India-Nepal</b>                          |   |
| Parties                                     | India and Nepal   |
| Date of signature/entry into force          | 27.10.2009/27.10.2009   |
| Transition for full implementation          | Immediate on implementation   |
| India's duty-free tariff lines (2009/10)    | 0.002% of the total <sup>b</sup>  |
| Provisions concerning goods                 | Rules of origin and safeguards  |
| Trade in goods                              | Tariff exemptions for all goods. Imports of vegetable fats, copper products, acrylic yarn, and zinc oxide are subject to annual quotas. Imports of alcoholic liquors/beverages (except industrial spirits) <sup>h</sup> , perfumes, and cosmetics with non-Nepalese/non-Indian brand names, and cigarettes and tobacco are not allowed preferential entry into India  |
| India's merchandise trade (2009/10)         | Imports from Nepal: 0.2% of total; exports to Nepal: 0.9% of total  |
| of which preferential                       | Imports: ..   |
| WTO document series                         | WT/COMTD/N/34   |
| <b>India-Singapore</b>                      |   |
| Parties                                     | India and Singapore   |
| Date of signature/entry into force          | 29.06.2005/01.08.2005   |
| Transition for full implementation          | 01.12.2015  |

|  |   |
|--|---|
| India's duty-free tariff lines (2009/10)                     | ..  |
| Provisions concerning goods                                  | Rules of origin, customs-related measures, safeguards, standards and technical regulations, sanitary and phytosanitary measures, and dispute settlement   |
| Trade in goods   | 506 HS eight-digit tariff lines have been granted duty-free access since 1 August 2005. Phased elimination of duty for 2,202 HS eight-digit tariff lines by 1 April 2009. Phased reduction of duty for 2,407 HS eight-digit tariff lines by 1 April 2009. Some 6,550 HS eight-digit tariff lines are excluded from duty reductions  |
| Provision concerning services                                | Yes   |
| Other provisions   | Investment and government procurement   |
| India's merchandise trade (2009/10)<br>of which preferential | Imports from Singapore: 2.2% of total; exports to Singapore: 4.2% of total<br>Imports: 0.58% of total during 2009-10  |
| India's commercial services trade (2009/10)                  | ..  |
| WTO document series  | WT/REG228/N/1 and S/C/N/393, WT/REG228/2, WT/REG228/1/Rev.1, WT/REG228/3, and WT/REG228/M/1   |
| <b>India-Sri Lanka</b>                                       |   |
| Parties  | India and Sri Lanka   |
| Date of signature/entry into force                           | 28.12.1998/15.12.2001   |
| Transition for full implementation                           | 18.03.2003  |
| India's duty-free tariff lines (2009/10)                     | 0.001% of the total <sup>b</sup>  |
| Provisions concerning goods                                  | General exceptions, national treatment, state trading, rules of origin, safeguards, balance-of-payment measures, disputes settlement, and rules of origin   |
| Trade in goods   | As of 18 March 2003, all tariff lines (except those in the negative list and those under tariff rate quotas) have been free of duty. India's negative list comprises 429 tariff lines. Tariff concessions on textiles are restricted to 25% below the MFN rate; although textiles under HS chapters 61-62 remain in India's negative list, an annual quota of 8 million pieces is offered a 75% tariff concession on a fixed basis <sup>1</sup> . Tariff quota also apply to tea: a 50% tariff concession on a fixed basis is offered, subject to an annual quota of 15 million kg  |
| India's merchandise trade (2009/10)<br>of which preferential | Imports from Sri Lanka: 0.1% of total; exports to Sri Lanka: 1.2% of total<br>Imports: ..   |
| WTO document series  | WT/COMTD/N/16   |
| <b>India-Japan</b>   |   |
| Date of signature/entry into force                           | 16.02.2011/..   |
| Transition for full implementation                           | Within ten years from the date of implementation  |
| India's duty-free tariff lines (2009/10)                     | 0.25% of the total <sup>b</sup>   |
| Provisions concerning goods                                  | Customs-related measures, export subsidies, import/export restrictions, safeguards, anti-dumping measures, balance-of-payment measures, and rules of origin   |
| Trade in goods   | For category A products (1,378 HS eight-digit tariff lines), customs duties are to be eliminated as from the date of entry into force of the agreement. For category B5 products (509 HS eight-digit tariff lines), customs duties are to be eliminated in six equal annual instalments from the base rate to free. For category B7 products (two HS eight-digit tariff lines), customs duties are to be eliminated in eight equal annual instalments from the base rate to free. For category B10 products (7,151 HS eight-digit tariff lines), customs duties are to be eliminated in 11 equal annual instalments from the base rate to free. For gear boxes and diesel engines of a capacity exceeding 250 cc (two HS eight-digit tariff lines), customs duties are to be reduced to 6.25% and 5%, respectively, by 1 January 2019. Category X products (1,535 HS eight-digit tariff lines) are to be excluded from any customs reduction or elimination |
| Provision concerning services                                | Yes   |
| Other provisions   | Investment, intellectual property, government procurement, and competition  |
| India's merchandise trade (2009/10)<br>of which preferential | Imports from Japan: 2.3% of total; exports to Japan: 2% of total<br>Imports: ..   |
| India's commercial services trade (2009/10)                  | ..  |
| WTO document series  | Not notified to the WTO   |

Table AII.3 (cont'd)

| <b>India-Malaysia</b>  |  |
|--|--|
| Parties  | India and Malaysia   |
| Date of signature/entry into force                           | 18.02.2011/01.07.2011  |
| Transition for full implementation                           | 31.12.2019   |
| India's duty-free tariff lines (2009/10)                     | 0.25% of the total <sup>b</sup>  |
| Provisions concerning goods                                  | Rules of origin, sanitary and phytosanitary measures, technical barriers to trade, trade remedies, general exceptions, and customs-related measures  |
| Trade in goods   | For "normal track" products: (i) applied MFN rate will be reduced and subsequently eliminated for 7,747 HS eight-digit tariff lines by end September 2013 and for 1,270 HS eight-digit tariff lines by end June 2016; and (ii) tariff lines that bear a zero-rated duty cannot be changed (402 HS eight-digit tariff lines). For "sensitive track" products, applied MFN rates higher than 5% will be reduced to 5% by end June 2016. For special products <sup>l</sup> , the applied MFN rates will be reduced from 80%-100% to 37.5%-50% by end December 2019. For "highly sensitive" products, MFN applied rates will be reduced to 50% and 45% for category I and II products, respectively, (42 HS eight-digit tariff lines) and to 37.5% for category III products (one HS eight-digit tariff line) by end December 2019. For "special track" products <sup>k</sup> , the applied MFN rate will be reduced from 30% to 5%-10% by end December 2016. The exclusion list (1,224 HS eight-digit tariff lines) must be reviewed annually |
| Provision concerning services                                | Yes  |
| Other provisions   | Dispute settlement and investment  |
| India's merchandise trade (2009/10)<br>of which preferential | Imports from Malaysia: 1.6% of total; exports to Malaysia: 1.8% of total<br>Imports: ..  |
| India's commercial services trade (2009/10)                  | ..   |
| WTO document series  | Not notified to the WTO  |
| <b>India-Thailand</b>  |  |
| Parties  | India and Thailand   |
| Date of signature/entry into force                           | 09.10.2003/01.09.2004  |
| Transition for full implementation                           | 17 rounds of negotiations have been held. The free-trade agreement is expected to be concluded during 2011   |
| India's duty-free tariff lines (2009/10)                     | 0.09% of the total <sup>b</sup>  |
| Provisions concerning goods                                  | Rules of origin, general exceptions, and dispute settlement  |
| Trade in goods   | Duty-free access for 82 HS six-digit tariff lines since March 2006   |
| Provision concerning services                                | Yes  |
| Other provisions   | Investment, dispute settlement, and trade facilitation   |
| India's merchandise trade (2009/10)<br>of which preferential | Imports from Thailand: 1.0% of total; exports to Thailand: 1.0% of total<br>Imports: ..  |
| India's commercial services trade (2009/10)                  | ..   |
| WTO document series  | Not notified to the WTO  |
| <b>GSTP</b>  |  |
| Parties (as notified)  | Algeria, Argentina, Bangladesh, Benin, Bolivarian Republic of Venezuela, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran (Islamic Rep. of), Iraq, Korea (Rep. of), Libyan Arab Jamahiriya, Macedonia (FYR), Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Plurinational State of Bolivia, Singapore, Sri Lanka, Sudan, Tanzania, Thailand, Trinidad and Tobago, Tunisia, Viet Nam, and Zimbabwe   |
| Date of signature/entry into force                           | 13.04.1988/19.04.1989  |
| Transition for full implementation                           | On implementation  |
| India's duty-free tariff lines (2009/10)                     | ..   |
| Provisions concerning goods                                  | Rules of origin, balance-of-payment measures, safeguards, and dispute settlement   |

Table AII.3 (cont'd)

|                                     |  |
|-------------------------------------|--|
| Trade in goods                      | Tariff concessions on 53 HS six-digit tariff lines (margin of preferences: 10%-30%). A 50% tariff concession applies to three tariff lines for imports from LDC members only (Bangladesh, Benin, Guinea, Haiti, Mozambique, Sudan, and Tanzania) |
| India's merchandise trade (2009/10) | Imports from GSTP: 26.5% of total; exports to GSTP: 23.4% of total   |
| of which preferential               | Imports: ..  |
| WTO document series                 | L/6564 (GATT)  |

- .. Not available.
- a APTA was formerly known as the Bangkok Agreement. The amended agreement entered into force on 1 September 2006.
- b Information provided by the Indian authorities.
- c India has offered Bangladesh market access for 8 million pieces of garments, which are on India's sensitive list, without any sourcing condition.
- d SAPTA was superseded by SAFTA. However, concessions granted under SAPTA remain in force for the contracting parties until the SAFTA trade liberalization programme is completed, by 2014 (SAFTA Agreement, Article 22).
- e The agreement entered into force on 1 January 2010 for India, Malaysia, Singapore, and Thailand; and on 1 June 2010 for Myanmar and Viet Nam. For the rest of the parties, entry into force is in accordance with Article 23 of the Agreement (i.e. mutually agreed date).
- f India's special products are crude and refined palm oil, coffee, black tea, and pepper.
- g The Agreement effectively entered into force in India on 11 September 2007.
- h Nepalese beers can be imported on payment of the applicable liquor excise duty equal to the effective excise duty as levied on Indian beers.
- i Of which 6 million pieces will be extended the concession only if made of Indian fabric, provided that no category of garments exceeds 1.5 million pieces per year.
- j India's special products are crude palm oil, refined palm oil, palm kernel oil, palm kernel oil and its fractions, margarine of vegetable origin, coffee, black tea, and pepper.
- k India's "special track" products include pineapples and bird eggs (HS 0407.00.10, 0407.00.20, and 0407.00.90).

*Source:* WTO Regional Trade Agreements Information System online information. Viewed at: <http://rtais.wto.org/>; Department of Commerce online information, "International Trade: Trade Agreements". Viewed at: [http://www.commerce.nic.in/trade/international\\_ta.asp?id=2&trade=i](http://www.commerce.nic.in/trade/international_ta.asp?id=2&trade=i); Department of Commerce online information, "India's current engagements in RTAs". Viewed at: [http://www.commerce.nic.in/india\\_rta.htm](http://www.commerce.nic.in/india_rta.htm); Department of Commerce online information, "Export Import Data Bank". Viewed at: <http://commerce.nic.in/eidb/default.asp>; Department of Commerce online information, "What's new". Viewed at: <http://commerce.nic.in/>; South Asian Association for Regional Cooperation online information, "Agreement on South Asian Free-Trade Area (SAFTA)". Viewed at: <http://www.sarc-sec.org/userfiles/saftaagreement.pdf>; GSTP online information, "Tariff concessions". Viewed at: [http://www.unctadxi.org/templates/Page\\_6206.aspx](http://www.unctadxi.org/templates/Page_6206.aspx); and information provided by the Indian authorities.



**Table AII.4**  
**Policy on foreign direct investment, 2011**

| Sector/activity  | Ceiling | Entry route                               | Other conditions   |
|--|---------|---|--|
| <b>Agriculture</b>   |         |   |  |
| Floriculture, horticulture, development and production of seeds, animal husbandry, fish farming, aqua-culture, cultivation of vegetables and mushrooms under controlled conditions, and services related to agro and allied sectors <sup>a</sup>   | 100%    | Automatic                                 | Companies dealing with transgenic seeds/vegetables must comply with the requirements stipulated under the Environment (Protection) Act and the conditions laid down in notifications issued under the Foreign Trade (Development and Regulation) Act 1992. Businesses intending to use genetically modified material need approvals for Genetic Engineering Approval Committee (GEAC) and the Review Committee on Genetic Manipulation (RCGM) to operate |
| Tea sector, including tea plantation <sup>b</sup>  | 100%    | Foreign Investment Promotion Board (FIPB) | Compulsory divestment of 26% of the equity in favour of Indian partners within five years. Prior approval of the State government concerned in case of changes in land use   |
| <b>Mining</b>  |         |   |  |
| Mining and exploration of metal and non-metal ores, including diamond, gold, silver, and precious stones   | 100%    | Automatic                                 | Subject to the Mines and Minerals (Development and Regulation) Act 1957  |
| Coal and lignite mining for captive consumption by power projects; iron, steel, and cement production units; and other eligible activities under the Coal Mines (Nationalization) Act 1973   | 100%    | Automatic                                 | Subject to the Coal Mines (Nationalization) Act 1973   |
| Setting up coal processing plants like washeries subject to the condition that the company shall not do coal mining nor sell washed or sized coal from its coal processing plants in open markets and shall supply the washed or sized coal to parties that supply raw coal to coal processing plants for washing and sizing | 100%    | Automatic                                 |  |
| Mining and mineral separation of titanium bearing minerals and ores, and its value-added and integrated activities <sup>c</sup>  | 100%    | FIPB                                      | Subject to sectoral regulations and to the Mines and Minerals (Development and Regulation) Act 1957. Subject to value addition facilities and transfer of technology set up in India; and disposal of tailing during mineral separation carried out in accordance with regulations framed by the Atomic Energy Regulatory Board  |
| <b>Manufacturing</b>   |         |   |  |
| Medium and large enterprises manufacturing items reserved for the production in micro and small enterprises  | 100%    | Automatic up to 24%, then FIPB            | Subject to the obligation of exporting at least 50% of the annual production within three years  |
| Defence  | 26%     | FIPB                                      | Subject to industrial licensing under the Industries (Development and Regulation) Act 1951. Licences are issued by the Department of Industrial Policy and Promotion in consultation with the Ministry of Defence. Applicants should be Indian companies/partnership firms   |
| <b>Power</b>   |         |   |  |
| Power generation, transmission, distribution, and trading <sup>d</sup>   | 100%    | Automatic                                 | Subject to the Electricity Act 2003  |

Table AII.4 (cont'd)

| Sector/activity   | Ceiling                          | Entry route  | Other conditions   |
|---|----------------------------------|--|--|
| <b>Petroleum and natural gas</b>  |                                  |  |  |
| Exploration activities, infrastructure related to marketing of petroleum products, actual trading and marketing of petroleum products, petroleum product pipelines, natural gas/LNG pipelines, market study and formulation, and petroleum refining by the private sector | 100%                             | Automatic  | Subject to sectoral policy and regulatory framework  |
| Petroleum refining activities by public sector undertakings   | 49%                              | FIPB   |  |
| <b>Financial services</b>   |                                  |  |  |
| Asset reconstruction companies (ARCs) registered with the Reserve Bank of India under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002   | 49%                              | FIPB   | Investment is strictly in the nature of FDI. Individual investment exceeding 10% of the equity must comply with the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002. FIIs are not allowed to invest in ARCs, except FIIs registered with the Securities and Exchange Board of India (SEBI) which are allowed to invest in security deposits issued by ARCs up to 49% (individual investment not exceeding 10%) |
| Banking (private sector)  | 74% (incl. FIIs)                 | Automatic up to 49%, then FIPB                             |  |
| Banking (public sector)   | 20% (incl. portfolio investment) | FIPB and regulatory clearance of the Reserve Bank of India | Subject to the Banking Companies (Acquisition and Transfer of Undertakings) Acts 1970/80. The ceiling also applies to the State Bank of India and its associate banks  |
| Commodity exchange  | 49% (incl. FIIs)                 | FIPB   | FDI is limited to 26% and investment by FIIs to 23%. FIIs can invest only through purchases in the secondary market  |
| Credit information companies (CICs)   | 49% (incl. FIIs)                 | FIPB   | Subject to the Credit Information Companies (Regulation) Act 2005. Investment by FIIs is allowed up to 24% only in CICs listed at stock exchanges. Individual FII cannot hold more than 20%  |
| Infrastructure company in the securities market   | 49% (incl. FIIs)                 | FIPB   | FDI is limited to 26% and investment by FIIs to 23%  |
| Insurance   | 26%                              | Automatic  | Subject to licensing by the Insurance Regulatory and Development Authority   |
| Non-banking finance companies   | 100%                             | Automatic  | Subject to minimum capitalization  |
| <b>Civil aviation</b>   |                                  |  |  |
| Subject to the Aircraft Rules 1934, civil aviation requirements, and aeronautical information circulars notified by the Ministry of Civil Aviation  |                                  |  |  |
| <b>Airports</b>   |                                  |  |  |
| Greenfield projects   | 100%                             | Automatic  |  |
| Existing projects   | 100%                             | Automatic up to 74%, then FIPB                             |  |
| <b>Air transport services</b>   |                                  |  |  |
| Scheduled air transport services and domestic scheduled passenger airlines  | 49% (NRIs: 100%)                 | Automatic  |  |
| Non-scheduled air transport service and cargo airlines  | 74% (NRIs: 100%)                 | Automatic up to 49%, then FIPB                             |  |
| Helicopter and seaplane services  | 100%                             | Automatic  |  |

Table AII.4 (cont'd)

| Sector/activity  | Ceiling   | Entry route                    | Other conditions   |
|--|---|--------------------------------|--|
| <b>Other services</b>  |   |                                |  |
| Ground handling services   | 74% (NRIs: 100%)                                | Automatic up to 49%, then FIPB | Subject to sectoral regulations and security clearance   |
| Maintenance and repair organizations; flying training institutes; and technical training institutions              | 100%  | Automatic                      |  |
| <b>Telecom and postal services</b>   |   |                                |  |
| Telecom services (i.e. wireline and wireless services)   | 74% (incl. FIIs, NRIs, FCCBs, ADRs, and GDRs)   | Automatic up to 49%, then FIPB | Indian shareholding shall not be less than 26%   |
| Internet service provider (with or without gateways), radio-paging, and end-to-end bandwidth                       | 74%   | Automatic up to 49%, then FIPB | Subject to licensing and security requirements issued by the Department of Telecommunications  |
| Infrastructure provider; and electronic mail and voice mail  | 100%  | Automatic up to 49%, then FIPB | Compulsory disinvestment of 26% of the equity in favour of Indian entities within five years, if they are listed in other parts of the world   |
| Courier services for carrying packages, parcels, and other items not covered under the Indian Post Office Act 1898 | 100%  | FIPB                           | Subject to the Indian Post Office Act 1898. Activities related to letters distribution are excluded  |
| <b>Construction services</b>   |   |                                |  |
| Development of township, housing, built-up infrastructure, and construction-development projects <sup>c</sup>      | 100%  | Automatic                      | Subject to minimum land/built-up areas and minimum capitalization. At least 50% of the project must be developed within five years from the date of obtaining statutory clearances <sup>f</sup>  |
| Industrial parks (setting up and already established industrial parks)   | 100%  | Automatic                      | Not subject to the above-mentioned conditions if industrial parks comprise a minimum of 10 units and no single unit occupies more than 50% of the area, and the minimum area allocated to industrial activity is not less than 66% of the total area |
| <b>Broadcasting</b>  |   |                                |  |
| Terrestrial broadcasting (FM radio)  | 20% (incl. FIIs, PIO, and portfolio investment) | FIPB                           | Subject to the terms and conditions issued by the Ministry of Information and Broadcasting for grant of permission for setting up FM radio stations  |
| Cable network  | 49% (incl. FIIs, PIO, and portfolio investment) | FIPB                           | Subject to the Cable Television Network Rules 1994 and conditions specified by the Ministry of Information and Broadcasting  |
| Direct-to-home   | 49% (incl. FIIs, PIO, and portfolio investment) | FIPB                           | FDI not exceeding 20%. Subject to guidelines issued by the Ministry of Information and Broadcasting  |
| Headend-in-the-sky broadcasting services   | 74% (incl. portfolio investment)                | Automatic up to 49%, then FIPB | Subject to guidelines issued by the Ministry of Information and Broadcasting   |
| Setting up hardware facilities   |   |                                |  |
| Up-linking HUB/teleports   | 49% (incl. FIIs)                                | FIPB                           | Subject to compliance of the up-linking policy notified by the Ministry of Information and Broadcasting  |
| Up-linking non-news and current affairs TV channels  | 100%  | FIPB                           | Subject to compliance of the up-linking policy notified by the Ministry of Information and Broadcasting  |

Table AII.4 (cont'd)

| Sector/activity   | Ceiling                         | Entry route | Other conditions   |
|---|---------------------------------|-------------|--|
| Up-linking news and current affairs TV channels                       | 26% (incl. FIIs)                | FIPB        | Subject to compliance of the up-linking policy notified by the Ministry of Information and Broadcasting  |
| Satellites (establishment and operation)                              | 74%                             | FIPB        | Subject to sectoral guidelines issued by the Department of Space/Indian Space Research Organization  |
| <b>Print media</b>  |                                 |             |  |
| Publishing of newspapers and periodicals                              | 26% (incl. NRIs, PIO, and FIIs) | FIPB        |  |
| Publication of Indian editions of foreign magazines                   | 26% (incl. NRIs, PIO, and FIIs) | FIPB        | Subject to guidelines issued by the Ministry of Information and Broadcasting   |
| Publishing/printing of scientific and technical magazines/periodicals | 100%                            | FIPB        | Subject to guidelines issued by the Ministry of Information and Broadcasting   |
| Publication of facsimile edition of foreign newspapers                | 100%                            | FIPB        | Investment should be made by the owner of the original foreign newspapers. Subject to guidelines issued by the Ministry of Information and Broadcasting                          |
| <b>Trading</b>  |                                 |             |  |
| Cash and carry wholesale trading/wholesale trading                    | 100%                            | Automatic   | Subject to the Guidelines for Cash and Carry Wholesale Trading/Wholesale Trading. Subject to restrictions on domestic trading  |
| E-commerce activities   | 100%                            | Automatic   |  |
| Single brand product trading  | 51%                             | FIPB        | Products should be of single brand only and should be sold under the same brand internationally. Single brand product-retailing cover products branded during manufacturing only |
| Test marketing  | 100%                            | FIPB        | Test marketing will be for two years, and investment in setting up manufacturing facility begins with test marketing   |
| Security agencies in the private sector                               | 49%                             | FIPB        | Subject to the Private Security Agencies (Regulation) Act 2005   |

- a FDI is not allowed in any other agricultural sector/activity.  
b FDI is not allowed in any other plantation sector/activity.  
c FDI is not allowed in mining of prescribed substances listed in Notification No. S.O. 61(E) of 18 January 2006, issued by the Department of Atomic Energy (for details, please see Department of Atomic Energy online information, "Atomic Energy Act Rules and Notifications". Viewed at: <http://www.dae.gov.in/rules/actindex.htm>).  
d Excluding generation, transmission, and distribution of electricity produced in atomic power plants, for which FDI is prohibited. Nuclear energy is reserved to the public sector (Chapter II(4)(i)(b)).  
e FDI is not allowed in real estate business.  
f These conditions do not apply to investment by NRIs, and to hotels and tourism, hospitals, and special economic zones.

Note: ADRs: American depositary receipts; FCCBs: foreign currency convertible bonds; FIIs: foreign institutional investors; GDRs: global depositary receipts; NRIs: non-resident Indians; and PIOs: persons of Indian origin. Foreign institutional investors are entities established outside India, which propose to invest in India and are registered as FIIs under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995.

Source: Department of Industrial Policy and Promotion, Circular No. 1 of 2011 (Consolidated FDI Policy (effective from 1 April 2011), 31 March 2011).

**Table AIII.1**  
**IEC exemptions for imports and exports, 2011**

| <b>Imports</b>  |
|---|
| Goods imported by the Government and state-owned undertakings for defence purposes  |
| Goods imported by the Government, State governments, public entities or state-owned undertakings, through the Directorate General of Supplies and Disposals or the Indian supply missions in London and Washington D.C.   |
| Goods imported by transshipment; or imported and bonded for re-export as ships' stores to any destination (except Nepal and Bhutan) or released for use of diplomatic/consular officers and UN officials  |
| Goods imported and bonded for sale to passengers in duty-free shops   |
| Goods in transit through India or redirected to any destination (except Nepal and Bhutan)   |
| Goods imported for air shipment to Afghanistan or for land shipment to any destination (except Nepal and Bhutan) under claim for duty exemption or refund   |
| Goods imported as passengers' baggage   |
| Goods imported for personal use   |
| Goods imported by diplomatic/consular officers and trade commissioners  |
| Goods imported from countries exempt from customs duty on re-import   |
| Goods previously exported but imported back for repair and re-export  |
| Goods imported by UN officials or the Ford Foundation   |
| Temporary imports of vehicles   |
| Goods imported for use in fairs and exhibitions   |
| Goods imported by the Government or State governments for repair and re-export to Indian embassies abroad   |
| Food grains imported by the Food Corporation of India   |
| Food products imported and supplied as gifts by UN accredited agencies  |
| Goods imported by ministries and departments of the Government and State governments  |
| Goods imported from Nepal, Myanmar (through the Indo-Myanmar border), and China (through Gunji, Namgaya Shipkila, and Nathula ports), provided the c.i.f. value of a single consignment does not exceed Rs 25,000 (Rs 100,000 for Nathula)                      |
| <b>Exports</b>  |
| Goods exported by the Government  |
| Goods (other than foodstuffs) constituting the stores of outgoing vessels   |
| Goods constituting the bona fide personal baggage of any person   |
| Goods exported by post or by air, under conditions specified by the postal authorities  |
| Goods transhipped at Indian ports   |
| Goods imported and bonded for re-export to any destination (except Nepal and Bhutan)  |
| Goods in transit through India by post; or goods re-directed by post to any destination (except Nepal and Bhutan)   |
| Goods imported with no valid import licence and exported following a Customs' order   |
| Goods exported from export processing zones (EPZs) or export-oriented units (EOUs)  |
| Exports of blood group Oh (Bombay phenotype) for scientific research or emergency medical treatment by the National Blood Group Reference Laboratory  |
| Exports of samples of lubricating oil additives by Lubrizols India Ltd., Hindustan Petroleum Corporation Ltd., and Bharat Petroleum Corporation Ltd. to Lubrizol's laboratories in the United States and the United Kingdom for evaluation and testing purposes |
| Goods exported for personal use   |
| Goods exported to Nepal, Myanmar (through the Indo-Myanmar border), and China (through Gunji, Namgaya Shipkila, and Nathula ports), provided the c.i.f. value of a single consignment does not exceed Rs 25,000 (Rs 100,000 for Nathula)                        |

*Source:* Foreign Trade (Exemption from application of Rules in certain cases) Order 1993 (Clauses 3(1) and 3(2)) (CBEC online information, "Customs: Acts". Viewed at: <http://www.cbec.gov.in/customs/cs-acts-botm.htm>); and Department of Commerce (2010), *Handbook of Procedures*, Vol. 1, incorporating Annual Supplement, 23 August. Viewed at: <http://dgft.gov.in>.

**Table AIII.2**  
**Cesses and surcharges levied by the Central Government, 2011**

| Act  | Levy  | Levied/collected by   | Maximum rate                          | Effective rate  | Purpose  |
|--|---|---|---------------------------------------|---|--|
| Beedi Workers Welfare Cess Act 1976  |   |   |                                       |   |  |
|  | Cess on tobacco issued to any person from a warehouse for any purpose in connection with the manufacture of Beedi | Ministry of Labour/Department of Revenue                            | Rs 1/kg                               | Rs 0.25/kg  | For the purposes of the Beedi Worker Welfare Fund Act 1976   |
|  | Beedis cess   |   | Rs 0.50/thousand to Rs 5/thousand     | Rs 5/thousand   |  |
| Finance Act 2004 (Sections 91-93)  |   |   |                                       |   |  |
|  | Education cess on goods manufactured or produced in India   | Department of Revenue/Department of Revenue                         | 2% of the duty amount                 | 2% of the duty amount   | Providing and financing universal quality basic education  |
| Finance Act 2007 (Sections 136-138)  |   |   |                                       |   |  |
|  | Surcharge called secondary and higher education cess on goods manufactured or produced in India                   | Department of Revenue/Department of Revenue                         | 1% of the duty amount                 | 1% of the duty amount   | Providing and financing secondary and higher education   |
| Industries (Development and Regulation) Act 1951                                       |   |   |                                       |   |  |
|  | Cess on automobiles   | Department of Industrial Policy and Promotion/Department of Revenue | 0.125% <i>ad valorem</i> of the value | 0.125% <i>ad valorem</i> of the value   | Promoting scientific and industrial research with reference to the scheduled industry or group of scheduled industry         |
|  | Cess on paper and paperboard (all sorts)  |   | 0.125% <i>ad valorem</i> of the value | 0.125% <i>ad valorem</i> of the value   |  |
|  | Cess on component parts and accessories of automobiles  |   | 0.125% <i>ad valorem</i> of the value | Nil   |  |
|  | Cess on tractors  | Department of Heavy Industry/Department of Revenue                  | 0.125% <i>ad valorem</i> of the value | 0.125% <i>ad valorem</i> of the value   | Promoting scientific and industrial research with reference to the scheduled industry or group of scheduled industry         |
| Iron Ore Mines, Manganese Ore Mines, and Chrome Ore Mines Labour Welfare Cess Act 1976 |   |   |                                       |   |  |
|  | Cess on iron ore  | Ministry of Labour/Department of Revenue                            | Rs 1/tonne                            | Rs 1/tonne  | Financing the welfare of persons employed in the mines   |
|  | Cess on manganese ore   |   | Rs 6/tonne                            | Rs 4/tonne  |  |
|  | Cess on chrome ore  |   | Rs 6/tonne                            | Rs 6/tonne  |  |
| Jute Manufactures Cess (Amendment) Act 2002  |   |   |                                       |   |  |
|  | Cess on specified jute goods  | Ministry of Textile/Department of Revenue                           | 2% <i>ad valorem</i> of the value     | 1% <i>ad valorem</i> of the value   | Developing the production of jute  |
| Lime Stone and Dolomite Mines Labour Welfare Fund Act, 1972                            |   |   |                                       |   |  |
|  | Cess on lime stone and dolomite produced in any mine  | Ministry of Labour/Department of Revenue                            | Rs 1/tonne                            | Rs 1/tonne  | Financing the welfare of persons employed in the mines   |
| Salt Cess Act 1953   |   |   |                                       |   |  |
|  | Cess on salt  | Ministry of Commerce/Department of Revenue                          | Rs 0.14/40 kg                         | Rs 3.5/tonne <sup>a</sup> ;<br>Rs 1.75/tonne <sup>b</sup> ;<br>nil <sup>c</sup> | Establishing and maintaining research stations and model salt farms. Establishing, maintaining, and expanding salt factories |

Table AIII.2 (cont'd)

| Act                        | Levy  | Levied/collected by  | Maximum rate                      | Effective rate | Purpose   |
|----------------------------|---|--|-----------------------------------|----------------|---|
| Sugar Cess Act 1982        | Cess on sugar produced by any factory in India  | Ministry of Public Distribution and Consumer Affairs/<br>Department of Revenue | Rs 25/quintal                     | Rs 24/quintal  | For purposes of the Sugar Development Fund Act 1982 |
| Tea Act 1953               | Cess on tea produced in India   | Ministry of Commerce/<br>Department of Revenue                                 | Rs 0.50/kg                        | Rs 0.30/kg     | For purposes of the Tea Fund                        |
| Textile Committee Act 1963 | Cess on all textiles excluding textiles manufactured from out of the handloom or powerloom industries | Ministry of Commerce/Department of Revenue                                     | 1% ad valorem of the value        | Nil            | For purposes of the Textiles Fund                   |
|                            | Cess on all textile machinery   |  | 1% <i>ad valorem</i> of the value | Nil            |   |

- a Manufacturers holding over 100 acres.  
b Manufacturers holding 10-100 acres.  
c Manufacturers holding less than 10 acres.

Note: The above-mentioned cesses are charged on imports as part of the countervailing duty, with the exception of the education cess (Finance Act 2004) and the secondary and higher education cess (Finance Act 2007), which are charged in addition to the countervailing duty.

Source: Information provided by the Indian authorities.

**Table AIII.3**  
**Safeguard investigations, 2008-11**

| Commodity:<br>tariff item                                   | Date of<br>initiation | Date of<br>final<br>findings | Main import<br>partners <sup>a</sup>                                | Recommendation by the<br>Director-General   | Final decision   |
|---|-----------------------|------------------------------|---|---|--|
| <b>Cases initiated in 2008</b>                              |                       |                              |   |   |  |
| Phthalic anhydride:<br>291735                               | 28.11.08              | 28.05.09                     | Korea (Rep. of) (40.5%), Israel (20.4%), and Chinese Taipei (11.8%) | Safeguard duty for three years: 25% (first year), 20% (second year), and 15% (third year)   | Customs Notification No. 75/2009 of 30.06.09<br>Safeguard duty: 25% from 29.01.09-30.06.09, and 15% from 01.07.09-31.12.09                           |
| Linear alkyl benzene:<br>38170011                           | 19.12.08              | 18.11.09                     | Qatar (37.5%), Iran (34.8%), and Kingdom of Saudi Arabia (23.4%)    | No safeguard duty recommended   |  |
| <b>Cases initiated in 2009</b>                              |                       |                              |   |   |  |
| Oxo alcohol:<br>2905  | 16.01.09              | 27.05.09                     | Saudi Arabia (36.5%), Iran (19.9%), and Kuwait (6.7%)               | Safeguard duty for three years: 10% (first year), 7.5% (second year), and 5% (third year)   | Rejected by Board on Safeguards  |
| Soda ash: 283620  | 16.01.09              | 06.10.09                     | China (48.6%), Kenya (19.7%), and Bulgaria (7.0%)                   | 20% for one year from the date of imposition of the provisional safeguard duty  | Customs Notification No. 122/09 of 05.11.09<br>Safeguard duty: 20% for one year from date of provisional safeguard duty, up to 19.04.10              |
| Dimethoate technical:<br>38089123                           | 21.01.09              | 14.05.09                     | China (100.0%)  | Safeguard duty for three years: 28% (first year), 23% (second year), and 18% (third year)   | Customs Notification No. 87/09 of 27.08.09<br>Safeguard duty: 20% from 23.03.09-22.03.10, and 15% from 23.03.10-22.03.11                             |
| Aluminium flat rolled products:<br>7606                     | 27.01.09              | 29.05.09                     | China (26.7%), Germany (23.6%), and Bahrain (13.6%)                 | Safeguard duty for four years (excluding certain items): 14% (first year), 12% (second year), 10% (third year), and 8% (fourth year)  | Customs Notification No. 71/09 of 19.06.09<br>Safeguard duty (excluding certain items): 14% from 23.03.09-22.03.2010, and 12% from 23.03.10-22.03.11 |
| Aluminium foil:<br>7607                                     | 27.01.09              | 29.05.09                     | China (32.1%), Korea (Rep. of) (21.7%), and Germany (10.4%)         | Safeguard duty for four years (excluding certain items): 30% (first year), 25% (second year), 20% (third year), and 15% (fourth year) | Customs Notification No. 71/09 of 19.06.09<br>Safeguard duty (excluding certain items): 30% from 23.03.09-22.03.2010, and 25% from 23.03.10-22.03.11 |
| Nylon tyre cord fabric: 5902.10                             | 06.02.09              | 06.04.09                     | China (41.4%), Chinese Taipei (22.0%), and Thailand (12.9%)         | Investigation terminated on withdrawal of application   |  |
| Front axle beam, steering knuckles, and crankshaft:<br>7326 | 02.04.09              | 23.09.09                     | Italy (32.3%), France (18.0%), and United States (7.3%)             | No safeguard duty recommended   |  |
| Front axle beam, steering knuckles, and crankshaft:<br>8423 | 02.04.09              | 23.09.09                     | China (25.3%), Japan (22.9%), and Germany (22.8%)                   | No safeguard duty recommended   |  |
| Acrylic fibre:<br>5501                                      | 09.04.09              | 30.09.09                     | France (23.5%), Belarus (16.1%), and China (15.9%)                  | Investigation terminated on withdrawal of application   |  |
| Acrylic fibre:<br>5503                                      | 09.04.09              | 30.09.09                     | Thailand (23.3%), Malaysia (16.4%), and Japan (10.8%)               | Investigation terminated on withdrawal of application   |  |

Table AIII.3 (cont'd)



| Commodity: tariff item   | Date of initiation | Date of final findings | Main import partners <sup>a</sup>   | Recommendation by the Director-General   | Final decision  |
|--|--------------------|------------------------|---|--|---|
| Acrylic fibre: 5506  | 09.04.09           | 30.09.09               | Thailand (63.9%), China (14.7%), and Chinese Taipei                                       | Investigation terminated on withdrawal of application                              |   |
| Hot rolled steel products: 7208                                      | 09.04.09           | 08.12.09               | Korea (Rep. of) (18.8%), China (15.1%), and Russian Federation (10.3%)                    | No safeguard duty recommended  |   |
| Coated paper and paper board: 4810                                   | 20.04.09           | 13.11.09               | China (36.2%), Finland (11.6%), and United States (7.6%)                                  | No safeguard duty recommended  |   |
| Uncoated paper and copy paper: 4802                                  | 20.04.09           | 06.11.09               | United Kingdom (31.0%), Italy (16.2%), and Germany (16.0%)                                | No safeguard duty recommended  |   |
| Particle board: 4410   | 22.04.09           | 24.11.09               | Thailand (32.3%), Malaysia (26.4%), and South Africa (10.0%)                              | No safeguard duty recommended  |   |
| Passenger car tyre: 4011.10  | 18.05.09           | 30.09.09               | China (39.2%), Korea (Rep. of) (23.7%), and Thailand (10.8%)                              | Investigation terminated on withdrawal of application                              |   |
| Unwrought aluminium: 7601  | 22.05.09           | 11.11.09               | Australia (17.2%), South Africa (13.7%), and United Arab Emirates (13.4%)                 | Investigation terminated on withdrawal of application                              |   |
| Unwrought aluminium: 7602  | 22.05.09           | 11.11.09               | United Arab Emirates (18.1%), Kingdom of Saudi Arabia (12.3%), and United Kingdom (12.0%) | Investigation terminated on withdrawal of application                              |   |
| Caustic soda: 2815.12  | 20.08.09           | 09.04.10               | China (41.55%), Indonesia (26.43%), and Qatar (10.43%)                                    | Safeguard duty: 15% from 04.12.2009-03.03.2010                                     | Customs Notification No. 131/2009 of 04.12.2009<br>Provisional duty: 15%. No definitive safeguard duty levied |
| <b>Cases initiated in 2010</b>                                       |                    |                        |   |  |   |
| Soda ash (review proceedings): 2836.20                               | 19.02.10           | 13.04.10               | China specific  | Safeguard duty: 16% from 20.04.2010-19.04.2011; and 14% from 20.04.2011-19.04.2012 | Customs Notification No. 72/2010 of 28.16.2010<br>Definitive safeguard duty: 16% from 28.06.2010-19.04.2011   |
| PX 13: 3812, 2934 and 2925   | 27.12.10           | n.a.                   | Korea (Rep. of) (61.35%), United States (11.74%), and China (18.63%)                      | n.a.   | n.a.  |
| <b>Cases initiated in 2011</b>                                       |                    |                        |   |  |   |
| Aluminium FRP and aluminium foil (review proceedings): 7606 and 7607 | 14.02.11           | n.a.                   | China specific  | n.a.   | n.a.  |

n.a. Not applicable.

a Data in brackets refer to share of total imports for the corresponding product. UNSD Comtrade data are used, except for items shown at eight-digit for which data are from the WTO Integrated Database.

Source: WTO Secretariat; Central Board of Excise and Customs online information, "Customs: Notifications". Viewed at: <http://www.cbec.gov.in/cae1-english.htm>; and information provided by the Indian authorities.

**Table AIII.4**  
**Other institutions responsible for standards formulation and enforcement, 2011**

| Institution   | Field of action   | Legislation   |
|---|---|---|
| Atomic Energy Regulatory Board  | Nuclear energy  | Atomic Energy Act 1962  |
| Automotive Research Association of India                              | Safety standards on automobiles   | Societies Registration Act XXI 1860   |
| Central Boilers Board   | Boilers   | Indian Boilers Act 1923; Indian Boilers Regulations 1949  |
| Central Committee for Food Standards                                  | Food products   | Prevention of Food Adulteration Act 1954; Prevention of Food Adulteration Rules 1955  |
| Central Electricity Authority   | Supply of electricity to units owned by the central Government  | Electricity Act 2003; Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations 2010  |
| Central Silk Board  | Natural raw silk and products   | Central Silk Board (Amendment) Act 1982   |
| Chief Controller of Explosives  | Gas cylinders, pressure vessels and explosive materials, and flameproof electrical equipment for industries | Indian Explosives Act 1984; Gas Cylinders Rules 1981; Explosive Rules 1983; Static and Mobile Pressure Vessels (Unfired) Rules 1981; Acetylene Notification No. GSR.625(E), 7 August 1983; Carbide of Calcium Rules 1937          |
| Coir Board  | Coir products   | Regulation Coir Industries Act 1953   |
| Department of Fertilizer  | Fertilizers   | Fertilizer Control Order 1985   |
| Telecommunication Engineering Centre, Department of Telecommunication | Telecom equipment   | Indian Telegraph Act 1885; Indian Wireless Act 1933; Telecom Regulatory Authority of India (TRAI) Act 1997  |
| Ministry of Road Transport and Highways                               | Road transport  | Regulation of Motor Vehicles Act 1988; Carriage by Road Act 2007; Road Transport Corporation Act 1950   |
| Directorate General Factory Advice Service and Labour Institutes      | Safety in factories, and flameproof electrical equipment for industries                                     | Factory Act 1948; Dock Workers (Safety, Health, and Welfare) Act 1986   |
| Directorate General of Civil Aviation                                 | Civil aviation  | Aircraft Act 1934; Carriage by Air Act 1972; Airport Authority of India Act 1994; Airports Economic Regulatory Authority of India Act 2008  |
| Directorate General of Mines Safety                                   | Safety of mines and mining operations, and electric equipment for coal and oil mines                        | Indian Mines Act and Rules 1952   |
| Directorate of Marketing and Inspection                               | Raw and semi-processed agricultural commodities, and meat and meat products                                 | Agricultural Produce (Grading and Marketing) Act 1937; Meat Food Products Order 1973  |
| Directorate of Standardization  | Articles for defence use  | ..  |
| Directorate of Vanaspati, Vegetable oil, and Fats                     | Hydrogenated vegetable oils (Vanaspati), vegetable oil, de-oiled meals, and edible flours                   | Vegetables Products Control Order 1947; Vegetable Oil Products (Standards of quality) Order 1975; Solvent Extracted oils, De-Oiled Meals and Edible Flour (Control Order) 1967  |
| Directorate of Weights and Measures                                   | Weight and measures used in commercial transactions   | Standards of Weights and Measures Act 1976; Standards of Weights and Measures (Packages Commodities) Rules 1977; Standards of Weights and Measures (Enforcement) Act 1985; Standards of Weights and Measures (General) Rules 1987 |
| Drugs Controller General of India                                     | Cosmetics, Indian pharmacopoeia, and drugs specification  | Drugs and Cosmetics Act 1945  |
| Electronics Components Standardization Organization                   | Electronics components standardization  | ..  |
| Indian Roads Congress   | Technical specifications regarding roads and bridges  | ..  |
| Jute Commissioner   | Jute and jute products  | Essential Commodities Act 1955; Jute (Licensing and Control) Order 1961   |

Table AIII.4 (cont'd)

| <b>Institution</b>  | <b>Field of action</b>   | <b>Legislation</b>                |
|---|--|-----------------------------------|
| Ministry of Environment and Forest  | Tolerance limits for emulsion and effluents  | Environment (Protection) Act 1986 |
| Ministry of Food Processing Industries                                    | Fruits and vegetable products, synthetic syrups, and aerated waters  | Fruit Products Order 1955         |
| Research and Design Standards Organization (RDSO)                         | Development of standardization of technical specifications for items used in railways  | Indian Railway Act                |
| Rural Electrification Corporation (REC)                                   | Codes of practice and guide for rural electrification  | ..                                |
| Technology Application and Standard Unit, Central Public Works Department | Civil and electrical works   | ..                                |
| Steel Authority of India  | Interplant standardization of consumable, replacement, and other items used in the steel industry                              | ..                                |
| Standardization Testing and Quality Certification Directorate             | Standardization of electronics technology  | ..                                |
| Textile Commissioner  | Textile fibres, yarn, and fabrics (except handloom, silk, and jute fabrics), and textiles machinery (excluding jute machinery) | ..                                |

.. Not available.

Source: WTO Secretariat; and information provided by the Indian authorities.

**Table AIII.5**  
**Export prohibitions, 2011**

| Reason for prohibition   | Description   | Status since 2007 |
|--|---|-------------------|
| Protection of wildlife under the Wild Life (Protection) Act 1972   | All wild animals, animal articles (including their products and derivatives), excluding those for which ownership certificates have been granted and those required for transactions for education, scientific research, and management under the Wild Life (Protection) Act 1972, including their parts and products | Unchanged         |
|  | Live exotic birds, excluding albino budgerigars, budgerigars, Bengali finches, white finches, and zebra finches, which may be exported subject to preshipment inspection; and java sparrows, which are subject to export licensing  | Unchanged         |
|  | Marine species and their parts, products, and derivatives under the Wild Life (Protection) Act 1972   | Added             |
|  | Bêche-de-mer (sea cucumber)   | Added             |
| Control of poaching and illegal trade in wildlife and its products | Peacock tail feathers, including handicrafts and articles of peacock tail feathers  | Unchanged         |
|  | Shavings of shed antlers of Chital and Sambhar, including manufactured articles   | Unchanged         |
|  | Sea shells, including polished sea shells and handicrafts made out of those species mentioned in the Wild Life (Protection) Act 1972  | Added             |
| Social and religious reasons                                       | Beef of cows, oxen and calf   | Unchanged         |
|  | Offal of cows, oxen, and calf   | Unchanged         |
|  | Meat of buffalo, fresh, chilled or frozen   | Added             |
|  | Tallow, fat and/or oils of any animal origin, excluding fish oil and lanolin  | Unchanged         |
|  | Human skeletons   | Unchanged         |
| Ecological and environmental reasons                               | Undersized rock lobsters and sand lobsters  | Unchanged         |
|  | Chemicals under the Montreal Protocol when exported to a country that is not party to the Protocol  | Unchanged         |
|  | Plants and plant portions of wild species specified in the Wild Life (Protection) Act 1972 or the CITES Appendix I or in the Export Licensing Note 1 <sup>a</sup>   | Added             |
|  | Wood and wood products in forms of logs, timber, stumps, roots, barks, chips, powder, flakes, dust, pulp, and charcoal, other than sawn timber made exclusively out of imported logs/timber   | Unchanged         |
|  | Fuel wood in logs, billets, twigs, faggots or similar forms; wood in chips or particles; and sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms  | Unchanged         |
|  | Wood charcoal whether or not agglomerated   | Unchanged         |
|  | Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end jointed, of a thickness exceeding 6 mm, other than sawn timber made exclusively out of imported logs/timber   | Unchanged         |
|  | Sandalwood in any form, excluding finished handicraft products of sandalwood, machine finished sandalwood products, and sandalwood oil  | Unchanged         |
|  | Red sanders wood in any form, whether raw, processed or unprocessed, excluding value-added products of red sanders wood (e.g. extracts, dyes, musical instruments, and parts of musical instruments made from red sanders wood procured from legal sources)   | Unchanged         |
| Natural resources conservation                                     | Mechanical wood pulp  | Unchanged         |
|  | Chemical wood pulp, dissolving grades   | Unchanged         |
|  | Chemical wood pulp, soda or sulphate, other than dissolving grades  | Unchanged         |
|  | Chemical wood pulp, sulphite, other than dissolving grade   | Unchanged         |
|  | Semi-chemical wood pulp   | Added             |
| Family planning scheme   | Condoms <sup>b</sup>  | Unchanged         |
| Ensuring domestic availability/food security                       | Non-basmati rice <sup>c</sup>   | Added             |
|  | Wheat (including durum wheat) and meslin <sup>d</sup>   | Added             |
|  | Dried leguminous vegetables, shelled, whether or not skinned or split, excluding kabuli chana (chickpea), and 10,000 tonnes of organic pulses during 2011/12 <sup>e</sup>   | Added             |
|  | All edible oil <sup>f</sup>   | Added             |
|  | Milk powder (including whole milk powder, baby milk powder, dairy whitener), casein and casein derivatives  | Added             |

Table AIII.5 (cont'd)

| Reason for prohibition                       | Description   | Status since 2007 |
|--|---|-------------------|
| Implementing the Chemical Weapons Convention | Toxic chemicals (Chemical Weapons Convention, Schedule 1) | Unchanged         |

- a For Export Licensing Note 1, see the Export Policy Schedule (Chapter 12). Exemptions for research, education, and lifesaving drugs are granted by the DGFT, upon recommendations by the Ministry of Environment and Forests.
- b Certain brands and those with certain markings/stamps (see the Export Policy Schedule (Chapter 40)).
- c The prohibition does not apply to exports under food-aid programmes and the Indo-Maldives trade agreement. In addition, non-basmati rice may be exported, subject to export quotas, to Bangladesh, Bhutan, Cameroon, Comoros, Ghana, Madagascar, Mauritius, Nigeria, Senegal, Sierra Leone, 21 African countries, Nepal, and Sri Lanka. Exports are through central public sector enterprises (CPSEs). Non-basmati rice may also be exported by Venkatachalapathi Modern Rice Mills and Bharath Exporters, which are export-oriented units (EOUs), subject to export quotas. The prohibition does not apply to Sona Masuri, Ponni Samba, and Matta varieties, subject to export quotas.
- d Exports to Bangladesh and Nepal are allowed, subject to export quotas. Exports are through CPSEs.
- e Pulses may be exported to Sri Lanka, Bhutan, Mauritius, and the Maldives, subject to export quotas.
- f Exemptions apply to: exports of castor oil; exports of coconut oil (through Kochi port); deemed exports of edible oils to EOUs, upon condition that the final product is non-edible; exports of oils produced out of minor forest produce, even if edible; and exports of edible oil from the domestic tariff area (DTA) to special economic zones (SEZs) for consumption by SEZ units in manufacture of processed food products.

Source: Department of Commerce (2010), Schedule 2: Export Policy, *Foreign Trade Policy 2009-14*, incorporating Annual Supplement, 23 August. Viewed at: <http://dgft.gov.in>; and DGFT online information, "Notifications". Viewed at: <http://dgft.gov.in>.

**Table AIII.6**  
**Export incentive schemes, 2007-11**

| Scheme  | Description   |
|---|---|
| <b>Duty exemption schemes</b>   |   |
| Advance Authorization Scheme (previously Advance Licence Scheme)                        | Manufacturers may import inputs (including fuel and oil) duty free to manufacture exports. Mandatory spare parts may also be imported duty free, up to a maximum of 10% of the c.i.f. value of the authorization. Inputs may also be procured from 100% export-oriented units (EOUs), electronic hardware technology parks, software technology parks, biotechnology parks, and special economic zones (SEZs);<br>To qualify, exports must have a minimum value added of 15%, except for specified products, e.g. gems and jewellery (1.5%-5%), petroleum products and copper anode and cathode (8%), and tea (50%); Goods must be exported within 36 months from the date of issuance of the authorization, except for spices (90 days to 12 months), drugs, penicillin, and tea (6 months), and coconut oil (90 days); Advance authorizations/imported inputs are non-transferable even after the export obligation is fulfilled.   |
| Duty-Free Import Authorization (DFIA) Scheme  | Manufacturers may import inputs (including fuel and oil) duty free to manufacture exports. Mandatory spare parts may also be imported duty free, up to a maximum of 10% of the c.i.f. value of the authorization. Inputs may also be procured from 100% EOUs, electronic hardware technology parks, software technology parks, biotechnology parks, and SEZs;<br>To qualify, exports must have a minimum value added of 20%, except for specified products, e.g. gems and jewellery (1.5%-5%), petroleum products and copper anode and cathode (8%), and tea (50%); Goods must be exported within 36 months from the date of issuance of the authorization, except for spices (90 days to 12 months), drugs, penicillin, and tea (6 months), and coconut oil (90 days); DFIA/imported inputs are freely transferable to domestic producers/traders once the export obligation is fulfilled. However, transfer of fuels is allowed only to enterprises authorized to market fuel by the Ministry of Petroleum and Natural Gas. |
| <b>Duty remission scheme</b>  |   |
| Duty Entitlement Passbook (DEPB) Scheme   | The scheme is aimed at neutralizing the incidence of customs duty on imports of inputs for the manufacture of export products;<br>Exporters are granted a duty credit for specific products equivalent to a percentage of the f.o.b. value of exports. This percentage is fixed by the Directorate General of Foreign Trade (DGFT) (1.5%-11.14% at end February 2011). Duty credits are available for about 2,200 export products notified by the DGFT; DFIA/imported inputs are freely transferable to domestic producers/traders once the export obligation is fulfilled;<br>The scheme is to be eliminated by 30 June 2011.  |
| <b>Reward schemes</b>   |   |
| Served from India Scheme  | The scheme is aimed at accelerating the growth in services exports;<br>Indian service providers (companies with minimum investment of Rs 1 million in foreign currency or individuals with minimum investment of Rs 500,000 in foreign currency) are granted a duty credit equivalent to 10% of the total foreign exchange earned during a financial year. Duty credits may be used to import capital or other goods;<br>Duty credits/imported goods are non-transferable, except within the same conglomerate.   |
| Special Agricultural and Village Industry Scheme (Vishesh Krishi and Gram Udyog Yojana) | The scheme is aimed at compensating freight cost and promoting exports of agricultural and other products, forest-based products, Gram Udyog products <sup>a</sup> , oleoresins <sup>b</sup> , minor forest products, and value-added products;<br>In general, exporters are granted a duty credit equivalent to 5% of the f.o.b. value of exports. However, a duty credit equivalent to a maximum 3% of the f.o.b. value of exports is granted to exporters who have benefited from "duty drawback" rates above 1% (Chapter III(3)(vii)(b)), duty credits under DEPB (see above) or duty-free imports under the duty exemption schemes (see above). Exporters of certain flowers, fruits and vegetables <sup>b</sup> , marine products, and grapes are granted an additional duty credit equivalent to 2% of the f.o.b. value of exports;<br>Duty credits are transferable to other domestic producers/traders once the export obligation is fulfilled.  |
| Agri-Infrastructure Incentive Scheme <sup>c</sup>                                       | The scheme is aimed at facilitating imports of storage, packing, and transport equipment for exports of live animals and animal products, fats and oils, and prepared foodstuffs, beverages, and tobacco;<br>Exporters are granted a duty credit equivalent to 10% of the f.o.b. value of exports. Total support under this scheme should not exceed Rs 1 billion.  |
| Focus Market Scheme   | The scheme is aimed at compensating freight cost and other external costs for exports to 110 notified markets;<br>Exporters are granted a duty credit equivalent to 3% of the f.o.b. value of exports. Some products do not qualify for duty credit <sup>d</sup> ;<br>Duty credits are transferable to other domestic producers/traders once the export obligation is fulfilled.  |

Table AIII.6 (cont'd)

| Scheme  | Description   |
|---|---|
| Focus Product Scheme                                | The scheme is aimed at promoting notified products with high potential for exports and employment; Exporters of 429 notified products are granted a duty credit equivalent to 2% of the f.o.b. value of exports. Exporters of 114 notified products are granted a special duty credit equivalent to 5% of the f.o.b. value of exports. Exporters of 169 notified products are granted an additional duty credit equivalent to 2% of the f.o.b. value of exports, over and above the existing rates. In addition, exporters of 67 notified products are granted a duty credit equivalent to 2% of the f.o.b. value of exports when products are exported to specific markets. <sup>c</sup>   |
| Status Holder Incentive Scheme                      | The scheme is aimed at promoting investment for technology upgrading in the leather, textile and jute, handicrafts, engineering, plastics, and basic chemical (excluding pharma) subsectors; Exporters are granted a duty credit equivalent to 1% of the f.o.b. value of exports over 2009-10. The duty credit has also been granted to exporters of additional subsectors in 2010-12 <sup>f</sup> ; Exporters who have benefited from the Technology Upgradation Fund Scheme of the Ministry of Textiles, are not eligible.  |
| <b>Export Promotion Capital Goods Scheme</b>        |   |
| Zero-duty rate                                      | Exporters of specific products <sup>g</sup> may import capital goods duty free to manufacture export products, subject to an export obligation of six times the amount of the duty saved, to be met within six years. Exporters who have benefited from the Status Holder Incentive Scheme (see above) or the Technology Upgradation Fund Scheme (of the Ministry of Textiles) are not eligible; The scheme is in place until 31 March 2012.  |
| Concessional rate                                   | Manufacturers of exports may import capital goods at a 3% duty rate, subject to an export obligation of: (i) eight times the amount of the duty saved, to be met within eight years; (ii) six times the amount of the duty saved for agri-units, to be met within 12 years; and (iii) six times the amount of the duty saved for micro and small enterprises, to be met within eight years, and the c.i.f. value of imports should not exceed Rs 5 million and total investment after imports should not exceed the limits prescribed to maintain the micro and small enterprises status (Chapter II(4)(i)(c)). If the duty saved amounts to at least Rs 1 billion, the export obligation is to be met within 12 years for all manufacturers; Service providers certified as common service provider by the DGFT may also import capital goods to export services at a 3% duty rate. The export obligation is eight times the amount of the duty saved, to be met within eight years.   |
| <b>Schemes for gems and jewellery</b>               |   |
| Replenishment authorization                         | Replenishment authorizations are granted against exports of gold, platinum, and silver jewellery and articles made of gold, platinum, and silver; To obtain a replenishment authorization, exporters must prove that the products have been exported (e.g. shipping bill). They must apply for a replenishment authorization within six months of exporting; Exporters are allowed to import: (i) inputs (e.g. gold, platinum, and silver,) duty free; (ii) empty jewellery boxes, up to 5% of the c.i.f. value of the authorization; and (iii) consumable products (e.g. tags and labels), up to 2% of the f.o.b. value of exports for precious metal jewellery (other than gold and platinum), 1% of the f.o.b. value of exports for gold/platinum jewellery and cut and polished diamonds, and 3% of the f.o.b. value of exports for rhodium finished silver jewellery; Duty-free imports of gold/platinum/silver may be procured through nominated agencies <sup>h</sup> ; Export products must have minimum value added (1.5% -5%) and wastage norms (0.25%-7%). Exports are to be completed within the specified period; Replenishment authorizations are transferable to domestic producers/traders once the export obligation is fulfilled. |
| Advance Authorization Scheme for gems and jewellery | Exporters are granted duty-free imports of inputs (e.g. gold, platinum, and silver) to manufacture export products. Imports must be through nominated agencies <sup>h</sup> ; Exports must have minimum value added (1.5%-5%) and wastage norms (0.25%-7%). Goods must be exported within 120 days (extendable to 180 days) from the date of issuance of authorization; Advance authorizations/imported inputs are non-transferable.  |
| <b>Export and Trading Houses Scheme</b>             | Export and trading houses are categorized into export house, star export house, trading house, star trading house, and premier trading house. Manufacturer and services exporters <sup>i</sup> are allocated a category depending on the total f.o.b. export performance over the last four years (including current year) <sup>j</sup> ; Exporters are allowed, <i>inter alia</i> : to self-declare import and export customs clearance; exemption from compulsory negotiation of documents through banks; establishment of export warehouses; and to apply to the Customs accredited clients programme (Chapter III(2)(i)(a)), the Status Holder Incentive Scheme, and the Agri-Infrastructure Incentive Scheme (see above).  |

Table AIII.6 (cont'd)

| Scheme                                | Description  |
|---------------------------------------|--|
| <b>Target Plus Scheme<sup>k</sup></b> | Exporters from star export houses are granted duty-free credits based on export growth; duty-free credits amount to 5% for growth of over 20%;<br>Duty credits are non-transferable and must be used for the payment of customs duty on imported inputs. |

- a Gram Udyog products include vegetable plaiting materials of bamboos (HS 1401.10); other vegetable plaiting materials, excluding bamboo and rattan (HS 1401.90); palm fibre for brushes (HS 1403.00.10); Palmyra sugar (HS 1702.90.10), and traditional and homeopathic medicines (HS 3004.90.11, 3004.90.12, 3004.90.13, and 3004.90.14). Gram Udyog products are produced in units registered with the Khadi and Village Industries Commission (KVIC) or the Khadi and Village Industries Board (KVIB).
- b Removed since 23 August 2010.
- c Offshoot of the Special Agricultural and Village Industry Scheme (Vishesh Krishi and Gram Udyog Yojana).
- d Supplies to units in special economic zones; diamonds and other precious/semi-precious stones; gold, silver, platinum, and other precious metals, including plain and studded jewellery; ores and concentrates (all types and forms); cereals (all types); sugar (all types and forms); crude/petroleum oil and crude/petroleum based products (all types and forms under HS 2709-2715); and milk and milk products (HS 0401-0406, 1901.10.01, 1901.10.10, 2105, and 3501). Exports of services are also prohibited.
- e Algeria, Australia, Brazil, Cambodia, China, Egypt, EU, Kenya, Japan, Mexico, New Zealand, Nigeria, South Africa, Tanzania, Ukraine, United States, and Viet Nam.
- f Chemical and allied products; rubber products; paints, varnishes, and allied products; glass and glassware; plywood and allied products; ceramics; paper, paper board, and paper products; books, publications, and printing; animal by-products; ossein and gelatine; graphite products; miscellaneous products (HS 3201, 3202.90.10, 3203.00.10, 3604, 3605, and 3802.10.00); electronics products; sports goods; engineering products from iron and steel).
- g Engineering and electronic products, basic chemicals and pharmaceuticals, apparels and textiles, plastics, handicrafts, chemicals and allied products, leather and leather products, paper and paper board and articles thereof, ceramic products, refractories, glass and glassware, rubber and articles thereof, plywood and allied products, marine products, sports goods, and toys.
- h MMTc Ltd, Handicraft and Handloom Export Corporation, State Trading Corporation, Project and Equipment Corporation of India Ltd, STCL Ltd, MSTC Ltd, Diamond India Ltd, Gems and Jewellery Export Promotion Council, star and premier trading houses, and agencies authorized by the Reserve Bank of India.
- i Eligible manufacturers and service exporters are those from 100% export-oriented units, special economic zones, agri-export zones, electronic hardware technology parks, software technology parks, and bio-technology parks.
- j The f.o.b. export performance is: Rs 200 million for export houses; Rs 1 billion for star export houses; Rs 5 billion for trading houses; Rs 25 billion for star trading houses; and Rs 75 billion for premier trading houses.
- k The Duty-Free Credit Entitlement Scheme and the Duty-Free Replenishment Certification Scheme were replaced by the Target Plus Scheme in 2004, which was removed in April 2006. However, duty credits granted are still grandfathered.

Note: These schemes apply for exports made as from 27 August 2009.

Source: Department of Commerce (2010), *Foreign Trade Policy 2009-14*, incorporating annual supplement, 23 August. Viewed at: <http://dgftcom.nic.in>; Department of Commerce (2010), *Handbook of Procedures*, Vol. 1, incorporating annual supplement, 23 August. Viewed at: <http://dgftcom.nic.in>; Department of Commerce (2009), *Appendices and Aayat Nirayat Forms*, 27 August. Viewed at: <http://dgftcom.nic.in>; Directorate General of Foreign Trade (2009), *DEPB Rates*, 27 August. Viewed at: <http://dgftcom.nin.in>; and information provided by the Indian authorities.



**Table AIII.7**  
**Amount forgone/disbursed on imports under export promotion schemes, 2007-10**  
 (Rs million)

| Scheme  | Amount forgone/disbursed |                |                |
|---|--------------------------|----------------|----------------|
|   | 2007/08                  | 2008/09        | 2009/10        |
| Advance Authorization Scheme (previously Advance Licence Scheme)                        | 176,541                  | 123,890        | 100,892        |
| Duty-Free Import Authorization Scheme   | 13,591                   | 12,676         | 13,986         |
| Duty Entitlement Passbook Scheme  | 53,115                   | 70,875         | 80,085         |
| Served from India Scheme  | 6,417                    | 5,305          | 5,149          |
| Special Agricultural and Village Industry Scheme (Vishesh Krishi and Gram Udyog Yojana) | 5,380                    | 20,591         | 28,687         |
| Agri-Infrastructure Incentive Scheme  | ..                       | ..             | ..             |
| Focus Market Scheme   | 83                       | 2,641          | 4,324          |
| Focus Product Scheme  | 328                      | 1,441          | 3,962          |
| Status Holder Incentive Scheme  | ..                       | ..             | ..             |
| Export Promotion Capital Goods Scheme   | 105,214                  | 78,327         | 70,203         |
| Schemes for gems and jewellery  |                          |                |                |
| Replenishment certification   | ..                       | ..             | ..             |
| Advance authorization for gems and jewellery  | ..                       | ..             | ..             |
| Export and Trading Houses Scheme  | ..                       | ..             | ..             |
| Duty-Free Entitlement Credit Certificate Scheme   | 4,716                    | 3,423          | 1,797          |
| Duty-Free Service Entitlement Credit Certificate Scheme                                 | 2,679                    | 754            | 541            |
| Duty-Free Replenishment Certification Scheme  | 6,071                    | 1,106          | 623            |
| Target Plus Scheme  | 9,233                    | 12,201         | 2,673          |
| <b>Total</b>  | <b>383,368</b>           | <b>333,230</b> | <b>312,922</b> |

.. Not available.

Source: Information provided by the Indian authorities.

**Table AIII.8**  
**Revenue forgone under the Income Tax Act 1961, 2006-11**  
(Rs million)

| Incentive (section of the Income Tax Act 1961)   | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 <sup>a</sup> |
|--|---------|---------|---------|---------|----------------------|
| Deduction/weighted deduction for expenditure on scientific research (35(1), (2AA), and (2AB))  | 15,550  | 20,020  | 25,270  | 24,180  | 29,280               |
| Deduction for expenditure on eligible projects or schemes for the social and economic uplift of the public (35AC)                                | 440     | 500     | 970     | 8,980   | 1,590                |
| Deduction in respect of expenditure on specified business (35AD)   | ..      | ..      | ..      | ..      | ..                   |
| Deduction on account of donations to charitable trusts and institutions (80G)  | 16,550  | 43,640  | 7,870   | 6,450   | 7,140                |
| Deduction on account of donations for scientific research or rural development (80GGA)   | 50      | 140     | 240     | 10      | 10                   |
| Deduction on account of contributions to political parties (80GGB)   | 10      | 70      | 240     | 440     | 530                  |
| Deduction of profits of certain industrial undertakings or a ship or a hotel business (80-I)   | -       | -       | -       | -       | -                    |
| Deduction of profits of undertakings engaged in development of infrastructure facilities (80-IA)   | 13,130  | 17,840  | 15,890  | 26,160  | 31,650               |
| Deduction of profits of undertakings engaged in development of special economic zones (SEZs) and industrial parks (80-IA)                        | 1,860   | 3,110   | 4,180   | 4,100   | 4,930                |
| Deduction of profits of undertakings engaged in providing telecom services (80-IA)   | 50,540  | 54,730  | 43,600  | 35,110  | 42,520               |
| Deduction of profits of undertakings engaged in power generation, transmission, and distribution(80-IA)  | 46,150  | 57,830  | 63,680  | 74,730  | 87,940               |
| Deduction of profits of undertaking engaged in revival of power plant (80-IA)  | 2,730   | 660     | 1,220   | 2,170   | 2,620                |
| Deduction of profits of undertakings engaged in development of SEZs in pursuance to the SEZ Act 2005 (80-IAB)                                    | 1,410   | 16,280  | 14,250  | 9,740   | 9,190                |
| Deduction of profits of industrial undertakings operating in the small-scale sector (80-IB)  | 3,120   | 3,240   | 1,780   | 2,170   | 2,560                |
| Deduction of profits of industrial undertakings located in Jammu and Kashmir (80-IB)   | 3,750   | 6,060   | 2,540   | 3,010   | 3,570                |
| Deduction of profits of industrial undertakings located in industrially backward states other than Jammu and Kashmir (80-IB)                     | 20,330  | 24,080  | 10,270  | 4,000   | 4,820                |
| Deduction of profits of industrial undertakings located in backward districts (80-IB)  | 5,860   | 2,950   | 870     | 1,070   | 1,280                |
| Deduction of profits of industrial undertakings derived from multiplex theatre and convention centre (80-IB)                                     | 130     | 160     | 180     | 30      | 30                   |
| Deduction of profits of industrial undertakings derived from development of scientific research (80-IB)  | 310     | 410     | 740     | 680     | 820                  |
| Deduction of profits of industrial undertakings derived from mineral oil production (80-IB)  | 52,510  | 28,130  | 9,510   | 10,560  | 12,790               |
| Deduction of profits of industrial undertakings derived from housing projects (80-IB)  | 15,200  | 30,260  | 23,150  | 26,110  | 30,180               |
| Deduction of profits of industrial undertakings derived from operating a cold chain facility (80-IB)   | 60      | 50      | 50      | 50      | 50                   |
| Deduction of profits of industrial undertakings derived from integrated business of handling, storage, and transportation of food grains (80-IB) | 200     | 170     | 270     | 450     | 540                  |
| Deduction of profits of industrial undertakings derived from processing, preservation, and packaging of fruits and vegetables (80-IB)            | 230     | 310     | 710     | 780     | 940                  |
| Deduction of profits of industrial undertakings derived from hospital in rural area (80-IB)  | 20      | 20      | 10      | 30      | 40                   |
| Deduction of profits of undertakings set up in north eastern states (80-IC)  | 14,500  | 17,360  | 6,860   | 15,320  | 18,250               |
| Deduction of profits of undertakings set up in Sikkim (80-IC)  | 100     | 390     | 830     | 3,840   | 4,400                |

Table AIII.8 (cont'd)

| Incentive (section of the Income Tax Act 1961)   | 2006/07        | 2007/08        | 2008/09        | 2009/10        | 2010/11 <sup>a</sup> |
|--|----------------|----------------|----------------|----------------|----------------------|
| Deduction of profits of undertakings set up in Uttaranchal (80-IC)   | 5,820          | 13,390         | 17,460         | 24,520         | 29,470               |
| Deduction of profits of undertakings set up in Himachal Pradesh (80-IC)  | 12,800         | 19,690         | 23,160         | 25,040         | 30,000               |
| Deduction of profits from business of collecting and processing of bio-degradable waste (80JJA)                      | 100            | 1,210          | 390            | 250            | 290                  |
| Deduction in respect of employment of new workmen (80JJA)  | 200            | 240            | 290            | 290            | 350                  |
| Deduction in respect of certain incomes of offshore banking units and international financial services centre (80LA) | 2,860          | 5,160          | 3,660          | 4,620          | 180                  |
| Deduction of profits of cooperative societies (80P)  | 2,660          | 3,580          | 3,610          | 4,470          | 5,020                |
| <b>Total</b>   | <b>289,180</b> | <b>371,680</b> | <b>283,750</b> | <b>319,360</b> | <b>362,980</b>       |

- Nil.  
 .. Not available.  
 a Provisional.

Source: Ministry of Finance (2011), "Receipt Budget: Revenue Foregone under the Central Tax System", *Union Budget 2011-2012*. Viewed at: <http://indiabudget.nic.in>; and information provided by the Indian authorities.

**Table AIII.9**  
**Selected incentive schemes/programmes for MSMEs, 2011**

| Scheme/programme   | Eligibility                      | Description  | Introduction/validity |
|--|----------------------------------|--|-----------------------|
| <b>Implemented by the Ministry of Micro, Small, and Medium Enterprises</b> |                                  |  |                       |
| Entrepreneurship Development Institutions (EDIs) Scheme                    | EDIs <sup>a</sup>                | Assistance is provided to create, strengthen or expand infrastructure (including opening of new branches) and to meet deficits. The subsidy amounts to 50% of the cost of building, training, and other support services, up to Rs 15 million.   | 2010/12               |
| Rajiv Gandhi Udyami Mitra Yojana <sup>b</sup>                              | New micro and small entrepreneur | Financial assistance to Udyami Mitras <sup>c</sup> is provided by selected agencies <sup>d</sup> . It amounts to Rs 4,000/trainee for service enterprises and Rs 6,000/trainee for manufacturing enterprises (with investment in plants and machinery up to Rs 25,000). Trainees contribute to Rs 1,000 to the financial assistance (trainees of special categories are exempt).   | 2008/12               |
| <b>Implemented by the Development Commissioner</b>                         |                                  |  |                       |
| Management Development Programme   | Prospective/ existing MSMEs      | The programme is aimed at training prospective/existing entrepreneurs by upgrading their managerial skills. No financial incentives are provided.  | 1952/ongoing          |
| Credit Guarantee Fund Scheme for Micro and Small Enterprises               | All MSEs, except retail trade    | Credit is guaranteed by financial institutions <sup>e</sup> . The guarantees amount to: 75% of the credit for loans up to Rs 5 million; 85% of the credit for loans up to Rs 500,000 to micro enterprises; 75% of the credit for loans up to Rs 5 million to micro enterprises; and 80% of the credit for special categories, without any limit. For loans ranging from Rs 5 million to Rs 10 million, a 50% incremental increase on the amount of the guarantees applies. | 2000/14               |
| Credit Linked Capital Subsidy Scheme for technology upgradation            | Manufacturing MSEs               | The subsidy amounts to 15% of the capital acquired to upgrade technology, up to Rs 1.5 million.  | 2001/12               |
| Integrated Infrastructure Development Scheme <sup>f</sup>                  | ..                               | The subsidy amounts to 40% of the cost of the project, up to Rs 2 million (80% for projects set up in the north-eastern region or in the states of Jammu and Kashmir, Himachal Pradesh, and Uttarakhand, up to Rs 4 million).  | ../2010               |
| ISO 9000/14001 and HACCP Certification Reimbursement Scheme                | All MSEs                         | 75% of the quality management (ISO 9000), environment management (ISO 14001), and HACCP certification cost is reimbursed, up to Rs 75,000.   | 1994/12               |
| Marketing Development Assistance Scheme                                    | Exporting manufacturing MSMEs    | MSMEs participating in international exhibitions/trade fairs, are reimbursed 75% of the economy air fare and 50% of the space rental charges (100% for special categories), up to Rs 125,000.  | 2000/12               |
| Micro and Small Enterprises Cluster Development Programme <sup>f</sup>     | All MSEs                         | The subsidy amounts to Rs 250,000 for conducting diagnostic studies; 80% of the cost of the project (90% for special categories) for projects up to Rs 150 million; and 75% of the cost of the project (90% for special categories) for projects up to Rs 2.5 million. For infrastructure development, the subsidy amounts to 60% of the cost of the project (80% for special categories) up to Rs 10 million.   | 2010/ongoing          |

**Table AIII.9 (cont'd)**

| Scheme/programme   | Eligibility   | Description  | Introduction/validity |
|--|---|--|-----------------------|
| Mini Tool Rooms  | Individual MSEs/MSE consortium                          | The subsidy amounts to 40% of the total cost for new projects managed by private partners, up to Rs 9 million; and 90% of total cost for new projects managed by private partners in cooperation with State governments/state government agencies, up to Rs 9 million. For existing projects to be upgraded by State governments/state government agencies, the subsidy amounts to 75% of the total cost of the project, up to Rs 7.5 million.   | 2008/12               |
| Scheme for Micro Finance Programme                                       | Micro finance institutions                              | The Government provides a Portfolio Risk Fund to the Small Industries Development Bank Of India (SIDBI). The Fund is used to guarantee loans taken by micro finance institutions or NGOs.  | 2003/ongoing          |
| <b>Implemented by the National Small Industries Corporation (NSIC)</b>   |   |  |                       |
| Government Stores Purchase Programme                                     | MSEs registered with NSIC                               | MSEs are granted a 15% price preference for central government purchases, i.e. an MSE quoting up to 15% over the quote of a large-scale enterprise is eligible to get the order. Conditions of quality and terms of supply also apply. Price preferences are set up for each tender in consultation with the Ministry of Finance and should be mentioned in the tender notice. Other purchase facilities include tender documents free of cost and exemption of earnest money or security deposits. There are 358 items reserved for exclusive purchase by the Central Government from MSEs.   | 1960/ongoing          |
| Marketing Assistance Scheme  | All MSMEs   | For the organization of exhibitions/trade fairs abroad, the subsidy amounts to 75% of the space rental fee (95% for special categories), 85% of the economy air fare (95% for special categories), and Rs 37,500 for freight charges; total subsidies are capped at Rs 240,000 (Rs 270,000 for special categories). For participation in exhibitions/trade fairs abroad, same as above except for freight charges (Rs 20,000); total subsidies are capped at Rs 175,000 (Rs 200,000 for special categories). For the organization of and participation in exhibitions/trade fairs in India, the subsidy amounts to 75% of the cost (95% for special categories), up to Rs 3 million for organizing costs and Rs 1 million for participating costs. | ../2012               |
| Performance and Credit Rating Scheme                                     | All MSEs  | MSEs may select a rating agency to obtain a credit rating. The subsidy amounts to 75% of the fee charged by the rating agency, up to Rs 40,000.  | 2005/12               |
| Raw Materials Assistance Scheme  | MSMEs   | Short-term credit finance is available for 90 days at concessional interest rates. Concessions on the interest rate range from 0.5% to 1% depending upon the unit's credit rating.   | 2004/12               |
| <b>Implemented by the Khadi and Village Industries Commission (KVIC)</b> |   |  |                       |
| Prime Minister's Employment Generation Programme <sup>b</sup>            | New micro entrepreneurs                                 | The subsidy amounts to 15% of the cost of establishing new micro enterprises in urban areas (25% for special categories); and 25% of the cost of establishing new micro enterprises in rural areas (35% for special categories). Maximum cost is Rs 2.5 million for setting up new manufacturing micro enterprises and Rs 1 million for setting up new micro enterprises engaged in services.  | 2008/12               |
| Rural Employment Generation Programme <sup>b</sup>                       | Rural artisans/entrepreneurs, and cooperative societies | The subsidy amounts to 25% of the cost for projects up to Rs 1 million, and to 10% of the difference between Rs 2.5 million and Rs 1 million for projects up to Rs 2.5 million.  | 1995/08               |

Table AIII.9 (cont'd)

| Scheme/programme  | Eligibility                      | Description  | Introduction/<br>validity |
|---|----------------------------------|--|---------------------------|
| <b>Implemented by the Coir Board</b>  |                                  |  |                           |
| Rejuvenation, Modernization, and Technological Upgradation of Coir Industry | Micro and small coir enterprises | The subsidy amounts to 40% of the cost of projects, up to Rs 80,000 for spinning/weaving enterprises and Rs 200,000 for tiny/household enterprises | 2008/12                   |

.. Not available.

- a National Institute for Micro, Small and Medium Enterprises, National Institute for Entrepreneurship and Small Business Development, and Indian Institute of Entrepreneurship.
- b The Rajiv Gandhi Udyami Mitra Yojana scheme and the Rural Employment Generation Programme were merged into the Prime Minister's Employment Generation Programme in August 2008.
- c Selected lead agencies for rendering assistance and handholding support to potential first generation entrepreneurs.
- d Entrepreneurship development institutions, the National Small Industries Corporation (NSIC), the Khadi and Village Industries Commission (KVIC), and the Coir Board.
- e Public and private sector banks, regional rural banks, foreign banks, and other financial institutions.
- f The Integrated Infrastructure Development Scheme was merged into the Micro and Small Enterprises Cluster Development Programme in February 2010. The level of financial assistance to infrastructure development projects was enhanced.

Note: "Special categories" refer to MSMEs operated/owned by women or scheduled castes/scheduled tribes or located in the north-eastern region.

Source: Ministry of Micro, Small, and Medium Enterprises online information, "Programmes and schemes". Viewed at: [http://msme.gov.in/msme\\_schemes.htm](http://msme.gov.in/msme_schemes.htm); Development Commissioner online information, "Schemes". Viewed at: <http://www.dcmsme.gov.in/schemes/sidoscheme.htm>; National Small Industries Corporation online information, "Schemes". Viewed at: <http://www.nsic.co.in/index.asp>; National Portal of India online information, "Schemes". Viewed at: <http://india.gov.in/govt/schemes.php>; Credit Guarantee Trust Fund for Micro and Small Enterprises online information, "Schemes". Viewed at: <http://www.cgtmse.in/schemes.aspx>; Development Commissioner (2009), *Micro, Small, and Medium Enterprises in India: An Overview*. Viewed at: [http://www.dcmsme.gov.in/ssiindia/MSME\\_OVERVIEW09.pdf](http://www.dcmsme.gov.in/ssiindia/MSME_OVERVIEW09.pdf); Development Commissioner (undated), *Guidelines for Implementation of the Scheme Setting up of New Mini Tool Rooms under Public Private Partnership Mode*. Viewed at: [http://www.dcmsme.gov.in/schemes/MTRGuidelines\\_New.pdf](http://www.dcmsme.gov.in/schemes/MTRGuidelines_New.pdf); India Development Gateway online information, "Prime Minister's Employment Generation Programme". Viewed at: <http://www.indg.in/agriculture/rural-employment-schemes/pmegp/prime-minister2019s-employment-generation-programme-pmeg>; former Ministry of Agro and Rural Industries online information, "Rural Employment Generation Programme". Viewed at: <http://ari.nic.in/arischregp.htm>; Ministry of Micro, Small, and Medium Enterprises (2009), *Rajiv Gandhi Udyami Mitra Yojana: Web Application User Manual*, August. Viewed at: [http://rgumy.nic.in/RGUMY\\_User\\_Manual\\_UdyamiMitra\\_Ver3.pdf](http://rgumy.nic.in/RGUMY_User_Manual_UdyamiMitra_Ver3.pdf); and information provided by the Indian authorities.

**Table AIII.10**  
**Central public sector enterprises, 2011**

| Activity                                   | Name   | State ownership (%)                                |        |
|--|--|--|--------|
| Agri-based industries                      | Andaman and Nicobar Islands Forest and Plantation Development Corporation Ltd. | 100.00   |        |
|  | CREDA HPCL Biofuels Ltd. <sup>a</sup>  | 100.00   |        |
|  | HPCL Biofuels Ltd. <sup>a</sup>  | 100.00   |        |
|  | National Seeds Corporation Ltd.  | 100.00   |        |
|  | State Farms Corporation of India   | 100.00   |        |
|  | Coal and lignite   | Bharat Coking Coal Ltd.                            | 100.00 |
|  | Central Coalfields Ltd.  | 100.00   |        |
|  | Coal India Ltd.  | 100.00   |        |
|  | Eastern Coalfields Ltd.  | 100.00   |        |
|  | Mahanadi Coalfields Ltd.   | 100.00   |        |
|  | MJSJ Coald Ltd. <sup>a</sup>   | 60.00  |        |
|  | Northern Coalfields Ltd.   | 100.00   |        |
|  | South Eastern Coalfields Ltd.  | 100.00   |        |
|  | Western Coalfields Ltd.  | 100.00   |        |
| Iron and steel                             | Ferro Scrap Nigam Ltd.   | 100.00   |        |
|  | Maharashtra Electromelt Ltd.   | 99.13  |        |
|  | Mishra Dhatu Nigam Ltd.  | 100.00   |        |
|  | Rashtriya Ispat Nigam Ltd.   | 100.00   |        |
|  | Sponge Iron India Ltd.   | 98.73  |        |
|  | Steel Authority of India   | 85.52  |        |
| Other minerals and metals                  | Bisra Stone Lime Company Ltd.  | 50.01  |        |
|  | Eastern Investment Ltd.  | 100.00   |        |
|  | FCI Aravali Gypsum and Minerals India Ltd.                                     | 100.00   |        |
|  | Hindustan Copper Ltd.  | 99.59  |        |
|  | Indian Rare Earths Ltd.  | 100.00   |        |
|  | J&K Mineral Development Corporation Ltd.                                       | 83.54  |        |
|  | KIOLC Ltd.   | 99.00  |        |
|  | Manganese Ore (India) Ltd.   | 81.57  |        |
|  | National Aluminium Company Ltd.  | 87.15  |        |
|  | National Mineral Development Corporation Ltd.                                  | 90.00  |        |
|  | Orissa Mineral Development Company Ltd.  | 100.00   |        |
|  | Uranium Corporation of India Ltd.  | 100.00   |        |
|  | Petroleum (refinery and marketing)   | Bharat Petroleum Corporation Ltd.                  | 54.93  |
|  |  | Brahmaputra Crackers and Polymer Ltd. <sup>a</sup> | 70.00  |
| Chennai Petroleum Corporation Ltd.         |  | 51.86  |        |
| GAIL (India) Ltd.                          |  | 57.35  |        |
| GAIL Gas Ltd.                              |  | 100.00   |        |
| Hindustan Petroleum Corporation Ltd.       |  | 51.05  |        |
| Indian Oil Corporation Ltd.                |  | 78.92  |        |
| Mangalore Refinery and Petrochemicals Ltd. |  | 71.77  |        |
| Numaligarh Refinery Ltd.                   |  | 61.65  |        |
| Crude oil                                  | Bharat Petro Resources JPDA <sup>a</sup>                                       | 100.00   |        |
|  | Bharat Petro Resources Ltd.  | 100.00   |        |
|  | Oil and Natural Gas Corporation Ltd.   | 74.14  |        |
|  | Oil India Ltd.   | 78.44  |        |
|  | ONGC Videsh Ltd.   | 100.00   |        |

Table AIII.10 (cont'd)

| Activity                        | Name  | State ownership (%) |
|---------------------------------|---|---------------------|
| Fertilizers                     | Brahmaputra Valley Fertilizer Corporation Ltd.        | 100.00              |
|                                 | Fertilizer Corporation of India Ltd.                  | 100.00              |
|                                 | Fertilizers and Chemicals (Travancore) Ltd.           | 98.56               |
|                                 | Hindustan Fertilizer Corporation Ltd.                 | 100.00              |
|                                 | Madras Fertilizers Ltd.                               | 59.12               |
|                                 | National Fertilizers Ltd.                             | 97.64               |
|                                 | Rashtriya Chemicals and Fertilizers Ltd.              | 92.50               |
| Chemicals and pharmaceuticals   | Bengal Chemicals and Pharmaceuticals Ltd.             | 100.00              |
|                                 | Bharat Immunologicals and Biologicals Ltd.            | 59.26               |
|                                 | Bihar Drugs and Organic Chemicals Ltd. <sup>a</sup>   | 100.00              |
|                                 | Hindustan Antibiotics Ltd.                            | 100.00              |
|                                 | Hindustan Fluorocarbons Ltd.                          | 56.09               |
|                                 | Hindustan Insecticides Ltd.                           | 100.00              |
|                                 | Hindustan Salts Ltd.                                  | 100.00              |
|                                 | Indian Drugs and Pharmaceuticals Ltd.                 | 100.00              |
|                                 | Indian Medicines and Pharmaceuticals Corporation Ltd. | 86.00               |
|                                 | Indian Vaccine Corporation Ltd. <sup>a</sup>          | 66.68               |
|                                 | Karnataka Antibiotics and Pharmaceuticals Ltd.        | 59.18               |
|                                 | Orissa Drugs and Chemicals Ltd.                       | 50.76               |
|                                 | Rajasthan Drugs and Pharmaceuticals Ltd.              | 51.40               |
|                                 | Sambhar Salts Ltd.                                    | 60.00               |
| Heavy engineering               | Bharat Bhari Udyog Nigam Ltd.                         | 100.00              |
|                                 | Bharat Heavy Electricals Ltd.                         | 67.72               |
|                                 | Bharat Heavy Plate and Vessels Ltd.                   | 100.00              |
|                                 | Bharat Wagon and Engineering Company Ltd.             | 100.00              |
|                                 | Braithwaite & Co. Ltd.                                | 100.00              |
|                                 | Burn Standard Company Ltd.                            | 100.00              |
|                                 | Heavy Engineering Corporation Ltd.                    | 100.00              |
|                                 | Triveni Structural Ltd.                               | 100.00              |
| Tungabhadra Steel Products Ltd. | 79.27   |                     |
| Medium and light engineering    | Andrew Yule & Co. Ltd.                                | 94.42               |
|                                 | Balmer Lawrie & Co. Ltd.                              | 61.76               |
|                                 | BEL Optronics Devices Ltd.                            | 92.79               |
|                                 | Bharat Dynamics Ltd.                                  | 100.00              |
|                                 | Bharat Electronics Ltd.                               | 75.86               |
|                                 | Bharat Pumps and Compressors Ltd.                     | 100.00              |
|                                 | Biecco Lawrie & Co. Ltd.                              | 57.38               |
|                                 | Central Electronics Ltd.                              | 100.00              |
|                                 | Electronics Corporation of India Ltd.                 | 100.00              |
|                                 | Hindustan Cables Ltd.                                 | 99.60               |
|                                 | HMT Bearings Ltd.                                     | 99.36               |
|                                 | HMT Chinar Watches Ltd.                               | 100.00              |
|                                 | HMT Ltd.  | 98.88               |
|                                 | HMT Machine Tools Ltd.                                | 100.00              |
|                                 | HMT Watches Ltd.                                      | 100.00              |
|                                 | IDPL (Tamil Nadu) Ltd.                                | 100.00              |
| Instrumentation Ltd.            | 100.00  |                     |
| ITI Ltd.                        | 96.512  |                     |
| MNH Shakti Ltd. <sup>a</sup>    | 70.00   |                     |

Table AIII.10 (cont'd)



| Activity  | Name  | State ownership (%) |
|---|---|---------------------|
| Consumer goods  | Rajasthan Electronics and Instruments Ltd.                    | 51.00               |
|   | Richardson and Cruddas (1972) Ltd.                            | 100.00              |
|   | Vignyan Industries Ltd.                                       | 96.42               |
|   | Artificial Limbs Manufacturing Corporation of India           | 100.00              |
|   | Cement Corporation of India                                   | 100.00              |
|   | Hindustan Newsprint Ltd.                                      | 100.00              |
|   | Hindustan Paper Corporation Ltd.                              | 100.00              |
|   | Hindustan Organic Chemicals Ltd.                              | 91.78               |
|   | Hindustan Photo Films Manufacturing Company Ltd.              | 90.63               |
|   | Hindustan Vegetable Oils Corporation Ltd.                     | 100.00              |
|   | HLL Lifecare Ltd.   | 100.00              |
|   | Hooghly Printing Company Ltd.                                 | 100.00              |
|   | Jagdishpur Paper Mills Ltd. <sup>a</sup>                      | 100.00              |
|   | Nagaland Pulp and Paper Company Ltd.                          | 94.76               |
|   | NEPA Ltd.   | 97.75               |
|   | Security Printing and Minting Corporation of India Ltd.       | 100.00              |
| Textiles  | Tyre Corporation of India Ltd.                                | 100.00              |
|   | Birds, Jute, and Exports Ltd.                                 | 74.36               |
|   | British India Corporation Ltd.                                | 100.00              |
|   | National Jute Manufacturers Corporation Ltd.                  | 100.00              |
| Electricity   | National Textile Corporation Ltd.                             | 99.76               |
|   | Bhartiya Nabhikiya Vidyut Nigam Ltd. <sup>a</sup>             | 100.00              |
|   | Bhartiya Rail Bijlee Company Ltd. <sup>a</sup>                | 100.00              |
|   | Bhopal Dhule Transmission Company Ltd. <sup>a</sup>           | 100.00              |
|   | Chhattishgarh Surguja Power Ltd. <sup>a</sup>                 | 100.00              |
|   | Coastal Karnataka Power Ltd. <sup>a</sup>                     | 100.00              |
|   | Coastal Maharashtra Mega Power Ltd. <sup>a</sup>              | 100.00              |
|   | Coastal Tamil Nadu Power Ltd. <sup>a</sup>                    | 100.00              |
|   | Ghogarpalli Integrated Power Company Ltd. <sup>a</sup>        | 100.00              |
|   | Jabalpur Transmission Company Ltd. <sup>a</sup>               | 100.00              |
|   | Kanti Bijlee Utpadan Nigam Ltd. <sup>a</sup>                  | 100.00              |
|   | Loktak Downstream Hydroelectric Corporation Ltd. <sup>a</sup> | 74.00               |
|   | Narmada Hydroelectric Development Corporation Ltd.            | 51.08               |
|   | National Hydroelectric Power Corporation Ltd.                 | 86.36               |
|   | Neyveli Lignite Corporation Ltd.                              | 93.56               |
|   | NLC Tamil Nadu Power Ltd. <sup>a</sup>                        | 89.00               |
|   | North Eastern Electric Power Corporation Ltd.                 | 100.00              |
|   | NTPC Electric Supply Company Ltd. <sup>a</sup>                | 100.00              |
|   | NTPC Hydro Ltd. <sup>a</sup>                                  | 100.00              |
|   | NTPC Ltd.   | 84.50               |
|   | Nuclear Power Corporation of India Ltd.                       | 100.00              |
|   | Orissa Integrated Power Ltd. <sup>a</sup>                     | 100.00              |
|   | Power Grid Corporation of India                               | 86.36               |
| Power System Operation Corporation Ltd. <sup>a</sup>    | 100.00  |                     |
| Raichur Sholapur Transmission Company Ltd. <sup>a</sup> | 100.00  |                     |
| REC Power Distribution Company Ltd.                     | 100.00  |                     |
| REC Transmission Projects Company Ltd.                  | 100.00  |                     |
| Rural Electrification Corporation Ltd.                  | 66.80   |                     |
| Sakhigopal Integrated Power Company Ltd. <sup>a</sup>   | 100.00  |                     |

Table AIII.10 (cont'd)

| Activity                                    | Name  | State ownership (%) |
|---|---|---------------------|
| Trading and marketing services              | Satluj Jal Development Corporation Ltd.                       | 75.00               |
|   | Tatiya Andhra Mega Power Ltd. <sup>a</sup>                    | 100.00              |
|   | Tehri Hydro Development Corporation Ltd.                      | 71.98               |
|   | Antrix Corporation Ltd.                                       | 100.00              |
|   | Central Cottage Industries Corporation                        | 100.00              |
|   | Central Railside Warehousing Company Ltd.                     | 100.00              |
|   | Central Warehousing Corporation                               | 55.01               |
|   | Cotton Corporation of India Ltd.                              | 100.00              |
|   | Food Corporation of India Ltd.                                | 100.00              |
|   | Handicrafts and Handlooms Exports Corporation of India Ltd.   | 100.00              |
|   | HMT (International) Ltd.                                      | 100.00              |
|   | India Trade Promotion Organization                            | 100.00              |
|   | Jute Corporation of India Ltd.                                | 100.00              |
|   | Karnataka Trade Promotion Organization                        | 51.00               |
|   | MMTC Ltd.   | 99.34               |
|   | MSTC Ltd.   | 90.00               |
|   | National Handlooms Development Corporation Ltd.               | 100.00              |
|   | North Eastern Regional Agriculture Marketing Corporation Ltd. | 100.00              |
|   | North Eastern Handicrafts and Handlooms Corporation Ltd.      | 100.00              |
|   | NTPC Vidyut Vyapar Nigam Ltd.                                 | 100.00              |
| Construction services                       | PEC Ltd.  | 100.00              |
|   | State Trading Corporation of India Ltd.                       | 91.02               |
|   | STCL Ltd.   | 100.00              |
|   | Tamil Nadu Trade Promotion Organization                       | 100.00              |
|   | BBJ Construction Company Ltd.                                 | 100.00              |
|   | Bridge and Roof Corporation (India) Ltd.                      | 99.45               |
|   | Hindustan Prefab Ltd.   | 100.00              |
|   | Hindustan Steelworks Construction Ltd.                        | 100.00              |
|   | IRCON (International) Ltd.                                    | 99.80               |
|   | IRCON Infrastructure and Services Ltd. <sup>a</sup>           | 100.00              |
|   | Konkan Railway Corporation Ltd.                               | 91.37               |
|   | Mineral Exploration Corporation Ltd.                          | 100.00              |
|   | Mumbai Railway Vikas Corporation Ltd.                         | 51.00               |
|   | National Buildings Construction Corporation Ltd.              | 100.00              |
|   | National Projects Construction Corporation Ltd.               | 99.84               |
|   | Projects and Development India Ltd.                           | 100.00              |
|   | Rail Vikas Nigam Ltd.   | 100.00              |
| Transport equipment                         | Air India Engineering Services Ltd. <sup>a</sup>              | 100.00              |
|   | Bharat Earth Movers Ltd.                                      | 53.87               |
|   | Cochin Shipyard Ltd.  | 100.00              |
|   | Garden Reach Shipbuilders and Engineers Ltd.                  | 100.00              |
|   | Goa Shipyard Ltd.   | 51.10               |
|   | Hindustan Aeronautics Ltd.                                    | 100.00              |
|   | Hindustan Shipyard Ltd.                                       | 100.00              |
|   | Hooghly Dock and Port Engineers Ltd.                          | 100.00              |
|   | Mazagon Dock Ltd.   | 100.00              |
|   | Scooters India Ltd.   | 95.37               |
| Sethusamudram Corporation Ltd. <sup>a</sup> | 66.44   |                     |

Table AIII.10 (cont'd)

| Activity   | Name  | State ownership (%)                |
|--|---|------------------------------------|
| Transport services                                   | Air India Air Transport Services Ltd.                             | 100.00                             |
|  | Air India Charters Ltd.   | 100.00                             |
|  | Airlines Allied Services Ltd.                                     | 100.00                             |
|  | Airports Authority of India                                       | 100.00                             |
|  | Central Inland Water Transport Corporation Ltd.                   | 99.89                              |
|  | Container Corporation of India Ltd.                               | 63.09                              |
|  | Dedicated Freight Corridor Corporation of India Ltd. <sup>a</sup> | 100.00                             |
|  | Dredging Corporation of India Ltd.                                | 78.57                              |
|  | Ennore Port Ltd.  | 66.67                              |
|  | Fresh and Healthy Enterprises Ltd.                                | 100.00                             |
|  | National Aviation Company of India Ltd.                           | 100.00                             |
|  | Pawan Hans Helicopters Ltd.                                       | 78.47                              |
|  | Shipping Corporation of India Ltd.                                | 80.13                              |
|  | Tourism   | Assam Ashok Hotel Corporation Ltd. |
| Donyl Polo Ashok Hotel Corporation Ltd.              |   | 51.00                              |
| Hotel Corporation of India Ltd.                      |   | 100.00                             |
| India Tourism Development Corporation Ltd.           |   | 92.11                              |
| Indian Railway Catering and Tourism Corporation Ltd. |   | 100.00                             |
| Kumarakuppa Frontier Hotels Ltd.                     |   | 91.00                              |
| Madhya Pradesh Ashok Hotel Corporation Ltd.          |   | 51.25                              |
| Pondicherry Ashok Hotel Corporation Ltd.             |   | 51.67                              |
| Punjab Ashok Hotel Company Ltd. <sup>a</sup>         |   | 51.20                              |
| Ranchi Ashok Bihar Hotel Corporation Ltd.            |   | 51.39                              |
| Utkal Ashok Hotel Corporation Ltd.                   | 72.92   |                                    |
| Telecom  | Bharat Sanchar Nigam Ltd.   | 100.00                             |
|  | Mahanagar Telephone Nigam Ltd.                                    | 56.25                              |
|  | Millenium Telecom Ltd.  | 100.00                             |
|  | Railtel Corporation India Ltd.                                    | 100.00                             |
| Insurance  | Agricultural Insurance Company of India Ltd.                      | ..                                 |
|  | General Insurance Corporation of India                            | ..                                 |
|  | Life Insurance Corporation of India Ltd.                          | ..                                 |
|  | National Insurance Company Ltd.                                   | ..                                 |
|  | New India Assurance Company Ltd.                                  | ..                                 |
|  | Oriental Insurance Company Ltd.                                   | ..                                 |
|  | United India Insurance Company Ltd.                               | ..                                 |
| Industrial development and technology consultancy    | Broadcast Engineering Consultants India Ltd.                      | 100.00                             |
|  | Central Mine Planning and Design Institute Ltd.                   | 100.00                             |
|  | Certification Engineers International Ltd.                        | 100.00                             |
|  | Ed.CIL (India) Ltd.   | 100.00                             |
|  | Engineering Projects (India) Ltd.                                 | 99.97                              |
|  | Engineers India Ltd.  | 90.40                              |
|  | HSCC (India) Ltd.   | 100.00                             |
|  | MECON Ltd.  | 100.00                             |
|  | National Informatics Centre Services Inc.                         | 100.00                             |
|  | National Research Development Corporation Ltd.                    | 100.00                             |
|  | National Small Industries Corporation Ltd.                        | 100.00                             |
|  | PFC Consulting Ltd.   | 100.00                             |
| RITES Ltd.   | 100.00  |                                    |

Table AIII.10 (cont'd)

| Activity                       | Name   | State ownership (%) |
|--------------------------------|--|---------------------|
| Financial services             | Telecommunications Consultants India Ltd.                      | 100.00              |
|                                | Water and Power Consultancy Services (India) Ltd.              | 100.00              |
|                                | Balmer Lawrie Investments Ltd.                                 | 59.68               |
|                                | Export Credit Guarantee Corporation of India Ltd.              | 100.00              |
|                                | Housing and Urban Development Corporation Ltd.                 | 100.00              |
|                                | India Infrastructure Finance Company Ltd.                      | 100.00              |
|                                | Indian Railways Finance Corporation Ltd.                       | 100.00              |
|                                | Indian Renewable Energy Development Agency Ltd.                | 100.00              |
|                                | National Backward Classes Finance and Development Corporation  | 100.00              |
|                                | National Film Development Corporation of India Ltd.            | 100.00              |
|                                | National Handicapped Finance and Development Corporation       | 100.00              |
|                                | National Minorities Development and Finance Corporation        | 81.62               |
|                                | National Safai Karamcharis Finance and Development Corporation | 100.00              |
|                                | National Scheduled Castes Finance and Development Corporation  | 100.00              |
|                                | National Scheduled Tribes Finance and Development Corporation  | 100.00              |
| Power Finance Corporation Ltd. | 89.78  |                     |

.. Not available.

a Enterprise under construction.

Source: Department of Public Enterprises (2010), *Public Enterprises Survey 2008-2009*, February. Viewed at: <http://dpe.nic.in/newsite/survey0809/pesurvey.html>; and information provided by the Indian authorities.

**Table AIV.1**  
**India's banking system, 2007 and 2010**

| Financial institutions                        | Number |                | Definition, function, and laws by which they are governed   | Requirements for establishment (if applicable)  |  |
|---|--------|----------------|---|---|--|
|   | 2007   | 2010           |   | Nationals   | Foreigners   |
| <b>Scheduled commercial banks<sup>a</sup></b> | 82     | 81             | Banks included in the Second Schedule of the Reserve Bank of India 1934   | -   | -  |
| State bank of India (SBI) and associates      | 8      | 8 <sup>b</sup> | Governed by the State Bank of India Act 1955. The associates are governed by the State Bank of India (Subsidiary Banks) Act 1959 <sup>c</sup> ; SBI and associates also governed by the Reserve Bank of India (RBI) Act 1934 and the Banking Regulation Act 1949  | Parliamentary approval required; Central Government shareholding cannot be less than 51%  | FDI and portfolio subject to overall statutory limits of 20%   |
| Nationalized banks                            | 19     | 19             | Governed by the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970 (14 banks) and the Banking Companies (Acquisition and Transfer of Undertakings) Act 1980 (five banks); also regulated by the RBI Act 1934 and the Banking Regulation Act 1949   | Parliamentary approval required; Central Government shareholding cannot be less than 51%  | FDI and portfolio subject to overall statutory limits of 20%   |
| Foreign banks                                 | 29     | 32             | Governed by the RBI Act 1934, the Banking Regulation Act 1949, the Companies Act 1956, and other acts not inconsistent with the Banking Regulation Act 1949   | Set up by foreign parent banks  | Bank branches of parent banks  |
| Private sector banks                          | 26     | 22             | Companies incorporated under the Companies Act 1956 and licensed under the Banking Regulation Act 1949 (Section 22), to carry on banking business <sup>d</sup> ; engaged in activities stipulated in the Banking Regulation Act 1949 (Section 6); governed by the RBI Act 1934, the Banking Regulation Act 1949, the Companies Act 1956, and other acts not inconsistent with the Banking Regulation Act 1949 | Guidelines for licensing issued in 1993 (ten banks licensed); revised guidelines issued in 2001 (two banks licensed)                      | 74% is the maximum aggregate of foreign investment from all sources <sup>e</sup> ; 26% of paid-up capital must be held by resident Indians |
| State cooperative banks                       | 31     | 31             | Principal cooperative society in a State; main objective is to finance other state's cooperative societies as stipulated in the National Bank for Agriculture and Rural Development (NABARD) Act 1981 (Section 2(u)); also governed by the RBI Act 1934, the Banking Regulation Act 1949 (as applicable to cooperative societies) and the relevant State's Cooperative Societies Act                          | Established as per the relevant State's Cooperative Societies Act; licensed by the RBI under the Banking Regulation Act 1949 (Section 22) | FDI not allowed  |
| Urban cooperative banks                       | 1,770  | 1,674          | Cooperative societies established and registered under the respective States' Cooperative Societies Act; they are present in 28 states/union territories; under the RBI regulation and supervision since 1 March 1966 when the Banking Regulation Act 1949 applied to them for banking-related functions; other aspects governed by the respective State's Cooperative Societies Act                          | Set up by their members who are Indian nationals  | FDI not allowed  |

Table IV.1 (cont'd)

| Financial institutions                  | Number |        | Definition, function, and laws by which they are governed   | Requirements for establishment (if applicable)  |   |
|---|--------|--------|---|---|---|
|   | 2007   | 2010   |   | Nationals   | Foreigners  |
| Central cooperative banks               | 367    | 371    | Governed by the RBI Act 1934, the Banking Regulation Act 1949 (as applicable to cooperative societies), the NABARD Act 1981, and the relevant State's Co-operative Societies Act, under which the bank is established   | Established as per the relevant State's Cooperative Societies Act; licensed by the RBI under the Banking Regulation Act 1949 (Section 22)   | FDI not allowed   |
| Regional rural banks                    | 96     | 82     | Governed by the Regional Rural Banks (RRBs) Act 1976, the RBI Act 1934, and the Banking Regulation Act 1949; established to develop the rural economy by providing credit and other facilities, in particular to small and marginal farmers, agricultural labourers, artisans, and small entrepreneurs  | Under RRBs Act 1976, Central Government may, if requested by a sponsor bank, by notification in the <i>Official Gazette</i> , establish one or more RRBs in a State or union territory, and specify the local limits for operation  | FDI not allowed   |
| <b>Other institutions</b>               |        |        |   |   |   |
| Development finance institutions        | 7      | 5      | Promoted or assisted by the Government to provide development finance to one or more sectors or subsectors of the economy; classified as term-lending institutions, refinancing institutions, and sector specific institutions; governed by the RBI Act 1934 and the respective acts enacted by Parliament (the National Housing Bank Act, the Exim Bank Act, the NABARD Act, and the Small Industries Development Bank of India Act)   | Only nationals (Government of India/RBI)  | FDI not allowed   |
| Non-banking financial companies (NBFCs) | 12,968 | 12,662 | Registered under the Companies Act 1956 to provide loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government or local authorities or other securities of like marketable nature, leasing, hire-purchase, insurance business, and chit business <sup>f</sup> ; non-banking institutions whose main business is to receive deposits defined as NBFCs (residuary non-banking company); NBFCs are governed by the RBI Act 1934 (with the RBI as regulator); NBFCs classified as asset finance companies (AFCs) <sup>g</sup> , investment companies, loan companies, and infrastructure finance companies (IFCs) <sup>h</sup> | Under RBI Act 1934 (Section 45-IA), must register with the RBI to start or carry on any business of NBFC as defined in the RBI Act 1934 (Section 45-I, clause (a)), and must have minimum net owned fund of Rs 20 million; to prevent dual regulation, certain NBFCs categories, regulated by other regulators, are exempt from the registration requirement <sup>i</sup> | FDI allowed up to 100% of the paid-up capital, subject to minimum capitalization norms :<br>(i) foreign equity ≤ 51%, US\$500,000 minimum capitalization requirement;<br>(ii) foreign equity > 51% but ≤ 75%, it is US\$5 million;<br>(iii) foreign equity > 75%, it is US\$50 million; and<br>(iv) 100% foreign-owned NBFCs act as holding companies and specific activities undertaken by step-down subsidiaries with minimum 25% domestic equity |

Table IV.1 (cont'd)

| Financial institutions | Number          |                 | Definition, function, and laws by which they are governed  | Requirements for establishment (if applicable)  |   |
|------------------------|-----------------|-----------------|--|---|---|
|                        | 2007            | 2010            |  | Nationals   | Foreigners  |
| Primary dealers (PDs)  | 17 <sup>j</sup> | 18 <sup>k</sup> | System of PDs in Government securities (G-Sec) market, comprising independent entities undertaking PD activity; expected to play an active role in the G-Sec market (primary and secondary market segments); required to support auctions for issue of Government dated securities and treasury bills as per the minimum norms prescribed by the RBI from time to time; stand-alone PDs registered as NBFCs under the RBI Act 1934 (Section 45-IA); their operations regulated by RBI guidelines issued from time to time; banks' PD activities governed by guidelines issued by the RBI | Non-bank applicant must have net owned funds (NOFs) of at least Rs 1.5 billion; a PD undertaking other permissible activities must have NOFs of at least Rs 2.5 billion; banks may undertake PD business departmentally subject to: (i) minimum NOF of Rs 10 billion; (ii) minimum CRAR of 9%; and (iii) net NPAs of less than 3% and a profit-making record for the last three years | Subsidiaries or joint-ventures set up by entities incorporated abroad need approval of the Foreign Investment Promotion Board for PD activities |

- a Includes the State bank of India and associates, nationalized banks, foreign banks, and private sector banks.
- b Including six associates.
- c The State Bank of Hyderabad is governed by the State Bank of Hyderabad Act 1956.
- d Accepting deposits for the purpose of lending or investment of deposits of money from the public, repayable on demand and withdrawable by cheque, draft or order.
- e FDI, foreign institutional investors, and non-resident Indians.
- f NBFCs do not include institutions whose principal business is that of agriculture or industrial activities, and sale/purchase/construction of immovable property.
- g AFCs are financial institutions. Their principal business is the financing of physical assets supporting productive/economic activity (e.g. automobiles, tractors, later machines, generator sets, earth-moving, and material handling equipment) moving on own power and general purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of total assets and total income, respectively.
- h IFCs are non-deposit-taking NBFCs that fulfil the following criteria: (i) at least 75% of the total assets should be deployed in infrastructure loans, as stipulated in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 (Para 2(viii)); (ii) minimum net owned funds of Rs 3 billion; (iii) minimum credit rating "A" or equivalent of CRISIL, FITCH, CARE, ICRA or equivalent rating by other accrediting rating agencies; and (iv) CRAR of 15% (with minimum tier I capital of 10%).
- i Venture capital fund, merchant banking companies, stock-broking companies registered with the Securities and Exchange Board of India, insurance companies holding a valid certificate of registration issued by IRDA, Nidhi companies as notified under the Companies Act 1956 (Section 60A), chit companies as defined under the Chit Funds Act 1982 (Section 2, clause (b)) or housing finance companies regulated by the National Housing Bank.
- j Of which, 8 stand-alone PDs and 9 bank PDs.
- k Of which, 7 stand-alone PDs and 11 bank PDs.

Source: Information provided by the authorities.

**Table AIV.2**  
**Telecom licensing regimes, 2011**

| Financial requirement  | Obligation  | Fee  | Validity                         |
|--|---|--|----------------------------------|
| <b>Unified access service (UAS) for fixed and mobile telephony</b>   |   |  |                                  |
| Financial bank guarantee (Rs 50-500 million) and performance bank guarantee (Rs 20-200 million)  | Minimum 10% coverage during the first year and 50% within three years in urban areas <sup>a</sup> ; and interconnection to national long-distance service providers | Application processing fee (Rs 15,000), one-time entry fee (Rs 10 million-Rs 2.33 billion), and annual fee (6%-10% of adjusted gross revenue) <sup>b</sup>   | 20 years, renewable for 10 years |
| <b>National long-distance</b>  |   |  |                                  |
| Financial bank guarantee (Rs 200 million); no dues certificate in respect of outstanding amount against any licence granted to the applicant; and minimum net worth and paid-up equity capital (Rs 25 million) | Interconnection to international long-distance service providers  | Application processing fee (Rs 15,000), one-time entry fee (Rs 25 million), and annual fee (6% of the adjusted gross revenue)  | 20 years, renewable for 10 years |
| <b>International long-distance</b>   |   |  |                                  |
| Financial bank guarantee (Rs 200 million); no dues certificate in respect of outstanding amount against any licence granted to the applicant; and minimum network and paid-up equity capital (Rs 25 million)   | Interconnection to national long-distance service provider  | Application processing fee (Rs 50,000), one-time entry fee (Rs 25 million), and annual fee (6% of adjusted gross revenue)  | 20 years, renewable for 5 years  |
| <b>Internet service providers<sup>c</sup></b>  |   |  |                                  |
| Category A   |   |  |                                  |
| Financial bank guarantee (Rs 1 million) and performance bank guarantee (Rs 20 million)   | n.a.  | Application processing fee (Rs 15,000), one-time entry fee (Rs 3 million), and annual fee (6% of adjusted gross revenue, subject to a minimum of Rs 50,000); renewals subject to an additional entry fee (Rs 1 million)              | 20 years, renewable for 5 years  |
| Category B   |   |  |                                  |
| Financial bank guarantee (Rs 100,000) and performance bank guarantee (Rs 2 million)  | n.a.  | Application processing fee (Rs 15,000), one-time entry fee <sup>c</sup> (Rs 1.5 million), and annual fee (6% of adjusted gross revenue, subject to a minimum of Rs 10,000); renewals subject to an additional entry fee (Rs 500,000) | 20 years, renewable for 5 years  |
| <b>Infrastructure providers</b>  |   |  |                                  |
| Category I <sup>d</sup>  |   |  |                                  |
| n.a.   | n.a.  | Application processing fee (Rs 5,000)  | 20 years, renewable for 10 years |
| Category II <sup>e</sup>   |   |  |                                  |
| n.a.   | n.a.  | n.a.   | 20 years, renewable for 10 years |

n.a. Not applicable.

a No coverage requirement in rural areas.

b Since 1 October 2008, operators providing fixed telecom services in rural areas are exempt from the annual fee.

c Internet service providers with net worth of Rs 1 billion are allowed to provide internet protocol television service (at present, two providers).

d Lease/rent out/sell dark fibre, right of way, duct space, and tower to telecom service providers.

e Lease/rent out/sell end-to-end bandwidth, i.e. digital transmission capacity capable of carrying a message, to telecom service providers.

Note: The financial bank guarantee ensures the payment of charges/fees by the Government, e.g. spectrum charges and licensing fees. The performance bank guarantee ensures that providers meet their roll-out obligations.

Source: Department of Telecommunications online information, "Information and Guidelines". Viewed at: <http://www.dot.gov.in>; Department of Telecommunications, Notification No. 20 100/2007 AS I, 1 October 2008; Department of Telecommunications (2010), *Annual Report 2009-2010*. Viewed at: <http://www.dot.gov.in/annualreport/2010/final.pdf>; and information provided by the Indian authorities.



**Table AIV.3**  
**Auctioning of 3G and BWA spectrums, 2010**

| Eligibility   | Reserve price (category of telecom services area)  | Coverage obligation and penalty   | Annual fee  | Validity |
|---|--|---|---|----------|
| <b>3G spectrum</b>  |  |   |   |          |
| Telecom service providers;<br>Any person with experience in 3G telecom services and committed to obtain a UAS licence | Rs 3.2 billion (category A, Delhi, and Mumbai);<br>Rs 1.2 billion (category B and Kolkata);<br>Rs 300 million (category C) | Within five years: 90% coverage in metro areas; and 50% coverage in district cities (categories A, B, and C), of which 15% coverage must be rural short-distance charging areas. For non-compliance, licence holder is allowed an extra year, subject to a penalty; if coverage obligation not met after extended period, spectrum allocation withdrawn | 3%-8% of adjusted gross revenue                     | 20 years |
| <b>BWA spectrum</b>   |  |   |   |          |
| Telecom service providers;<br>Internet service providers (category A or B)  | Rs 1.6 billion (category A, Delhi, and Mumbai);<br>Rs 600 million (category B and Kolkata);<br>Rs 150 million (category C) | Within five years: 90% coverage in metro category; and at least 50% coverage in rural short-distance charging areas. Spectrum allocation withdrawn in case of non-compliance  | First year: no fee;<br>1% of adjusted gross revenue | 20 years |

Source: Department of Telecommunications (2010), *Auction of 3G and BWA Spectrum: Notice Inviting Applications*, 25 February. Viewed at: <http://dot.gov.in/as/Auction%20of%20Spectrum%20for3G%20&%20BWA/new/index.htm>; and information provided by the Indian authorities.