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G-20 Responds to European Debt Crisis with Deficit-Cutting Goal

Group of 20 leaders responded to the European debt crisis with deficit-reduction targets and agreed to pursue higher capital requirements for banks once economic recoveries take hold.

Advanced G-20 economies will aim to halve deficits by 2013 and start to stabilize their debt-to-output ratios by 2016, the group said in a statement on 17 June after a meeting in Toronto. Leaders said nations can move at their own pace and also pledged to fulfill existing stimulus plans.

While President Barack Obama is pushing his counterparts to focus on spurring growth, leaders in the U.K. and Germany are already tightening spending to bolster investor confidence. U.S. and European stocks both had their biggest weekly drops in more than a month last week as investors renewed concerns that countries may be unable to repay debts.

Canada's Prime Minister Stephen Harper said his country could meet the targets, which as chairman of the meeting he had proposed earlier this month, as soon as next year.

Treasuries are having their best year since 1995, returning 5 percent through June 24, according to Bank of America Merrill Lynch index data, as investors seek alternatives to Europe, where Greece and Spain had their credit ratings downgraded.

Markets Giving Direction

The U.K.'s announcement last week about its planned budget cuts spurred an increase in gilts and the pound, and led Fitch Ratings Ltd. to say Britain would keep its AAA credit rating.

G-20 leaders called the global recovery "uneven and fragile," noting that unemployment remains at "unacceptable levels" in many nations.

Concerns about the global recovery have added to stress in the credit markets. Company debt offerings declined 3.8 percent last week to \$38.6 billion. Renault SA, France's second-biggest carmaker, reduced a bond sale by 20 percent, citing "more difficult" market conditions.

Struck Balance

The balance struck by the G-20 means "everyone can sell it at home as a victory," said Carsten Brzeski, an economist at ING Group in Brussels. "The announcement to halve fiscal deficits by 2013 is huge."

The leaders addressed resistance to the deficit-reduction goals by limiting them to advanced economies. Brazil's

Finance Minister Guido Mantega on June 26 said the targets were "draconian." Mantega represented Brazil at the meeting because President Luiz Inacio Lula da Silva stayed home after floods ravaged the northeastern part of his country.

'Powerful Statement'

The phrasing meant "we are going to treat President Lula of Brazil with respect," said John Kirton, director of the G-8 Research Group and co-director of the G-20 Research Group at the University of Toronto. "It's the advanced industrial economies that have the problems, so the G-20 agrees that those with the problem have got to do the solution."

The G-20, which accounts for about 85 percent of the global economy, replaced the G-8 last year as the world's foremost international policy-coordinating forum. The larger group means developed and emerging economies are trying to find common ground amid differences in prosperity that vary from the U.S.'s \$46,400 in GDP per capita to India's \$3,100.

The G-20 leaders said banks need to have "significantly higher" capital, while giving lenders more flexibility to implement the changes. Countries should adopt the new standards by the end of 2012, and banks will be allowed to phase in capital increases during a transition period.

Bank Tax

Leaders said they will seek final agreement at a summit in Seoul in November when the Basel Committee of Banking and Supervision, made up of international central bankers, will propose a road map. The U.S. pushed for stricter new capital rules while Europeans stressed the need for a phase-in period.

The group didn't support the implementation of a bank tax, whose backers include the U.K.

The group agreed to refrain from increasing or imposing new barriers on trade until the end of 2013 and reiterated support for the Doha round of World Trade Organization talks. Even so, both the G-20 and the G-8 stopped short of calling for completion of the Doha trade accord by a certain date, and the G-8 emphasized the need for regional and bilateral agreements.

Yuan Policy

G-8 leaders also sounded warnings on international political issues. G-8 officials singled out Iran for a "continued lack of transparency regarding its nuclear activities" and said they "deplore" the March 26 attack on the South Korean warship Cheonan. An international panel blamed the attack on North Korea.

Neither the G-8 nor the G-20 mentioned China's currency, though the G-20 did call for "greater exchange rate flexibility in some emerging markets." China indicated on June 19 that it

was scrapping the yuan's two-year-old peg to the dollar and reiterated the aim at a media briefing on June 26.

RBI Ups Repo Rate by 0.25% on 2 July

Monetary Policy Measures

On an assessment of the current macroeconomic situation, it has been decided to take the following monetary policy measures as a part of the calibrated exit from the expansionary monetary policy:

- to increase the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 5.25 per cent to 5.50 per cent with immediate effect.

- to increase the reverse repo rate under the LAF by 25 basis points from 3.75 per cent to 4.0 per cent with immediate effect.

Liquidity Management Measures

Also, on the basis of an assessment of the current liquidity situation, the Reserve Bank has decided to extend the following liquidity management measures:

- The additional liquidity support to scheduled commercial banks under the LAF to the extent of up to 0.5 per cent of their net demand and time liabilities (NDTL) currently set to expire on July 2, 2010 is now extended up to July 16, 2010. For any shortfall in maintenance of statutory liquidity ratio (SLR) arising out of availing of this facility, banks may seek waiver of penal interest purely as an *ad hoc* measure.

- The second LAF (SLAF) will be conducted on a daily basis up to July 16, 2010.

Secretary DOPT to Head Group of Officers to Develop Framework on Data Protection and Concerns on Privacy

The Government has constituted a Group of Officers under the Chairmanship of Secretary, Department of Personnel and Training to develop a framework that could balance the country's interests and concerns on privacy, data protection and security and which could respect the domain legislations on the subject. The framework developed by the Group would include legal provisions, principles and elements of data protection, security and privacy. While developing the framework, the Group will keep in view the existing provisions of various laws regarding protection of data and privacy of individuals.

The Group is supposed to submit its report within three months. The Group would welcome the suggestions from all interested / knowledgeable persons / observers in this regard.

Suggestions, if any, may be sent to Shri K.G. Verma, Director, Department of Personnel & Training, North Block, New Delhi – 110001 [kgverma52@yahoo.co.in], within 10 days of publication of this press release.

Petrol Prices Deregulated

Marginal Increase in HSD, PDS Kerosene and Domestic LPG Prices

Government to bear a large part of Under Recoveries

PRESS NOTE

To arrive at a viable and sustainable system of pricing of petroleum products, Government had set up an Expert Group under the chairmanship of Dr. Kirit Parikh. In the light of Government's budgetary constraints and the growing imperative for fiscal consolidation, and the need for allocating more funds to social sector schemes for the common man, the Government has decided that the pricing of Petrol and Diesel both at the refinery gate and the retail level will be market-determined. However, in respect of Diesel, the initial increase in retail selling price of Diesel will be Rs.2 per litre at Delhi, with corresponding increases in other parts of the country. Further increases will be made by the Public Sector Oil Marketing Companies (OMCs) in consultation with the Ministry of Petroleum & Natural Gas. It has also been decided that in case of a high rise and volatility in international oil prices, Government will suitably intervene in the pricing of Petrol and Diesel.

2. Market determined pricing of Petrol and Diesel is expected to do away with the OMCs' under-recoveries on these two products, which are projected to be approximately Rs.22,000 crore during the remaining part of 2010-11. This will not only improve their financial health, it will also enable Government to allocate greater resources for social sector schemes. Market determined pricing is expected to attract higher investments in the fuel retail sector, and by spurring market competition, encourage OMCs to reduce costs, improve efficiency and service standards. Market determined pricing will also incentivise fuel conservation and encourage the consumer to adopt fuel efficiency practices.

3. In view of the importance of the household fuels, namely PDS Kerosene and Domestic LPG, the Government has decided that the subsidies on these products will continue. The PDS Kero-

sene and Domestic LPG Subsidy Scheme, 2002 and the Freight Subsidy (For Far-flung Areas) Scheme, 2002 have been extended till 31.03.2014.

4. The current prices of PDS Kerosene and Domestic LPG are the lowest among the neighbouring countries. The consumer price of Kerosene is Rs.35.97/litre in Pakistan, Rs.29.43/litre in Bangladesh, Rs.21.02/litre in Sri Lanka and Rs.39.24/litre in Nepal. Similarly, the consumer price of LPG is Rs.577.18/ cylinder in Pakistan, Rs.537.37/ cylinder in Bangladesh, Rs.822.65/ cylinder in Sri Lanka and Rs.782.84/ cylinder in Nepal.

5. At current international oil prices, the OMCs are incurring an under-recovery of Rs.17.92 per litre on PDS Kerosene and Rs.261.90 per cylinder on Domestic LPG. To reduce this under-recovery burden of the OMCs as also to protect the common man, the Government has decided to increase the retail price of PDS Kerosene by only Rs.3 per litre and of Domestic LPG by only Rs. 35 per cylinder (at Delhi), with corresponding increases in other parts of the country.

6. Even after the above measures, the Government and the Public Sector oil companies are expected to bear an estimated under-recovery burden of about Rs.53,000 crore on the four sensitive petroleum products during 2010-11.

7. The Government is committed to making available the essential fuels, particularly the cooking fuels to the common man at affordable prices. The above decisions will not only continue to protect the vulnerable sections of society but also improve the financial health of the public sector OMCs, which need resources to invest in new refineries, marketing terminals, storage depots, pipelines, port facilities and other infrastructure for ensuring the country's long-term energy security.

Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
2-Jul-10	46.8325	46.9900	46.6675	46.9075	46.9075	645589	2596246	1215264.12	46.6800
1-Jul-10	46.8050	46.9225	46.6325	46.6950	46.6950	702817	2668437	1248605.22	46.6800
30-Jun-10	46.8125	46.8400	46.5625	46.6000	46.6000	717376	2147797	1003440.32	46.6000
29-Jun-10	46.4925	46.7500	46.4925	46.6750	46.6750	635605	2484000	1159126.70	46.5200
28-Jun-10	46.4000	46.4000	46.1350	46.3225	46.3225	705837	1989313	921394.40	46.1600

[Source: NSE and RBI Website]

Dear Reader:

The Weekly Index of Changes with World Trade Scanner could not be published from 30 June 2010 to 06 July, 2010. Issue No. 15 is a combined issue, i.e., Issue No.14 and 15 dated 30 June 2010 to 13 July 2010.

Arun Goyal, Editor

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China-Taiwan Sign Trade Pact to Unify China Region – Competition to ASEAN in Sight

China and Taiwan have signed a landmark trade and investment pact, marking a new step in political cooperation between the former rivals.

The Economic Co-operation and Framework Agreement (ECFA) was signed Tuesday in Chongqing, China following a successful final round of bilateral talks last week.

Taipei hopes the pact will help Taiwanese companies minimise displacement resulting from China's FTA with the Association of Southeast Asian Nations (ASEAN), which went into effect at the beginning of this year.

The pact will remove tariffs on some \$13.8 billion worth of goods that Taiwan exports annually to China, and generally liberalise cross-straits trade and investment.

Some 539 categories of Taiwanese goods and services are on an "early harvest" list for tariff cuts by China under the ECFA; Taiwan will cut tariffs on some 267 categories of Chinese goods. Even though Taiwan already enjoys a surplus in its \$100 billion annual trade with China, Beijing has promised Taipei that it would open its economy first as a sign of good faith.

Analysts say that the deal could see Taiwan, with its superior legal system and more transparent rules for business, emerge as a hub for international investment into China.

The Peterson Institute for International Economics, a Washington-based think tank, this month released a preliminary report on the potential impacts of the China-Taiwan ECFA. It found that both countries would benefit, although the effects would be more pronounced on Taiwan's smaller economy.

The ECFA could lift Taiwan's GDP in 2020 by as much as 5.3 percent above the current trend line, according to the report.

Despite benefits, scepticism in Taiwan

Despite the projected benefits, scepticism abounds in Taiwan over whether the agreement is just a tool for China to assert more control over the island, which a civil war divided from the mainland six decades ago.

Former Taiwanese President Lee Teng-hui has referred to the ECFA as an "Eventual Colonisation Framework Agreement that would cause Taiwan to be dominated by China," reports the Financial Times.

An issue that had caused some controversy during the negotiations – namely, whether Taiwan would be able to pursue FTAs of its own – appears to have been resolved. China claims political sovereignty over Taiwan, and other countries have been wary of opening negotiations with Taipei for fear of alienating Beijing.

Thus, the ECFA with China may in fact free Taiwan to sign FTAs of its own. Taiwanese news sources report that Taipei is hoping to conclude deals with trading partners in Southeast Asia by as early as 2012.

In the past twenty years, Taiwanese companies have emerged as major investors in the mainland. But as recently as a few years ago, direct cross-straits trade links did not exist. To fly from Taiwan to the mainland, one had to go through Hong Kong. Since being elected to office in 2008, Taiwanese President Ma Ying-jeou has improved relations with China after eight frosty years under his pro-independence predecessor, opening shipping links and direct flights.

Bilateral and regional trade agreements have proliferated in recent years, particularly in Asia. While governments' enthusiasm for pursuing new accords seemed undimmed, many economists have criticised such FTAs for diverting trade rather than creating it, and raising transaction costs for business.

US Announces New Attempt to Finalise Korea FTA

One of the more unexpected developments to emerge from the G-20 summit in Toronto was US President Barack Obama's announcement that his administration would attempt to solve outstanding disagreements on a free trade agreement with South Korea by November.

Washington and Seoul signed an FTA in June 2007. But it has languished unratified since then, despite the fact that it would represent the United States' most commercially significant FTA since the North American Free Trade Agreement in 1994.

Congressional concerns about the accord's provisions for beef and auto trade, particularly among Democrats, made the Bush administration reluctant to put the accord to a vote in Congress. And the Obama administration had heretofore not set any clear timelines for dealing with the Korea FTA or similar pending deals with Colombia and Panama.

Part of the motivation for the Obama administration's renewed interest in the Korea FTA is political: Washington wants to show support for Seoul at a time of increasing tension with North Korea.

dispute. Brasilia was also in the process of establishing sanctions that would target US intellectual property in the form of films, pharmaceutical products and the like. All of those sanctions have been put on hold pending the outcome of the negotiations, but - in theory, at least - they remain a viable threat.

The April breakthrough accord set a 60-day deadline for negotiators to agree on a process for moving the negotiations forward. Last week's framework deal was announced one working day before that deadline expired.

Some Brazilian observers grumbled that last week's deal does not go far enough to right the wrongs of US cotton subsidies. The framework agreement "lacked the symbolism of change" in US policy that Brazil has sought with its WTO suit, wrote Pedro de Camargo Neto, a former secretary of Brazil's agriculture ministry, in an op-ed in Sao Paulo's *o Estado* newspaper on Friday. Camargo Neto also lamented the fact that the Obama administration had not taken more forceful steps to reform the aspects of the cotton subsidies that are under its control. He predicted that significant changes will become increasingly difficult to achieve the longer they are delayed.

Doha implications

The United States' cotton subsidies have long been a sticking point in the Doha Round of world trade talks at the WTO. A number of developing countries, including Brazil, have urged the US to reform the support it offers its cotton farmers, but US officials have so far failed to indicate what changes they might be willing to adopt.

Brazil, US Strike 'Framework' Deal in Cotton Dispute

Trade officials from Brazil and the United States reached a place-holder accord last week that delays until 2012 the imposition of trade sanctions in a protracted dispute over Washington's cotton subsidies.

The 'framework' deal that was announced on Friday outlines a new set of negotiations and consultations that will take place over the next two years as US lawmakers revise the Farm Bill, the omnibus legislation that governs the form and value of subsidies for US farmers. The current Farm Bill, which was passed in May 2008, will expire on 30 September 2012.

The framework agreement obligates the US to fork over US\$147.3 million per year in the form of a "technical assistance fund" to help Brazilian farmers. Washington officials have also agreed to work toward benchmarks for specific changes to its controversial GSM-102 programme and to establish "a limit on trade-distorting cotton subsidies," according to a statement from the Office of the US Trade Representative. Officials from both sides will meet four times a year as the next

Farm Bill takes shape.

A brief history of the dispute

The WTO has ruled on two separate occasions - the first in 2005, the second in 2008 - that Washington's cotton subsidies were out of line with the United States' commitments at the global trade body. Those two judgments led to an arbitration ruling published in August last year that authorised Brazil to impose trade sanctions to the tune of more than US\$800 million.

Significantly, the arbitration ruling granted Brazil the right to impose sanctions on items other than those covered by the agreement that the United States had breached in maintaining its illegal cotton subsidies. The WTO does not often grant countries the right to "cross-retaliate" in another sector; in fact, no country has ever followed through with the practice.

In April - less than one week before Brazil was to impose trade sanctions on more than 100 US goods - the two sides announced that they had agreed to negotiate a resolution to the

Dutch Trial Underway in Toxic Dumping Case

Almost four years after petrochemical waste was dumped in Abidjan, Cote d'Ivoire's biggest city, a multinational metals and oil trading firm is set to face criminal charges in the Netherlands.

Dutch public prosecutor Luke Boogert claims that Trafigura Baheer BV, along with Amsterdam Port Services BV, and Amsterdam city authorities put "self interest above people's health and the environment" by illegally exporting hazardous cargo.

Dutch prosecutors say that in July of 2006, Trafigura's ship, Probo Koala, docked in Amsterdam and began offloading its hazardous cargo. After a dispute over processing costs, the waste was reportedly pumped back on board the Probo Koala and the Amsterdam Port Services granted the ship permission to leave, which is illegal under Dutch law.

The Ivorian government claims that in 2006 the Probo Koala arrived in Abidjan, the country's economic centre, and unloaded 500 tons of petrochemical waste into 14 open pits. The government claims that the toxic sludge killed 16 people and caused respiratory and other

health problems for thousands.

Dutch prosecutors argue that this saved the firm €400,000 in processing fees that it would have otherwise been paid in the Netherlands. Boogert claims Trafigura's decision to dump the waste in Africa was "cheap, but with consequences."

In 2007, Trafigura paid €157 million to Cote d'Ivoire in return for indemnity against prosecution. Then, in September 2009, the firm handed over another €33 million to 31,000 people who claimed in a British court to have been affected by the petrochemical waste. In 2008, two Nigerian officials who were involved in handling the dump in Abidjan were sentenced to imprisonment.

In related news, the UN Environment Programme (UNEP) has announced the establishment of a laboratory Abidjan to improve the monitoring of hazardous materials. The new facility, developed jointly between UNEP and the Secretariat of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, is equipped to test for waste in ships entering the port.

India Loses to China in Africa-to-Kazakhstan-to-Venezuela Oil

Indian Oil Minister Murli Deora traveled to Nigeria, Angola, Uganda, Sudan, Saudi Arabia and Venezuela this year, leading a record number of delegations to gain oil for the world's third-fastest-growing major economy.

The flurry of visits is part of a new drive to find oil for India's 1.2 billion people after losing out to China in at least \$12.5 billion of contracts in the past year. India proposed a sovereign wealth fund to bid for reserves, told state-controlled Oil & Natural Gas Corp. and Oil India Ltd. to make a major acquisition each this year, and raised the amount they can spend without government approval to 50 billion rupees (\$1.1 billion).

India's energy use may more than double by 2030 to the equivalent of 833 million metric tons of oil from 2007, while China's demand may rise 87 percent to 2.4 billion tons, the Paris-based International Energy Agency said.

India faces an uneven contest to close the gap with China, which is dipping into \$2.4 trillion of foreign currency reserves to buy stakes in oil and natural gas fields from Iraq to Uganda, compared with India's \$250 billion in foreign exchange reserves. State-run Chinese companies spent a record \$32 billion last year acquiring energy and resources assets overseas versus India's single \$2.1 billion investment by ONGC. China's June 19 decision to allow the yuan to appreciate will further strengthen the hand of Chinese companies buying overseas.

India's oil import bill climbed six-fold in the past decade to \$85.47 billion for the year ended March, equivalent to about 7 percent of gross domestic product.

'Political Game'

China has promised billions of dollars in aid, investment and loans to Africa, producer of one-eighth of the world's crude oil, in exchange for

energy supplies.

China National Petroleum Corp. beat India by agreeing to pay \$4.18 billion in August 2005 for PetroKazakhstan Inc., then China's biggest overseas oil deal. At that time, oil minister Mani Shankar Aiyar said India's bid for PetroKazakhstan was thwarted as the "goalposts were changed after the game began." A month later China National Petroleum again outbid ONGC in buying assets of EnCana Corp. in Ecuador for \$1.42 billion.

Stronger Yuan

India has had some success. ONGC agreed in 2005 to spend as much as \$6 billion on roads, ports, railway lines and power plants in Nigeria in exchange for 600,000 barrels a day of oil for 25 years. In April, Reliance Industries Ltd., operator of the country's largest gas field, agreed to buy a \$1.7 billion stake in natural-gas properties from Atlas Energy Inc. On June 24 it announced a \$1.3 billion acquisition of shale gas assets in the U.S. from Pioneer Natural Resources Co.

ONGC, Indian Oil and Oil India were part of a group in March that agreed to develop reserves in Venezuela's Carabobo blocks during a visit by Deora. In February, the minister persuaded Saudi Arabia, the world's biggest oil exporter, to almost double crude shipments to India, to about 800,000 barrels a day, according to the ministry. State-run Saudi Aramco ships about 1 million barrels a day to China, more than to the U.S., Chief Executive Officer Khalid al-Falih said Jan 28.

Lost Out

Cnoc Ltd., the listed arm of China's biggest offshore oil producer, is in discussions to buy a one-third stake in three blocks in Uganda's Lake

Albert region from Tullow Oil Plc. ONGC had jointly bid with Indian Oil Corp. and Oil India for the stake and lost out to the higher Chinese bid, a person familiar with the negotiations said, declining to be identified because the talks were private.

China has spent at least \$21 billion on overseas resources in the past year, including state-controlled China Petrochemical Corp.'s \$4.65 billion purchase in April of a stake in an oil-sands project in Canada. ONGC was interested in the asset and didn't bid, a person familiar with ONGC's plans said, declining to be identified since the plans were not public.

ONGC plans to borrow \$10 billion over the next decade for purchasing assets overseas. In September, China National Petroleum Corp., PetroChina's state-owned parent, received a \$30 billion loan from China Development Bank at a discounted interest rate to buy energy resources, according to a Sept. 9 statement from parent China National Petroleum Corp.

Ticket is an Invoice in Air Transport

39-ST In exercise of the powers
28.06.2010 conferred by sub-sections (1)
(DoR) and (2) of section 94 of the
Finance Act, 1994 (32 of

1994), the Central Government hereby makes the following rules further to amend the Service Tax Rules, 1994, namely :-

1. (1) These rules may be called the Service Tax (Amendment) Rules, 2010.

(2) They shall come into force on the 1st day of July, 2010.

2. In the Service Tax Rules, 1994 (hereinafter referred to as the said Rules), in rule 4A, in subrule

(1), after the fourth proviso, the following proviso shall be inserted, namely:-

"Provided that in case the provider of taxable service is aircraft operator providing the service of air transport of passenger, an invoice, a bill or as the case may be, challan shall include ticket in any form by whatever name called and whether or not containing registration number of the service provider, classification of the service received and address of the service receiver but containing other information in such documents as required under this sub-rule."

F.No.334/3/2010-TRU

Construction Services within Airports Exempted

42-ST In exercise of the powers
28.06.2010 conferred by sub-section (1)
(DoR) of section 93 of the Finance
Act, 1994 (32 of 1994)

(hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service of commercial or industrial construction referred to in sub-clause (zzq) of clause 105 of section 65 of the Finance Act, when provided wholly within the airport, from the whole of service tax leviable thereon under section 66 of the Finance Act.

2. This notification shall come into force on 1st day of July, 2010.

F. No. 334/03/2010-TRU

India Extends Ban on Milk Products from China by Another Six Months

Ban was imposed in 2008 after traces of melamine - a chemical which can cause problems such as kidney stones - were found in their milk products

India has extended the ban on Chinese milk and milk products for another six months, a government statement said.

"The central government further extends the prohibition on import of milk and milk products, including chocolates and chocolate products and candies, confectionery, food preparations with milk or milk solids as an ingredient, from China," a notification issued on 24 June 2010 by the Directorate General of Foreign Trade (DGFT). The text of the notification is giving below.

The ban came into existence on December 1, 2008 for one year and was extended for a period of six months on December 23, 2009.

The DGFT's order, however, did not give any reason for the extension of the ban.

Subject: Prohibition on import of milk and milk products from China.

49-Ntfn(RE) In exercise of powers
24.06.2010 conferred by Section 5, read
(DGFT) along with Section 3(2) of the
Foreign Trade (Development
and Regulation) Act, 1992, also read along with
paragraph 2.1 of Foreign Trade Policy, 2009-14,
the Central Government hereby further extends
the prohibition on import of milk and milk prod-
ucts including chocolates and chocolate prod-

ucts and candies/ confectionary/ food prepara-
tions with milk or milk solids as an ingredient,
from China, imposed vide Notification No. 67(RE-
2008)/2004-2009 dated 1st December, 2008 and
extended vide Notification No. 22/2009-2014
dated 23rd Dec, 2009, for a period of six months
from 24th June, 2010 and until further orders.

2. This issues in public interest.

2.5% Basic Custom Duty Applicable on Melting Scrap of Stainless Steel

Zero Basic Duty is only for Melting Scrap of Iron or Steel (other than Stainless Steel)

The underlined words included in the item description of SNo. 202 of 21/01.03.2002.

Ntfn 69 In exercise of the powers
23.06.2010 conferred by sub-section (1)
(DoR) of section 25 of the Customs
Act, 1962 (52 of 1962), the
Central Government, on being satisfied that it
is necessary in the public interest so to do, hereby
makes the following further amendments in the
notification of the Government of India in the
Ministry of Finance (Department of Revenue),
No. 21/2002-Customs, dated the 1st March,

2002 which was published in the Gazette of
India, Extraordinary, vide G.S.R. 118 (E) of the
same date, namely:-

In the said notification, -

(I) in the Table,-

(i) against S.No. 200, for the entry in column
(3), the entry "Melting scrap of iron or steel (other
than stainless steel)" shall be substituted.

[F. No. 354/94/2010-TRU]

Additional Duty of Customs (CVD) Chargeable on Readymade Garments is on the Basis of MRP

Subject: Basis of levy of additional Customs duty (CVD) on import of Readymade Garments – Clarification

12-CBEC The issue of the additional
21.06.2010 duty of Customs (CVD) on
(DoR) import of readymade garments
on the basis of the Maximum
Retail Price (M.R.P.) / Retail Sale Price (R.S.P.)
has been under the consideration of the Board
for quite some time. Representations have
been received from the trade and industry as
well as the field formations seeking a clarifica-
tion in the matter.

2. The issue was examined in the Board vide
Circular No. 17/2008-Cus dated 21-10-2008 and
it was clarified that for the purpose of uniformity
in assessment, the additional duty of Customs

(CVD) is chargeable on import of readymade
garments on the basis of transaction value i.e.
C.I.F. price plus landing charges and not on the
basis of R.S.P./ M.R.P. However, w.e.f 19.-08-
2009 a proviso has been inserted in Section 3(2)
of the Customs Tariff Act, 1975 vide Section 93
of the Finance Act 2009 which reads as "Pro-
vided further that in the case of an article im-
ported into India, where the Central Government
has fixed a tariff value for the like article pro-
duced or manufactured in India under sub-sec-
tion (2) of Section 3 of the Central Excise Act,
1944, the value of the imported article shall be
deemed to be such tariff value." Thus Board's

EO Period for Raw Sugar Advance Authorisation Cut by Nine Months, Last Date Now 31 March 2011

Subject – Amendment in the circular No.01/2010-Cus. dated 11.1.2010 - (Extension of Export Obligation period for the Advance License Holders who have imported raw sugar between 21.9.2004 and 15.4.2008)

14-CBEC I am directed to refer to
28.06.2010 Board's circular No.01/
(DoR) 2010-Cus dated 11.1.2010.

2. The date mentioned in para 2(a) of the
above circular **may be read as 31.03.2011
instead of 31.12.2011**. There is no change in
other conditions of the circular.

3. These instructions may be brought to the
notice of the trade / exporters by issuing
suitable Trade / Public Notices. Suitable
Standing orders/instructions may be issued
for the guidance of the assessing officers.

F.No.605/3/2009-DBK

Circular No. 17/2008 dated 21.10.2008 has lost
its relevance.

3. In view of the existing legal provisions i.e.
Section 3(2) of the Customs Tariff Act, 1975,
read with Section 3(2) of the Central Excise Act,
1944, the Notification No. 20/2001 CE (NT)
dated 30.04.2001 and Sr. No. 21 of the Fifth
Schedule of the Standards of Weights and Mea-
sures Act 1976. Government has fixed tariff
value in respect of articles of apparel, whether or
not knitted or crocheted, all sorts, falling under
Chapter 61 or 62 of the First Schedule of the
Customs Tariff Act, 1975 when imported in pack-
aged form for retail sale at the rate of 60% of
MRP. Accordingly, it is clarified that for the
purpose of uniformity in assessment, the addi-
tional duty of Customs (CVD) is chargeable on
import of such readymade garments on the
basis of their R.S.P./ M.R.P.

4. The field formations as well as trade and
industry may be suitably informed.

F.No.528/21/2008-Cus (TU)

Fraudulent Claim of 4% SAD by Unscrupulous Importers

15-CBEC Attention is invited to
29.06.2010 Notification No. 102/2007-Cus
(DoR) dated 14.09.2007 which

provides exemption in the form
of refund of 4% SAD paid on goods imported and
subsequently sold on payment of VAT/ST.

2. Instances have come to notice of the Board
where some importers of 'timber logs' have
undertaken certain processes and subsequently
sold 'sawn' or 'cut logs' after payment of VAT.
These importers are claiming the refund of 4%
SAD paid at the time of importation of goods in
terms of Notification No.102/2007-Customs
dated 14.09.2007. As per the said Notification,
refund of SAD is available only in case the

imported goods are subsequently sold on payment of VAT, without carrying out any process. However, at the time of claiming refund of 4% SAD, these importers have manipulated the facts by showing that goods sold were imported timber logs only and not 'sawn' or 'cut logs'. In terms of the classification of the First Schedule to Customs Tariff Act, 1975, round logs/round squares are classified under the heading 4403 whereas the 'sawn' woods are classified separately under heading 4407. Thus, there is distinct classification for the imported and the final products that are sold in the market on which VAT is paid. Hence, since the goods imported and subsequently sold were different goods falling under different tariff headings, the benefit of Notification No.102/2007-Customs dated 14.09.2007 by way of refund of 4% SAD is not available to importers.

3. In certain other cases, refund claims have been filed with the department wherein forged documents were submitted for availing the refund envisaged in the notification No.102/2007-Customs dated 14.09.2007. In such cases, it is reported that the importers were preparing duplicate set of invoices of the same serial number. Scrutiny of these two sets of invoices estab-

lishes that the invoice submitted to the department shows description of goods as 'Malaysian round logs' whereas the invoices obtained from the buyer shows the description of goods as 'imported timber'. The other difference is that in the invoice submitted to the department the quantity of goods in number / pieces are not mentioned whereas in the invoices of the buyer the quantity in number/pieces is clearly mentioned. This fact of preparing duplicate invoices is further substantiated by the other documents such as related transit passes and lorry receipt. These importers are thus defrauding the government revenue by resorting to this modus operandi of submitting the forged documents for claiming refund fraudulently.

4. It is apprehended that above mentioned modus-operandi may have all India ramifications and may be prevalent in other field formations and are not limited only to a few cases. In view of the above, all field formations are directed to be alert and vigilant to ensure that unscrupulous importers do not avail fraudulent refunds of 4% SAD in terms of Notification No.102/2007-Customs dated 14.9.2007 by resorting to the above-mentioned modus operandi.

F. No.401/73/2010-Cus.III

MBA Degree or the Equivalent Degree PGDM Holders can Appear in Regulation 8 Examination under CHALR, 2004

Subject: Examination under Regulation 8 of the 'Customs House Agents Licensing Regulations (CHALR), 2004' – Clarification

16-CBEC Attention is invited to
29.06.2010 regulation (6) (a) of
(DoR) 'Customs House Agents
Licensing Regulations

(CHALR), 2004' which specifies certain professional qualification such as MBA from any institute or University recognised by the Government to be possessed by an applicant or his employee referred to in clause (b) of the sub regulations (2) and (3) of regulation 5 of CHALR, 2004 to appear in examination under regulation 8 of the said Regulations. However, in this regard, it was clarified vide Board's Circular No.42/2004-Customs dated 10.6.2004 that, no degree holders equivalent to MBA are entitled to appear in the said examination. However, references have been received in the Board from field formation pointing out that some well known institutes like Indian Institute of Management are not awarding MBA degree rather such institutes are awarding PGDM which is equivalent to MBA. It is represented that these PGDM holders should be allowed to appear in regulation 8 examinations under CHALR, 2004.

2. The issue has been examined in the Board. It has been decided by the Board that MBA degree or the equivalent degree PGDM, granted by an institute or university recognised by Government / AICTE under Ministry of Human Resource Development shall be acceptable qualification for degree holders to appear in the examination under CHALR, 2004.

3. The Board Circular No.42/2004-Customs dated 10.6.2004 stands modified to above extent.

4. These instructions may be brought to the notice of the field officers by issuing suitable Standing orders/instructions. Difficulties faced, if any, in the implementation of the Circular may please be brought to the notice of the Board, at an early date.

F. No.502/3/2010-Cus.VI

CLEAN ENERGY CESS (CEC) EFFECTIVE FROM 1 JULY 2010

1. Clean Energy Cess Effective from 1 July 2010
2. Clean Energy Cess
3. Clean Energy Cess of Rs. 50/Tonne Applicable on Coal, Lignite and Peat
4. Clean Energy Cess Exemption not Available on Raw Coal, Raw Lignite and Raw Peat
5. No Clean CEC on Coal Produced by Local Tribunals in Meghalaya
6. Clean Energy Cess Rules, 2010

Clean Energy Cess Effective from 1 July 2010

01-CEC In exercise of the powers conferred by sub-section (2)
22.06.2010 of the section 83 of the Finance Act, 2010 (14 of 2010),
(DoR) the Central Government hereby appoints the 1st day of July, 2010, as the date on which the provisions of Chapter VII of the said Act shall come into force.

[F. No. 354/72/2010-TRU]

Clean Energy Cess

02-CEC In exercise of the powers matters in respect of cess imposed under section
22.06.2010 conferred by sub- section (7) 83 of the said Finance Act, namely :-
(DoR) of section 83 of the Finance Act, 2010 (14 of 2010), the Sections 5A, 6, 9, 9A, 9AA, 9C, 9D, 9E, 11, 11A, 11AA, 11AB, 11AC, 11B, 11BB, 11C, 11D, 11DD, 11DDA, 12A, 12B, 12C and 12D; Chapters III, VI, VIA and VIB.

Central Government hereby declares that the following provisions of the Central Excise Act, 1944 (1 of 1944) relating to the matters specified therein, shall be applicable in regard to like

[F. No. 354/72 /2010-TRU]

Clean Energy Cess of Rs. 50/Tonne Applicable on Coal, Lignite and Peat

03-CEC In exercise of the powers exempts all goods leviable to the Clean Energy
22.06.2010 conferred by section 83 of the said Finance Act,
(DoR) the Finance Act, 2010 (14 of 2010) read with section 5A of the Central Excise Act,1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby

[F. No. 354/ 72 /2010-TRU]

Clean Energy Cess Exemption not Available on Raw Coal, Raw Lignite and Raw Peat

04-CEC In exercise of the powers
22.06.2010 conferred by section 83 of the
(DoR) Finance Act, 2010 (14 of 2010) read with section 5A of the

Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts all goods falling under Central Excise Tariff headings 2701, 2702, 2703 of the First Schedule to the Central Excise Tariff Act,1985 (5 of 1986), other than raw coal, raw lignite and

raw peat, from the clean energy cess leviable under section 83 of said Finance Act :

Provided that the said exemption shall be applicable subject to the condition that applicable clean energy cess has been paid at the

stage of raw coal, raw lignite or raw peat from which the said goods are produced or manufactured.

[F. No. 354/ 72 /2010-TRU]

to the condition that such excess amount paid is on account of reasons not involving interpretation of law, taxability, or applicability of any exemption notification;

Provided further that the producer may, instead, file a refund claim for any excess amount of cess paid if such producer fails to adjust the excess amount against the cess liability for the next month.

(4) Where any producer fails to pay the cess by the due date, he shall be liable to pay the outstanding amount along with interest at the rate specified by the Central Government under section 11AB of the Central Excise, 1944 (1 of 1944) on the outstanding amount for the period starting from the first day after the due date till the date of the actual payment of the outstanding amount.

(5) Where any producer defaults in payment beyond thirty days from the due date as specified in rule 6, such specified goods shall be deemed to have been cleared without payment of cess and the consequences and penalties under these rules and provisions of the Central Excise Act, 1944 (1 of 1944) as have been made applicable, shall follow in addition to payment of interest under sub-rule (4).

(6) The provisions of section 11 of the Central Excise Act, 1944 (1 of 1944) shall be applicable for recovery of the cess as assessed under rule 5 and the interest under sub-rule (4) in the same manner as they are applicable for recovery of any sums payable to the Central Government.

Explanation. For the purposes of this rule, -

(i) Cess liability shall be deemed to be discharged only if the amount payable is credited to the account of the Central Government by the specified date;

(ii) Where the registered person deposits cess by cheque, the date of presentation of the cheque in the bank designated by the Board for this purpose shall be deemed to be the date on which the cess has been paid subject to realization of the cheque.

7. Maintenance of records

(1) Every producer shall maintain accounts showing the quantity of specified goods actually removed during a month, particulars to whom these were removed, the amount of cess payable during a month and the total amount of cess paid:

Provided that where a producer has opted for centralized registration under rule 3, such producer shall maintain mine wise details mentioned in the sub-rule (1).

(2) The amount of cess payable on any removals shall be rounded off to the nearest rupee and the actual weight of a consignment shall be rounded off to the nearest tonne.

8. Access to registered premises or mine

(1) An officer empowered by the Commissioner in this behalf shall have access to any mine or premises registered under these rules for the purpose of carrying out any scrutiny, verification

No CEC on Coal Produced by Local Tribals in Meghalaya

05-CEC
22.06.2010
(DoR)
In exercise of the powers conferred by section 83 of the Finance Act, 2010 (14 of 2010) read with section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts all goods produced or extracted as per

traditional and customary rights enjoyed by local tribals in the State of Meghalaya without any license or lease required under any law for the time being in force, from the clean energy cess leviable under section 83 of the said Finance Act.

[F. No. 354/ 72 /2010-TRU]

Clean Energy Cess Rules, 2010

06-CEC
22.06.2010
(DoR)
In exercise of the powers conferred by Section 84 of the Finance Act, 2010 (14 of 2010), the Central Government hereby makes the following rules, namely:-

Central Excise Officer but not later than a period of thirty days from the date of commencement of these rules by making an application to the jurisdictional Central Excise Officer :

Provided that where a producer commences production of the specified goods at any time after the commencement of these rules, such producer shall obtain registration within thirty days from the commencement of such production ;

Provided further that where a producer has a centralized billing or accounting system in respect of such specified goods produced at different mines, he may, instead, opt for registering only the premises or office from where such centralized billing or accounting is done.

Chapter 1 -Preliminary

1. Short title, extent and commencement

(1) These rules may be called the Clean Energy Cess Rules, 2010.

(2) They extend to the whole of India.

(3) They shall come into force on the 1st day of July, 2010.

2. Definitions

In these rules, unless the context otherwise requires, -

(a) "Act" means the Finance Act, 2010 (14 of 2010);

(b) "Board" means the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);

(c) "cess" means the Clean Energy Cess levied under section 83 of the Act;

(d) "Central Excise Officer" shall have the meaning assigned to it in the Central Excise Act, 1944(1 of 1944);

(e) "mine" shall have the meaning assigned to it under Mines Act,1952 (32 of 1952);

(f) "producer" means any person engaged in the production of specified goods and includes a owner or agent as defined under section 2 of the Mines Act, 1952 (32 of 1952);

(g) "removal" means despatch of specified goods from a mine and shall include despatch of such goods for captive consumption within that mine for any purpose other than for raising of such goods;

(h) "specified goods " means raw coal, raw lignite and raw peat.

Chapter 2 - Collection and Assessment of Cess

3. Registration

Every producer who is liable to pay cess shall get registered immediately with the jurisdictional

4. Cess payable on removal

Every producer shall pay the cess leviable on the removal of the specified goods in the manner provided in rule 6.

5. Assessment of cess

The producer shall himself assess the cess payable on the specified goods.

6. Manner of payment

(1) Cess on the specified goods removed from the mine during a month shall be paid by the 5th of the second month, following the month in which the removals were made:

Illustration. Cess payable on specified goods removed from the factory for the month of July, 2010 shall be paid by the 5th of September, 2010.

(2) A producer who has opted for centralized registration in respect of its mines located at different places under rule 3, shall discharge the cess liability in respect of the aggregate removal of specified goods from all such mines effected during a month by the stipulated period specified in sub-rule (1)

(3) Where a producer has paid to the credit of the Central Government any amount in excess of the amount required to be paid towards cess liability for a month, such producer may adjust such excess amount paid by him against the cess liability for the next month:

Provided that the adjustment of excess amount paid under sub-rule (2) shall be subject

and checks as may be considered necessary to safeguard the interest of revenue.

(2) Every producer shall furnish to the officer empowered under sub-rule (1) ,-

(i) all records prepared and maintained for accounting of transactions in regard to production, storage or removal of specified goods; and

(ii) financial records and statements including cost audit reports etc.

9. Goods to be removed under proper documents

(1) No specified goods leviable to cess shall be removed from a mine except under cover of a document indicating the quantity of specified goods and the name and address of the consignee.

10. Cess shall be shown separately in the invoice or bill

Cess shall be shown separately by the producer in the bill or invoice raised in respect of specified goods.

11. Filing of return

Every producer shall submit to the Jurisdictional Central Excise Officer, a return in Form - I showing the quantities of specified goods re-

moved during the month in respect of which the payment has been made, the amount paid under rule 6 and other particulars specified in that form enclosing the evidence of payment of cess not later than 10th day of the month in which the payment has been made:

Provided that in the case of a producer who has obtained centralized registration under rule 3, the return in Form- I shall contain mine-wise information.

12. General penalty

Whoever contravenes any of the provisions of these rules shall be liable to pay a penalty which may extend to ten thousand rupees and confiscation of the goods in question in respect of which the contravention is made, if no penalty is provided elsewhere.

[F. No. 354/72/2010-TRU]

Form - I

Monthly return for removal of specified goods

(See Rule 11)

Name of Producer	:	Total cess paid (Rs.)	:
Full address	:	Remarks	:
Registration Number	:	Note: In case where a producer has obtained centralised registration under rule 3, he shall provide the above details in respect of each mine.	
Month	:	I /we hereby solemnly declare that the information given in this return is true, correct and complete in every respect.	
Description of specified goods	:	(Name in capital letters and signature of the registered person or his authorised agent)	
Quantity of specified goods removed during the month (in MT)	:		
Rate of cess per tone (Rs. per tonne)	:		
Total cess payable as per billing (Rs.)	:		

EDUCATION CESS

2% Education Cess Exempted on Coal Lignite and Peat

28-CE In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sections 91 and 93 of the Finance (No.2) Act, 2004 (23 of 2004), the Central Government, on being satisfied that it is necessary in

the public interest so to do, hereby exempts all goods specified in the Tenth Schedule to the Finance Act,2010 (14 of 2010) from the Education Cess leviable thereon under the said sections 91 and 93 of the said Finance (No.2) Act.

[F.No.354/72/2010-TRU]

1% Higher Education Cess Exempted on Coal, Lignite and Peat

29-CE In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sections 136 and 138 of the Finance Act, 2007 (22 of 2007), the Central Government, on being satisfied that it is necessary in the

public interest so to do, hereby exempts all goods specified in the Tenth Schedule to the Finance Act, 2010 (14 of 2010) from the Higher Education Cess leviable thereon under the said sections 136 and 138 of the said Finance Act.

[F.No.354/72/2010-TRU]

Safeguard Duty of 16% on Soda Ash Extended upto 19 April 2011

Ntfn 72 Whereas, in the matter of import of Soda Ash (hereinafter also referred to as the subject goods), falling under tariff item 2836 20, of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Act), from People's Republic of China, the Director General (Safeguards), in its preliminary findings vide number G.S.R. 62 (E), dated the 30th January, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 30th January, 2009, had come to the conclusion that increased imports of Soda Ash into India from the People's Republic of China had caused and threatened to

cause market disruption to domestic industry of Soda Ash and that this had necessitated the imposition of provisional safeguard duty on imports of Soda Ash into India from People's Republic of China ;

And whereas, on the basis of the aforesaid findings of the Director General (Safeguards), the Central Government had imposed provisional Safeguard duty on imports of the subject goods vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 37/2009-CUSTOMS, dated the 20th April, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 20th April, 2009, vide num-

ber G.S.R.264 (E), dated the 20th April, 2009;

And whereas, the Director General (Safeguards) in its final findings vide number G.S.R.725(E), dated the 6th October, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 6th October, 2009 had come to the conclusion that increased imports of Soda Ash into India from the People's Republic of China had threatened to cause market disruption to the domestic industry of Soda Ash and it necessitated the imposition of definitive safeguard duty on imports of Soda Ash into India from People's Republic of China;

And whereas, on the basis of the aforesaid findings of the Director General (Safeguards), the Central Government had imposed Safeguard duty on imports of the subject goods vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 122/2009-Customs, dated the 5th November, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 5th November, 2009, vide number G.S.R.797 (E), dated the 5th November, 2009;

And whereas, the Director General (Safeguards) in its final findings in review proceedings vide number G.S.R.318(E), dated the 13th April, 2010, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 13th April, 2010 (hereinafter referred to as the said findings) had come to the conclusion that threat of market disruption to the domestic industry of Soda Ash continued to exist and it necessitated the continuation of safeguard duty on imports of Soda Ash into India from People's Republic of China;

Now, therefore, in exercise of the powers conferred by sub-section (1), of section 8C of the

said Act, and in accordance with the rules 12, 14 and 17 of the Customs Tariff (Transitional Product Specific Safeguard Duty) Rules, 2002, the Central Government after considering the said findings of the Director General (Safeguards), hereby imposes a safeguard duty at the rate of 16% ad valorem on Soda Ash, falling under tariff item 2836 20 of the First Schedule to the said Act, when imported into India from the People's

Republic of China.

2. The Safeguard duty imposed under this notification shall be levied with effect from the date of publication of this notification in Gazette of India, and shall remain in force upto and inclusive of the 19th April, 2011.

[F.No.354/40/2009 –TRU]

Another Five Years of Anti-dumping Duty on Phosphorous Pentachloride (PCL₅) and TMP from China

Ntfn 68 Whereas the designated authority had initiated anti-dumping investigation in the matter of imports of phosphorous based chemical compounds, namely; (1) Phosphorous trichloride (PCL₃), (2) Phosphorous Pentachloride (PCL₅), (3) Phosphorous oxychloride (POCL₂), (4) Triphenyl phosphite (TPPI), (5) Trimethyl phosphite (TMP), originating in or exported from European Union and China PR, vide notification No. 14/3/2009-DGAD, dated the 13th February, 2009;

And whereas, the designated authority in its preliminary findings vide notification No. 14/3/2009-DGAD, dated the 18th August, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 18th August, 2009, had come to the conclusion that various parameters relating to domestic industry collectively and cumulatively established that the domestic industry had suffered material injury in case of imports of Phosphorous Pentachloride (PCL₅) falling under sub-heading 2812 1022 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Cus-

toms Tariff Act), and had recommended imposition of provisional anti-dumping duty on the imports of Phosphorous Pentachloride (PCL₅), originating in or exported from, the People's Republic of China ;

And whereas, on the basis of the aforesaid preliminary findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the Phosphorous Pentachloride (PCL₅) only vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 119/2009-Customs, dated 16th October, 2009 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.758 (E), dated the 16th October, 2009;

And whereas, the designated authority in its final findings vide notification No. 14/3/2009-DGAD dated 7th April 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 7th April 2010, had come to the conclusion that that various parameters relating to domestic industry collectively and cumulatively established that the domestic industry had suf-

fered material injury in case of imports of Phosphorous Pentachloride (PCL₅) and Trimethyl Phosphite (TMP), falling under sub heading 2920 90 41 of the said Customs Tariff Act, (hereinafter referred to as the subject goods) and had recommended imposition of definitive anti-dumping duty on the imports of Phosphorous Pentachloride (PCL₅) and Trimethyl Phosphite (TMP), originating in or exported from, the People's Republic of China ;

Now, therefore, in exercise of the powers conferred by sub-section (1), read with sub-section (5) of section 9A of the said Customs Tariff Act and rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central government, on the basis of the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under sub- heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), and produced by the producers as specified in the corresponding entry in column (6), when exported from the country as specified in the corresponding entry in column (5), by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9), of the said Table.

Table

SNo	Sub heading	Description of goods	Country of origin	Country of exports	Producer	Exporter	Duty amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	2812 10 22	Phosphorus Pentachloride (PCL ₅)	China PR	China PR	M/s Xuzhou Jianping Chemical Co. Ltd.	M/s China Haohua Chemical (Group) Corporation	0.467	Per KG	US Dollar
2.	2812 10 22	-do-	China PR	China PR	M/s Xuzhou Jianping Chemical Co. Ltd.	M/s Sinochem International Corporation	0.574	Per KG	US Dollar
3.	2812 10 22	-do-	China PR	China PR	Any combination of producer and exporter except at Sr. No. 1 and 2		0.777	Per KG	US Dollar
4.	2812 1022	-do-	China PR	Any	Any	Any	0.777	Per KG	US Dollar
5.	2812 10 22	-do-	Any	China PR	Any	Any	0.777	Per KG	US Dollar
6.	2920 90 41	Trimethyl Phosphite (TMP)	China PR	China PR	M/s Luohe Huipu Chemistry Industry Factory	M/s Sinochem International Corporation	0.008	Per KG	US Dollar
7.	2920 90 41	-do-	China PR	China PR	M/s Sancaitang Chemical Industry and Technology Co.Ltd. HB	M/s China Haohua Chemical (Group) Corpoartion	0.119	Per KG	US Dollar
8.	2920 90 41	-do-	China PR	China PR	Any combination of producer and exporter except at Sr. No.6 and 7		0.575	Per KG	US Dollar
9.	2920 90 41	-do-	China PR	Any	Any	Any	0.575	Per KG	US Dollar
10.	2920 90 41	-do-	Any	China PR	Any	Any	0.575	Per KG	US Dollar

2. The anti-dumping duty imposed shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of,-

(i) imposition of the provisional anti-dumping duty, that is, the 16th October,2009 in the case of imports of Phosphorous Pentachloride

(PCL₅), originating in or exported from, the People's Republic of China; and

(ii) publication of this notification in the Gazette of India, in the case of imports of Trimethyl Phosphite (TMP), originating in or exported from, the People's Republic of China.

and the anti-dumping duty imposed shall be

payable in Indian currency.

Explanation: For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued

from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962, (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.354/187/2009 –TRU]

Another Five Years of Anti-dumping Duty on Emulsion PVC Resin from EU

Ntfn 70 Whereas, the designated
25.06.2010 authority *vide* notification
(DoR) No.15/27/2008-DGAD, dated
the 31st March, 2009, published
in Part I, Section 1 of the Gazette of India,
Extraordinary, dated the 1st April, 2009, had
initiated review in the matter of continuation of
final anti-dumping duty on Poly Vinyl Chloride
Paste Resin also called as Emulsion PVC Resin
(hereinafter referred to as the subject goods),
falling under sub-heading 3904 22 10 of the
First Schedule to the Customs Tariff Act, 1975
(51 of 1975) (herein after referred to as the said
Customs Tariff Act), originating in, or exported
from European Union (hereinafter referred to as
the subject country), imposed *vide* notification of
Government of India in the Ministry of Finance
(Department of Revenue), No. 104/2004–Cus-
toms, dated the 7th October ,2004, published in
the Gazette of India, Extraordinary, Part II, Sec-
tion 3, Sub-section (i), *vide*, number G.S.R. 659
(E), dated the 7th October ,2004, and extended
by notification No. **115/2009-Customs dated
6th October,2009** published in the Gazette of
India, Extraordinary, Part II, Section 3, Sub-
section (i), *vide*, number G.S.R.724 (E), dated
the 6th October, 2009;

And whereas, the designated authority *vide*
notification No. 15/27/2008-DGAD, dated the
26th April, 2010, published in Part I, Section 1 of
the Gazette of India, Extraordinary, dated, the
26th April, 2010, after conducting Sunset Re-
view had come to the conclusion that-

(i) the subject goods were entering the In-
dian market at dumped prices and dumping

margin of the subject goods imported from sub-
ject territory was significant and above the de-
minimis limits prescribed. The subject goods
continued to be exported to India at dumped
prices inspite of existing anti dumping duties;

(ii) the situation of domestic industry had
deteriorated further in spite of the existing anti
dumping duties. Further, should the present anti
dumping duties be revoked, injury to the domes-
tic industry was likely to continue and intensify;

(iii) the deterioration in the performance of
the domestic industry was because of dumped
imports from the subject territory;

(iv) the current level of anti dumping duty was
insufficient to address the continued dumping
and consequent injury to the domestic industry
and thus the anti-dumping duty was required to
be extended and modified;

and had recommended the continued im-
position of definitive anti-dumping duty on all im-
ports of the subject goods, originating in, or
exported from the subject country;

Now, therefore, in exercise of the powers
conferred by sub-section (1), read with sub-
section (5) of section 9A of the said Customs
Tariff Act, and rules 18 and 23 of the Customs
Tariff (Identification, Assessment and Collec-
tion of Anti-dumping Duty on Dumped Articles
and for Determination of Injury) Rules, 1995, the
Central Government, on the basis of the afore-
said final findings of the designated authority,
hereby imposes on the goods, the description of
which is specified in column (3) of the Table

Table

SNo.	Subheading	Description of goods	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	3904 22 10	Poly Vinyl Chloride Paste Resin	European Union	Any	Any	Any	267.38	Per MT	US Dollar
2	3904 22 10	Poly Vinyl Chloride Paste Resin	Any	European Union	Any	Any	267.38	Per MT	US Dollar

2. This notification shall be effective for a
period of five years (unless revoked, super-
seded or amended earlier) from the date of
publication of this notification in the Gazette of
India and the anti-dumping duty shall be paid in
Indian currency.

Explanation. - For the purposes of this notifica-
tion, "rate of exchange" applicable for the pur-
poses of calculation of anti-dumping duty shall
be the rate which is specified in the notification
of the Government of India, in the Ministry of
Finance (Department of Revenue), issued from
time to time, in exercise of the powers conferred
by sub-clause (i) of clause (a) of sub-section (3)
of section 14 of the Customs Act, 1962 (52 of
1962) and the relevant date for determination of
the "rate of exchange" shall be the date of
presentation of the bill of entry under section 46
of the said Customs Act.

[F.No.354/88/2004-TRU]

Previous Notification on Anti-dumping Duty Extension on Emulsion PVC Resin Rescinded

Ntfn 71 In exercise of the powers
25.06.2010 conferred by sub-sections
(DoR) (1) and (5) of section 9A of
the Customs Tariff Act,
1975 (51 of 1975), read with rules 23 of the
Customs Tariff (Identification, Assessment
and Collection of Anti-dumping Duty on
Dumped Articles and for Determination of
Injury) Rules, 1995, the Central Government
hereby **rescinds** the notification of the Gov-
ernment of India in the Ministry of Finance
(Department of Revenue), No. **115/2009-
Customs, dated the 6th October,2009**, pub-
lished in the Gazette of India, Extraordinary,
Part II, Section 3, Sub-section (i), *vide* num-
ber G.S.R.724 (E), dated the 6th Octo-
ber,2009, except as respect things done or
omitted to be done before such rescission.

[F. No.354/88/2004-TRU]

below, falling under sub heading of the First
Schedule to the said Customs Tariff Act speci-
fied in the corresponding entry in column (2),
originating in the country specified in the corre-
sponding entry in column (4) , and produced by
the producers specified in the corresponding
entry in column (6), when exported from the
country specified in the corresponding entry in
column (5), by the exporters specified in the
corresponding entry in column (7), and imported
into India, an anti-dumping duty at a rate which
is equal to the amount specified in the corre-
sponding entry in column (8), in the currency
specified in the corresponding entry in column
(10) and per unit of measurement specified in
the corresponding entry in column (9) of the said
Table;

Dumping Review on Flexible Slabstock Polyol from Singapore

[Ref: Initiation Notification No. 18/13/2008-DGAD dated 22 June 2010]

Subject: Initiation of review investigation concerning anti-dumping duty imposed on imports of Flexible Slabstock Polyol originating in or exported from Singapore pursuant to the orders of the Hon'ble CESTAT No. AD/1 to 4/10 CU (DB) dated 30th April, 2010.

Whereas having regard to the Customs Tariff
Act, 1975 as amended in 1995, and thereafter,
and the Customs Tariff (Identification, Assess-
ment and Collection of Anti Dumping Duty on
Dumped Articles and for Determination of Injury)
Rules, 1995 (herein after referred to as the
Rules), *vide* Notification No. 15/25/2009-DGAD
Dated 26th December, 2007 the Designated
Authority (hereinafter referred to as the Author-
ity) had notified final findings recommending
definitive anti dumping duty on imports of Flex-
ible Slabstock Polyol (hereinafter referred to as

the subject goods) originating in or exported
from European Union, Japan, Singapore and
United States of America (hereinafter referred to
as the subject countries).

2. And whereas definitive anti dumping duty
was imposed on the subject goods *vide* Cus-
toms Notification No. 15/2008-Customs dated
5th February, 2008.

Product under Consideration

3. The product under consideration in the
present investigation, as defined in the original

investigation, is Flexible Slabstock Polyol, a polymer, originating in or exported from the subject countries. The subject product is a clear viscous liquid of molecular weight 3000-4000, manufactured by polymerization of propylene oxide and ethylene oxide with a triol chain starter. It is a polyether and on reaction with catalysts and additives yields polyurethane foams used in upholstery, mattresses, pillows, bolsters, transport seating and packaging. Flexible Slabstock Polyol is transported in tankers or stored in steel drums. It is classified under the category "Plastics and articles thereof" in Chapter 39 of the Customs Tariff Act, 1975 and further under 3907.20 as per International Trade Classification. The classification, however, is only indicative and in no way binding on the scope of the present investigation.

Initiation

4. Certain Interested parties namely M/s. D.P. Foam Pvt. Ltd., Pondichery, M/s. Manali Petrochemical Ltd., Chennai, M/s BASF Southeast Asia Pvt Ltd, Singapore and M/s Shell Eastern Petroleum Pvt Ltd, Singapore filed appeal No. AD/7/2008 With AD/S/1023/08, AD/8/2008 With AD/S/1025/08, AD/10/2008-CU(DB) With AD/S/1103/08, AD/16/2008-CU(DB) before Hon'ble CESTAT against the aforesaid Final Findings of the Designated Authority.

5. The Hon'ble CESTAT, New Delhi vide orders dated 30th April, 2010, while allowing the aforesaid four appeals, has directed as follows:

"19. Under the circumstances, and for the reasons stated above, we set aside the impugned final findings and the impugned notification issued pursuant thereto insofar as the exports of the impugned goods originating in/or exported from Singapore are concerned and remand the matter for fresh determination by the D.A., preferably within a period of 6 months from the date of pronouncement of this order, after giving an adequate opportunity of hearing to the appellants and other interested parties, if any. However, keeping in view the spirit behind the second proviso to Section 9A (5) of the Customs Tariff Act, 1975, we order that antidumping duty shall continue to be levied on such impugned goods at the same rates as applicable during the sunset review for a period starting from the date of the impugned notification till expiry of 6 months from the date of pronouncement of this order on a provisional basis and subject to the outcome of the fresh decision by the D.A.

20. All the four appeals are allowed in the above terms." 6. In pursuance with the above stated orders of the Hon'ble CESTAT, the Designated Authority hereby initiates a review of the anti-dumping duty earlier recommended by the Designated Authority vide Notification No. 15/25/2009-DGAD Dated 26th December, 2007, in respect of the subject goods originating in or exported from Singapore, under the provisions of Rule 23 of the Rules and Section 9A (5) of the Customs Tariff (Amendment) Act, 1995 as amended.

Country involved

7. The country involved in the present investigations is Singapore.

Grounds for Review

8. In view of the above stated orders of the Hon'ble CESTAT, a review of anti dumping measures in force, under the provision of Rule 23 of the Rules and Section 9A (5) of the Customs Tariff (Amendment) Act, 1995 as amended, in respect of the subject goods originating in or exported from Singapore is necessary.

Procedure

9. Having regard to the above stated orders of the Hon'ble CESTAT necessitating a review of the measure in force, the Designated authority hereby initiates a review investigation of the final findings notified vide No. 15/25/2009-DGAD Dated 26th December, 2007 published in the Gazette of India, Extraordinary Part I, Section I in terms of the provision of Section 9(A) of Customs Tariff (Amendment) Act 1995 read with Rule 23 supra, in respect of the subject goods originating in or exported from Singapore.

Submission of Information

10. The exporters in the subject country, their government through their Embassy in India/representatives, the importers and users in India known to be concerned and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to:

The Designated Authority
Directorate General of Anti-Dumping & Allied Duties, Ministry of Commerce & Industry, Department of Commerce, Room No.243, Udyog Bhavan, New Delhi-110011.

Any other interested party may also make its submissions, relevant to the investigation, in the prescribed form and manner, within the time

limit set out below.

Time Limit

11. Any information relating to the present review and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than "Forty Days (40 days)" from the date of this notification, along with the non-confidential version. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the Rules.

Non-confidential summary

12. In terms of Rule 6(7) of the Rules, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority. If in the opinion of the party providing such information, such information is not susceptible to summarization; a statement of reasons thereof is required to be provided.

Inspection of Public File

13. In terms of Rules 6(7), any interested party may inspect the public file containing non-confidential version of the information submitted by other interested parties.

14. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

Review Initiated on Pentaerythritol from Taiwan

Initiation Notification (Mid-Term Review) No. 15/10/2010 DGAD dated 22 June 2010

Subject: Initiation of midterm review investigation with regard to the anti-dumping duties in force involving the imports of Pentaerythritol from Chinese Taipei

Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff

(Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred to as AD Rules), vide Notification No. 15/7/2006 DGAD dated 5th March 2008, the Designated Authority (hereinafter referred to as the Authority) notified its final findings recommending definitive anti dumping duty on import of Pentaerythritol (herein after referred to as subject goods) originating in or exported from Chinese Taipei (hereinafter referred to as subject country).

And whereas, in the sunset review, the anti dumping duty was imposed on the imports of subject goods vide Customs Notification No. 55/2008 Customs, dated 28th April 2008.

2. M/s. Kanoria Chemicals & Industries Limited have filed an application before the Designated Authority (herein after referred to as the Authority), the Petitioner has claimed that the anti dumping duty imposed earlier is required to be reviewed in view of the fact that the dumping

margin and injury margin have materially changed since the last investigation.

3. Product under consideration

The product under consideration is Pentaerythritol originating in or exported from Chinese Taipei. Pentaerythritol is an organic chemical classified under Customs sub heading No. 29054200 under Chapter 29 of the Customs Tariff Act. Pentaerythritol finds application in manufacture of Alkyd Resin, Rosin Esters, Plasticizers, Printing Inks, Synthetic Rubber, Stabilizers for Plastics, Modified drying oils, Detonators, Explosives, Pharmaceuticals, Core oils and Synthetic Lubricants. This product is classified under Customs Tariff heading no. 2905.42 as per Indian Trade Classification. The Customs and ITC HS classifications are, however, indicative only and in no way binding on the scope of the present investigation.

4. Grounds for Review

The applicant has claimed that the existing mea-

sure is no longer sufficient to counteract the dumping which is causing injury. It has been further submitted that the product continues to be imported into India at dumped prices, in spite of anti dumping duty being in force. The imports are causing significant price undercutting even at the existing levels. The applicant has further claimed that price undercutting even after addition for the current anti dumping duties is higher, which indicates intensive dumping by the exporters from the subject country. As a result of dumping, the domestic industry is faced with significant price underselling as well. It has been claimed that the quantum of the measure has not been able to address the injuries caused to the domestic industry. The petitioner has therefore argued that the measure is required to be suitably enhanced. The petitioner has further argued that domestic industry has not been able to improve its performance in spite of the existing anti-dumping duties and the existing measure is no longer sufficient to address injury being caused by continued dumped imports.

5. Initiation

The Customs Tariff (Amendment) Act 1995 and the Anti Dumping Rules made there under require the Authority to review from time to time the need for continuance of anti-dumping duty. M/s. Kanoria Chemicals & Industries Limited have filed a petition substantiating the need for mid-term review of the anti-dumping duty imposed on the subject goods originating in or exported from Chinese Taipei and have requested for enhancement/revision of the anti-dumping duty imposed on subject goods under the above mentioned notifications. The Designated Authority considers that midterm review of the anti dumping duty recommended would be appropriate at this stage under the provisions laid down in Rule 23 of the Rules supra.

6. Country involved

The Country involved in the present investigation is Chinese Taipei.

7. Procedure

Having satisfied itself on the basis of evidence submitted by domestic industry for review of the final findings notified vide No. 15/7/2006 -DGAD dated 5.3.2008 and final duty imposed by Notification No. 55/2008-Customs, dated 28.4.2008, the Authority hereby initiates investigations to review whether continued imposition of anti dumping duties in the present form and to the present extent of duty is necessary in accordance with the Customs Tariff (Amendment) Act, 1995 and Anti Dumping Rules.

The review covers all aspects of Notification No. 15/7/2006 -DGAD dated 5.3.2008.

8. Period of investigation (POI)

The period of investigation (POI) for the purpose of present investigation is 1st January, 2009 to 31st December, 2009. The injury investigation period will however, cover the period 2005-06, 2006-07, 2007-08 and 2008-09 including the period of investigation.

9. Submission of information

The exporters in the subject country and their

government through their embassy/ representatives in India, the importers and users in India known to be concerned and the domestic industry are requested to submit relevant information in the form and manner prescribed and to make their views known to the:

The Designated Authority
Ministry of Commerce & Industry, Department of Commerce, Directorate General of Anti-Dumping & Allied Duties, (DGAD), Room No. 240, Udyog Bhavan, New Delhi-110011

Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

10. Time limit

Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above

not later than forty (40) days from the date of publication of this notification, The known exporters and importers, who are being addressed separately, are, however, required to submit the information within (40) forty days from the date of the letter addressed to them.

11. Inspection of public file

In terms of Rule 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

SERVICE TAX

- | | |
|---|--|
| 1. Enactment of Finance Act 2010 Changes on Service Tax – Effective from 1 July 2010 | 10. Zero Service Tax for Distribution of Electricity under Electricity Act, 2003 |
| 2. Service Tax (Removal of Difficulty) Order, 2010 | 11. Service Tax on Rail Containers for Export Goods Extended to January 2011 |
| 3. Service Tax on Air Passengers | 12. Service Tax Exemption on Transport of Goods in Containers by Rail Extended to January 2011 |
| 4. Service Tax Only on 25% of Value of Commercial and Industrial Property | 13. Service Tax Exemption on Transport of Goods by Rail Extended to January 2011 |
| 5. Service Tax of Rs. 500 on International and Rs. 100 on Domestic Passengers for 1 July 2010 | 14. Service Tax on Advance Payment before 1 July on Commercial Training and Immovable Property not Payable |
| 6. Zero Service Tax on North Eastern Region Air Passengers | 15. Service Tax on Export Goods at Airports Exempted |
| 7. Zero Service Tax on Jawahar and Rajiv Awaas Yojana Construction | 16. Construction Services Inside Ports Exempted |
| 8. Zero Service Tax on Sponsorship of Sports Events | 17. Ticket is an Invoice in Air Transport |
| 9. Zero Service Tax on Services Provided within Port or Airport | |

Enactment of Finance Act 2010 Changes on Service Tax – Effective from 1 July 2010

24-ST In exercise of the powers conferred by clauses (A) and
22.06.2010 (B) of section 76 of the Finance Act, 2010 (14 of 2010), the
(DoR) Central Government hereby appoints the 1st day of July, 2010, as the date on
which the provisions of the said Act shall come into force.

[F. No. B-1/24 /2010 -TRU]

Service Tax (Removal of Difficulty) Order, 2010

[Ref: M.F.(D.R.) Order No. 1/2010 dated 22 June 2010]

In exercise of the powers conferred by sub-section (1) of section 95 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, hereby makes the following Order, namely :-

1. (1) This Order may be called as the Service Tax (Removal of Difficulty) Order, 2010.

(2) This Order shall come into force on the 1st day of July, 2010.

2. For the purposes of sub-clauses (zzq) and (zzzh) of clause (105) of section 65 of the Finance Act, the expression 'authority competent' includes, besides any Government authority,-

(i) architect registered with the Council of

Architecture constituted under the Architects Act, 1972(20 of 1972); or

(ii) chartered engineer registered with the Institution of Engineers (India); or

(iii) licensed surveyor of the respective local body of the city or town or village or development

or planning authority;

who is authorised under any law for the time being in force, to issue a completion certificate in respect of residential or commercial or industrial complex, as a precondition for its occupation.

[F. No. 334 / 3 /2010 -TRU]

Service Tax on Air Passengers

25-ST In exercise of the powers
22.06.2010 conferred by sub-section
(DoR) (1) of section 93 of the Finance
Act, 1994 (32 of 1994)

(hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts air transport of passengers referred to in sub-clause (zzzo) of clause (105) section 65 of the Finance Act, in respect of persons specified below, from the whole of the service tax leviable thereon under section 66 of the Finance Act,-

(i) a person who has arrived at a customs airport from a place outside India and is in transit through India, provided that he does not pass through immigration and does not leave customs area and continues his journey to a place outside India; and

(ii) a person employed or engaged by the aircraft operator in any capacity on board the aircraft;

2. This notification shall come into force on 1st day of July, 2010.

[F. No. 334/3/2010 -TRU]

Service Tax Only on 25% of Value of Commercial and Industrial Property

29-ST In exercise of the powers
22.06.2010 conferred by sub-section (1) of
(DoR) section 93 of the Finance Act,
1994 (32 of 1994) (hereinafter

referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of

Finance (Department of Revenue), No. 1/2006-Service Tax, dated the 1st March, 2006, G.S.R. 115(E), dated the 1st March, 2006, with effect on and from the 1st day of July, 2010, namely :-

In the said notification, in the Table, after **S.No. 7 and 10** and the entries relating thereto, the following S. No 7(a) and 10(a) and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
7(a).	(zzq)	Commercial or Industrial Construction	This exemption shall not apply in cases where the taxable services provided are only completion and finishing services in relation to building or civil structure, referred to in sub-clause (c) of clause (25b) of section 65 of the Finance Act. Explanation.- The gross amount charged shall include the value of goods and materials supplied or provided or used for providing the taxable service by the service provider. This exemption shall not apply in cases where the cost of land has been separately recovered from the buyer by the builder or his representative	25
10(a).	(zzzh)	Construction of Complex	This exemption shall not apply in cases where the taxable services provided are only completion and finishing services in relation to residential complex, referred to in sub-clause (b) of clause (30a) of section 65 of the Finance Act. Explanation.- The gross amount charged shall include the value of goods and materials supplied or provided or used for providing the taxable service by the service provider.	25

This exemption shall not apply in cases where the cost of land has been separately recovered from the buyer by the builder or his representative.

[F. No. 334/03/2010 -TRU]

Service Tax of Rs. 500 on International and Rs. 100 on Domestic Passengers from 1 July 2010

26-ST In exercise of the powers
22.06.2010 conferred by clause (aa) of
(DoR) sub-section (2) of section 94 of
the Finance Act, 1994 (32 of

1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do,

hereby exempts the services referred to in clause (zzzo) of sub-section (105) of section 65 of Finance Act, 1994 from so much of service tax as is in excess of,-

(a) ten percent of the gross value of the ticket or rupees one hundred per journey, whichever is less, for passengers travelling in any class,

within India;

(b) ten percent of the gross value of the ticket or rupees five hundred per journey, whichever is less, for passengers embarking in India for an international journey in economy class:

Provided that this exemption shall not apply in cases where -

the credit of duty paid on inputs used for providing such taxable service has been taken under the provisions of the CENVAT Credit Rules, 2004 ;

Explanation,- For the purposes of this notification, economy class in an aircraft means,—

(i) where there is more than one class of travel, the class attracting the lowest standard fare; or

(ii) where there is only one class of travel, that class.

2. This notification shall come into force on 1st day of July, 2010.

[F. No. 334/03/2010 -TRU]

Zero Service Tax on North Eastern Region Air Passengers

27-ST In exercise of the powers
22.06.2010 conferred by sub-section (1) of
(DoR) section 93 of the Finance Act,
1994 (32 of 1994) (hereinafter

referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service referred to in sub-clause (zzzo) of clause (105) of section 65 of the said Act, for passengers embarking on a journey originating or terminating in an airport located in the state of Arunachal Pradesh or Assam or Manipur or Meghalaya or Mizoram or Nagaland or Sikkim or Tripura or at Bagdogra located in West Bengal, from the whole of service tax leviable thereon under section 66 of the said Act.

2. This notification shall come into force on the 1st day of July, 2010.

[F. No. 334/3/2010 -TRU]

Zero Service Tax on Jawahar and Rajiv Awaas Yojana Construction

28-ST In exercise of the powers
22.06.2010 conferred by sub-section (1) of
(DoR) section 93 of the Finance Act,
1994 (32 of 1994) (hereinafter

referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service of construction of complex referred to in sub-clause (zzzh) of clause (105) of section 65 of the Finance Act, when provided to **Jawaharlal Nehru National Urban Renewal Mission and Rajiv Awaas Yojana**, from the whole of the service tax leviable thereon under section 66 of the Finance Act.

2. This notification shall come into force on 1st day of July, 2010.

[F. No.334/03/2010 -TRU]

Zero Service Tax on Sponsorship of Sports Events

30-ST
22.06.2010 (DoR) In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the services referred to in clause (zzzn) of sub-section (105) of section 65 of Finance Act, 1994, when provided for:-

(i) tournaments or championships organized by any of the National Sports Federations or Federations affiliated to such National Sports Federations, where the participating teams or individuals represent any District, State or Zone;

(ii) tournaments or championships organized by Association of Indian Universities – Inter-University Sports Board, School Games Federation of India, All India Sports Council for the

Deaf, Paralympic Committee of India (for the physically challenged), Special Olympics Bharat (for the mentally challenged);

(iii) tournaments or championships organized by the Central Civil Services Cultural and Sports Board;

(iv) tournaments or championships organized as part of National Games, by the Indian Olympic Association;

(v) tournaments or championships organized under Panchayat Yuva Kreedaa Aur Khel Abhiyaan (PYKKA) Scheme from the whole of the service tax leviable thereon under section 66 of the Finance Act.

2. This notification shall come into force on the 1st day of July, 2010.

[F. No. 334 / 03 /2010 -TRU]

Zero Service Tax on Services Provided within Port or Airport

31-ST
22.06.2010 (DoR) In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the following services when provided within a port or an airport:-

(i) repair of ships or boats or vessels belonging to the Government of India including Navy or Coast Guard or Customs but does not include Government owned Public Sector Undertakings;

(ii) repair of ships or boats or vessels where such process of repair amounts to 'manufacture' and has the meaning assigned to it in clause (f) of Section 2 of the Central Excise Act, 1944;

(iii) supply of water;

(iv) supply of electricity;

(v) treatment of persons by a dispensary, hospital, nursing home or multi-specialty clinic (except cosmetic or plastic surgery service);

(vi) services provided by a school or centre to provide formal education other than those services provided by commercial coaching or training centre;

(vii) services provided by fire service agencies.

(viii) pollution control services

from the whole of the service tax leviable thereon under section 66 of the Finance Act.

2. This notification shall come into force on the 1st day of July, 2010.

[F. No. 334 / 03 /2010 –TRU]

Zero Service Tax for Distribution of Electricity under Electricity Act, 2003

32-ST
22.06.2010 (DoR) In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the said Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service provided to any person, by a distribution licensee, a distribution franchisee, or any other person by whatever

name called, authorized to distribute power under the Electricity Act, 2003(36 of 2003), for **distribution of electricity**, from the **whole of service tax leviable** thereon under section 66 of the said Finance Act.

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

[F.No. 356/13/2010 – TRU]

Service Tax on Rail Containers for Export Goods Extended to January 2011

33-ST
22.06.2010 (DoR) In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes

the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.07/2010-Service Tax, dated the 27th February, 2010, published in the Gazette of India, Extraordinary, vide number G.S.R. 151(E), dated the 27th February, 2010, namely:-

2. In Para 2 of the said Notification, for the word and figure "July, 2010", the word and figure "January, 2011" shall be substituted.

[F. No. 334/3/2010-TRU]

Service Tax Exemption on Transport of Goods in Containers by Rail Extended to January 2011

34-ST
22.06.2010 (DoR) In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.08/2010-Service Tax, dated the 27th February, 2010, published in the Gazette of India, Extraordinary, vide number G.S.R. 152 (E), dated the 27th February, 2010, namely:-

2. In Para 2 of the said Notification, for the word and figure "July, 2010", the word and figure "January, 2011" shall be substituted.

[F. No. 334/3/2010-TRU]

Service Tax Exemption on Transport of Goods by Rail Extended to January 2011

35-ST
22.06.2010 (DoR) In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.09/2010-Service Tax, dated the 27th February, 2010, published in the Gazette of India, Extraordinary, vide number G.S.R. 153 (E), dated the 27th February, 2010, namely:-

2. In Para 3 of the said Notification, for the word and figure "July, 2010", the word and figure "January, 2011", shall be substituted.

[F. No. 334/3/2010-TRU]

Service Tax on Advance Payment before 1 July on Commercial Training and Immovable Property not Payable

36-ST
28.06.2010 (DoR) In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable services specified in clause (A) of section 76 of the Finance Act, 2010 (14 of 2010) other than services referred to in clause (zcc) and (zzzz) of sub-section (105) of section

Exchange Rates for Customs Valuation

IMPORTS and EXPORTS

The current notification No. 50-Customs(NT) dated 28th June 2010 supersedes notification 42-Customs(NT) dated 26th May 2010.

50-Cus(NT) In exercise of the powers conferred by section 14 of 28.06.2010 the Customs Act, 1962 (52 of 1962), and in (DoR) supersession of the notification of the Government of India in the Ministry of Finance (Department of

Revenue) **No.42/2010-CUSTOMS (N.T.), dated the 26th May, 2010** vide number S.O. 1239(E), dated the 26th May, 2010, except as respects things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or vice versa shall, **with effect from 1st July, 2010** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo	Currency	Imported Goods		Exported Goods	
		Current	Previous	Current	Previous
Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees					
1	Australian Dollar	40.70	39.60	39.60	38.50
2	Canadian Dollar	45.25	44.80	43.95	43.65
3	Danish Kroner	7.85	7.95	7.55	7.70
4	EURO	58.10	59.10	56.50	57.50
5	Hong Kong Dollar	6.05	6.15	5.90	6.00
6	Norwegian Kroner	7.25	7.30	7.05	7.10
7	Pound Sterling	70.40	69.15	68.55	67.25
8	Swedish Kroner	6.05	6.05	5.90	5.90
9	Swiss Franc	42.75	41.35	41.65	40.30
10	Singapore Dollar	33.80	34.00	32.95	33.15
11	US Dollar	46.95	47.85	46.00	46.95

Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

1	Japanese Yen	52.65	53.25	51.15	51.80
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[F.No.468/8/2010-Cus.V]

65 of the Finance Act from so much of the service tax leviable thereon under section 66 of the Finance Act as is in excess of the service tax calculated on a value which is equivalent to the amount of advance payment received before the said appointed date.

Explanation.- For the purpose of this notification,

(i) "appointed date" means the 1st day of July, 2010;

(ii) "advance payment" means consideration received for the said taxable services to be provided.

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

[F. No. 334/3/2010 -TRU]

Service Tax on Export Goods at Airports Exempted

37-ST In exercise of the powers conferred by sub-section (1) 28.06.2010 of section 93 of the Finance Act, 1994 (32 of 1994), the (DoR) Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 17/2009-

Commodity Spot Prices in India – 28 June-02 July 2010

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

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 28 June-02 July.

						(Rs.)
Commodity	Unit	Market	28-Jun	01-Jul	02-Jul	
CER (Carbon Trading)	1 MT	Mumbai	756.5	741	741.5	
Chana	100 KGS	Delhi	2195	2237	2222	
Masur	100 KGS	Indore	3648	3699	3713	
Potato	100 KGS	Agra	462	461.2	460.7	
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA	
Areca nut	100 KGS	Mangalore	7743	7846	7758	
Cashewkern	1 KGS	Quilon	302	300	302	
Cardamom	1 KGS	Vandanmedu	1674.9	1705	1720.1	
Coffee ROB	100 KGS	Kushalnagar	78.2	81.3	82.3	
Jeera	100 KGS	Unjha	12823	12821	12800	
Pepper	100 KGS	Kochi	17670	17830	17670	
Red Chili	100 KGS	Guntur	4893	4867	4864	
Turmeric	100 KGS	Nzmbad	14878	14588	14598	
Guar Gum	100 KGS	Jodhpur	5300	5200	5200	
Maize	100 KGS	Nzmbad	994.5	999	1001	
Wheat	100 KGS	Delhi	1247.7	1252.1	1255	
Mentha Oil	1 KGS	Chandausi	799	784.7	761.6	
Cotton Seed	100 KGS	Akola	1356	1327	1309	
Castorsd RJK	100 KGS	Rajkot	3474	3545.5	3562	
Guar Seed	100 KGS	Jodhpur	2310	2300	2280	
Soya Bean	100 KGS	Indore	1917	1896.5	1901	
Mustrdsd JPR	20 KGS	Jaipur	517.5	518	516.8	
Sesame Seed	100 KGS	Rajkot	5163	5188	5213	
Coconut Oil Cake	100 KGS	Kochi	1196	1196	1196	
RCBR Oil Cake	1 MT	Raipur	6120	6120	6150	
Kapaskhali	50 KGS	Akola	1115.5	1090.5	1084.8	
Coconut Oil	100 KGS	Kochi	5512	5512	5512	
Refsoy Oil	10 KGS	Indore	444.35	440.15	439.85	
CPO	10 KGS	Kandla	366.8	364.5	363.8	
Mustard Oil	10 KGS	Jaipur	495	494.5	491.4	
Gnutoilexp	10 KGS	Rajkot	750	767.9	770	
Castor Oil	10 KGS	Kandla	721.7	750	750	
Crude Oil	1 BBL	Mumbai	3670	3524	3405	
Furnace Oil	1000 KGS	Mumbai	29281	29700	29252	
Sourcrd Oil	1 BBL	Mumbai	3502.5	3340	3365	
Brent Crude	1 BBL	Mumbai	3594	3442	3337	
Gur	40 KGS	Muzngr	978.3	986.1	972.1	
Sugars	100 KGS	Kolhapur	2672	2695	NA	
Sugarm	100 KGS	Delhi	2942	2925	2909	
Natural Gas	1 mmBtu	Hazirabad	226.2	215.1	226.6	
Rubber	100 KGS	Kochi	18053	18225	18246	
Cotton Long	1 Candy	Kadi	29890	29580	29650	
Cotton Med	1 Maund	Abohar	2950	2963	2967	
Jute	100 KGS	Kolkata	2948	2820.5	2828.5	
Gold	10 GRMS	Ahmd	18870	18815	18475	
Gold Guinea	8 GRMS	Ahmd	15096	15052	14839	
Silver	1 KGS	Ahmd	29900	29475	28765	
Sponge Iron	1 MT	Raipur	17205	17685	17595	
Steel Flat	1000 KGS	Mumbai	30000	30260	30010	
Steel Long	1 MT	Bhavnagar	25570	26710	26440	
Copper	1 KGS	Mumbai	317.6	301.65	296.1	
Nickel	1 KGS	Mumbai	932.8	893.3	892.2	
Aluminium	1 KGS	Mumbai	92.1	90	90.2	
Lead	1 KGS	Mumbai	84.35	79	81	
Zinc	1 KGS	Mumbai	85.45	80.6	82.5	
Tin	1 KGS	Mumbai	835.75	814.5	807	

(Source: MCX Spot Prices)

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Service Tax, dated the 7th July, 2009, G.S.R. 489 (E), dated the 7th July, 2009.

2. In the said notification, in the Table, after S.No.17 for the entries in column (1), (2), (3) and (4), the following entries shall be inserted, namely:-

18. (zzm) Service provided by airports authority or any other person in any airport in respect of the export of said goods.

F. No. 334/03/2010-TRU

Construction Services Inside Ports Exempted

38-ST In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994)

(hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service of commercial or industrial construction referred to in sub-clause (zzq) of clause 105 of section 65 of the Finance Act, when provided wholly within the port or other port, for construction, repair, alteration and renovation of wharves, quays, docks, stages, jetties, piers and railways, from the whole of service tax leviable thereon under section 66 of the Finance Act.

2. This notification shall come into force on 1st day of July, 2010.

F. No. 334/03/2010-TRU