

Material for the Annual report of Department of Industrial Policy & Promotion for the year 2015-16

The present Tariff Commission in India is the result of the refinement and amalgamation of the functions of its predecessor organizations namely, Tariff Board, Tariff Commission (old), Bureau of Industrial Costs & Prices (BICP). The Commission is presently being headed by Member Secretary in the rank of Additional Secretary. Tariff Commission being located in the Department of Industrial Policy & Promotion is working to provide useful inputs for informed decision making in areas having an impact on the manufacturing sector and other economic activities in the country.

2. The Department of Industrial Policy & Promotion after the review of role of Tariff Commissions by the Hon'ble Commerce & Industry Minister has decided to strengthen the Commission to enable the Commission to continue to provide useful inputs for informed decision making by the Commerce and Industry Ministry with regard to manufacturing and other Ministries of Government of India. The Tariff Commission is actively involved in Inverted duty structure studies on products which are undertaken to support the '**Make in India**' initiative of the Government.

3. The Tariff Commission has been engaged in discharging the following functions drawn from the TOR/ charter revised in September 1998 and April, 1999.

- (a) To make recommendations as an expert body, on matters referred to it by Government regarding fixation of tariff and all tariff related issues in relation to trade in goods and services, keeping in view the interest of various sectors including production, trade and consumers and taking into account the international commitments. The Commission should aim at evolving an overall tariff structure and look into the issue of tariff rationalisation.
- (b) To make a detailed impact analysis on select sectors like textiles, agriculture, and automobiles information technology, chemicals, steel and engineering goods through a multi-disciplinary team.
- (c) To carry out technical studies on cost of production of different goods and services and their competitiveness in relation to other countries.
- (d) Core function of BICP including pricing, efficiency, improvement and cost reduction, issue of Public & Private sector, Industrial Product & Services
 - i) Commodities under Administrative Pricing Mechanism(APM)
 - ii) State monopolies/public utilities
 - iii) Government procurement
 - iv) Price monitoring
 - v) Others
- (e) To undertake other tasks as may be assigned by the Government from time to time.

4. Tariff Commission is an organization with unique structure of multi-disciplinary teams as below and a methodology for conducting in-depth study using data based on ground realities collected from field :-

- Engineers from the field of Science and Technology belonging to Tariff Commission cadre
- Cost Accountants/Chartered accountants from Indian Costs & Account Service (IC&AS)
- Economists from Indian Economic Service (IES); and
- Statisticians from Indian Statistical Service (ISS).

5 Tariff Commission is the only Government organization which has the know-how and expertise of using the tool of normation for informed decision making across the board for different sectors of the industry. Normation is based on assessment of achievable efficiencies i.e optimal capacity utilization, productivity parameters of respective inputs (such as man, material, energy and machine) taking into account technologies and manufacturing processes etc. Normation analysis thus can be used to benchmark sectors /units for enhancing their competitiveness.

Merits of decision making through Normation include:

- Considered fair by an individual and/or a group.
- Determining the cost of goods/services at optimal/efficient level of inputs (manpower, material, energy and capital) and provides thrust for improvement in efficiency and enhances competitiveness of the industry.
- It helps in identifying areas for physical improvements leading to enhancing competitiveness
- Normation is a fundamental management tool that supports quality / excellence and innovation. It is in fact a continuous process of measuring one's own performance and practices against the best competitors. It is thus a bench-marking tool in competitiveness studies.
- Normation balances the interest of all stakeholders while protecting consumer interest.
- It is a tool which also focuses on providing road map for improving industrial efficiency.
- Over the period this tool has passed the test of time and has become essential in the emerging complex global market scenario and cutting edge competition.

6. Tariff Commission always endeavours to deliver study reports in a definite time frame in a phased manner so that the findings are real time and relevant for arriving at policy decisions and not rendered redundant with the passage of time. This is ensured by phasing the studies and making them State specific and/or sector /unit/product specific.

Study topics which are of continuing nature and require submission of study reports on a continuous basis are listed below:

- a) Studies on inverted duty structure
- b) Impact assessment of Free Trade Agreements on different sectors with different countries.
- c) Studying competitiveness (including export competitiveness) of different sectors/industry, firm/PSU and product.
- d) Impact of prevailing tariff structures on domestic manufacturers and industry competitiveness

7. The Commission has submitted the following reports to various Govt./Referral Agencies during 2014-15 .

A. The Sector wise details of the study reports submitted during 2014-15 (i.e. till 31/3/2015) is given in the Table below

S.No.	Sector/Type of Study	No. of Reports
1	(Manufacturing Sector)	30
	(a) Studies related to IDS/WTO/Market Access Offer/FTA/Tariff	23
	(b) Industry specific studies	1
	(c) Pricing Study	6
2.	(Service Sector)	9
	(a) Pricing Study	
3.	(Social Sector)	1
	(a) Industry Specific studies	
	Grand Total	40

The detailed list of the study reports submitted during 2014-15 (up to 31/3/2015) is given in the table below

Sl. no	Name of the Report
1	Supplementary Report on Inverted Duty Structure (IDS) on Mono Ethylene Glycol (MEG)
2	Supplementary Report on Inverted Duty Structure (IDS) on Poly Vinyl Chloride (PVC)
3	Supplementary Note on the Study Report on Inverted Duty Structure (IDS) on Aluminium Ingot (Report No.1007) of Tariff Commission.
4	Supplementary Report on Inverted Duty Structure (IDS) on Polystyrene
5	Supplementary Report on Inverted Duty Structure (IDS) on Textile Machinery – Spinning Machinery Items (Carding, Combing, Blow Room, Draw Frame, Speed Frame, Ring Frame)

Sl. no	Name of the Report
6	Supplementary Report on Inverted Duty Structure (IDS) for Plastic Processing Machinery – Injection Moulding Machine and Blow Moulding Machine
7	Report on Inverted Duty Structure Methylene Diphenyl Di-isocyanate (MDI)
8	Report on Inverted Duty Structure on Capacitor Grade BOPP Film (used as Core Dielectric Layer in Capacitor)
9	Study on IDS in Copper Products Report Part NO. 1
10	Study on IDS in Medical Implant Device (Pacemaker)
11	Study on Inverted Duty Structure in Medical Device - Syringes
12	Study on Inverted Duty Structure in Medical Devices - Needles
13	Study on Inverted Duty Structure in Masterbatches
14	Study on Inverted Duty Structure in Medical Devices – Blood Collection Tube
15	Study on Inverted Duty Structure in Medical Devices -Endoscopes
16	Study on Inverted Duty Structure in– Electrical Insulators
17	Study on Inverted Duty Structure in– Special casting components including hub, base frame, bearing housing and main shaft of Wind Operated Generator
18	Study on Inverted Duty Structure in Bank note Acceptor Machines
19	Study on Impact Assessment of Free Trade Agreement/ Preferential Trade Agreement with Republic of South Korea on Trade in Capital Goods Sector-Machine Tools.
20	Study on India's Trade with Myanmar during 2007-13.
21	Study on Trade Agreements and emergence of Inverted Duty Structure (IDS) (Report-1)
22	Report on Impact Assessment of Indo Singapore Comprehensive Economic Cooperation Agreement (CECA) on Vehicles, Aircrafts, Vessels and the associated Transport Equipment under Chapters 86-89 of ITC-HS Classification
23	Report on study on impact of FTA with ASEAN on India's Trade with Vietnam.
24	Report on Impact of liberalisation/Tariff Reduction on HMT Machine Tools Ltd.
25	Report on Review of Performance of Cement Industry
26	A brief note on estimated price impact in the manufacturing of Type-A B-twill Jute Bags using shuttleless looms under four different options.
27	Report on Review of Second Stage Handling Charges for the Jute Bags Procured by FCI and State Agencies
28	Report on Assessing the Price of 'Freedays' Sanitary Napkin.
29	Report on Indicative Price of various type of Condoms (Based exclusively on Cost Structure/Return of M/s HLL Lifecare Ltd. During the year 2012-13).
30	Report on Indicative Price of various type of Condoms (Based exclusively on Cost Structure/Return of M/s HLL Lifecare Ltd. During the year 2013-14).
31	Report on Water Rate Structure for various uses in Tamil Nadu.
32	Report on Assessment of Normative Cost of Water for various uses in Assam.
33	Report on per capita cost of Surface Water Based Piped Drinking Water Supply in the Fluoride affected areas in Karnataka.
34	Report on Water Rate Structure for various uses in Goa
35	Study on Principles of determination of tariffs for passenger fares by the city bus services in BRT Corridors & non-BRT cities/corridors – Non-BRT City of Lucknow
36	Report on Principles of determination of tariffs for passenger fares by the city bus services in Bus Rapid Transit (BRT) Corridors and Non-Bus Rapid Transit (Non-BRT) Corridors : City of Bhopal
37	Report on Principles of determination of tariffs for passenger fares by city bus service in Non-Bus Rapid Transit (Non-BRT) corridor in City of Nagpur
38	Report on Principles of determination of tariffs for passenger fares by the city bus services in Bus Rapid Transit (BRT) Corridors and Non-Bus Rapid Transit (Non-BRT)

Sl. no	Name of the Report
	Corridors – city of Ahmadabad.
39	A Brief Note on studies conducted by Tariff Commission on (1) Operation & Maintenance Cost of Irrigation Projects and (2) Water Rate Structure for various uses.
40	Report – study on Quantum value and types of bio-resources exported from India (Report Part No. V – Plant Based Normally Traded Commodities).

B The Sector wise details of the study reports submitted during 2015-16 (i.e. till 29/2/16) is given in the Table below

S.No.	Sector/Type of Study	No. of Reports
1	(Manufacturing Sector)	31
	(a) Studies related to IDS/WTO/Market Access Offer/FTA/Tariff	30
	(b) Pricing Study	1
2.	(Service Sector)	14
	(a) Pricing Study	14
3.	(Social Sector)	1
	(a) Industry Specific studies	1
	Grand Total	46

The detailed list of the study reports submitted during 2015-16 (up to 29/2/2015) is given in the table below

Sl. no	Name of the Report
1	Supplementary Report on Inverted Duty Structure in Medical Implant Device (Pacemaker)
2	Supplementary Report on Inverted Duty Structure in Capacitor Grade BOPP Film (Used as Core Dielectric Layer in Capacitor)
3	Supplementary Report on Inverted Duty Structure in Copper Products
4	Report on Inverted Duty Structure in Methylene Diphenyl Di-Isocyanate (MDI)
5	Supplementary Report on Inverted Duty Structure in Medical Devices – Blood Collection Tubes
6	Supplementary Report on Inverted Duty Structure in Medical Devices – Needles
7	Supplementary Report on Inverted Duty Structure in Medical Devices – Syringes.
8	Report on Inverted Duty Structure in Copper Alloy Products-Brass.
9	IDS in Unsaturated Polyester Resin used in the Manufacture of Rotor Blades of Wind Operated Electricity Generators
10	Copper Alloy Products- Bronze
11	Inverted Duty Structure on Vinyl Ester Adhesive (VEA) Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator

Sl. no	Name of the Report
12	Inverted Duty Structure Inverted Duty Structure on Hardner Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator
13	Duty Structure Inverted Duty Structure on Epoxy Resins Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator
14	Inverted Duty Structure in Special Casting Components including Hub, Base Frame, Bearing Housing and Main Shaft of Wind Operated Electricity Generators
15	Inverted Duty Structure in Electrolytic Chrome Coated Steel Laminates
16	Inverted Duty Structure in Machine Tools (CNC Grinding Machine)
17	Inverted Duty Structure in Carbon Pultrusion (Used for Manufacturing Rotor Blades)
18	Inverted Duty Structure in Masterbatches
19	Inverted Duty Structure in Centrifugal Pump
20	Inverted Duty Structure in Auto Cone winding Machine
21	Inverted Duty Structure in Pharmaceutical Products
22	Report on Inverted Duty Structure in Surgical Blades
23	Report on Inverted Duty Structure in Balloons
24	Supplementary Report on Inverted Duty Structure in Textile Machinery
25	Report on Inverted Duty Structure in Super Thermal Aluminium Conductor Invar reinforced
26	Study Report on Inverted Duty Structure in Ferrite Cores
27	Inverted Duty Structure in Cement Industry
28	Study Report on IDS Report in Radial Tyres
29	Indo Singapore Comprehensive Economic Cooperation Agreement (CECA) on Trade in plastics and Articles thereof (Chapter 39 of ITC-HS Classification)
30	Impact of Trade Agreement with Malaysia on India's Trade
31	Report on Fare Structure and Principles of Determination of Fares in the City Bus Service in Non-Bus Rapid Transit (Non BRT) Corridor in Kanpur City
32	Fare Structure and Principles of Determination of Fares in the City Bus Services in BRT/Non-BRT Corridors in City of Jaipur
33	Report on Principles of Determination of Tariffs for Passenger Fares by the City Bus Services in Bus Rapid Transit (BRT) Corridors and Non-Bus Rapid Transit (Non-BRT) Corridors for Indore City
34	Fare Structure and Principles of Determination of Fares in the City Bus Services in Non-BRT Corridors in City of Chandigarh
35	Report on Operation & Maintenance Cost of Irrigation Projects in Rajasthan
36	Supplementary Report on Quantum Value and Types of Animal Based Bio-Resources Exported from India
37	Report on Study for determining additional compensation for complex fertilizers produced by use of naphtha/fuel oil/ LSHS based feed stock under NBS Policy

Sl. no	Name of the Report
38	Note on Calculation of Milling Charges in the State of Punjab
39	Note on Calculation of Milling Charges in the State of Haryana
40	Note on Calculation of Milling Charges in the State of Karnataka
41	Note on Calculation of Milling Charges in the State of Odisha
42	Note on Calculation of Milling Charges in the State of Chhattisgarh.
43	Note on Calculation of Milling Charges in the State of Madhya Pradesh.
44	Note on Calculation of Milling Charges in the State of Andhra Pradesh
45	Note on Calculation of Milling Charges in the State of Tamil Nadu
46	Note on Calculation of Milling Charges in the State of West Bengal

8. In addition to the IDS reports already submitted during the current financial year (i.e till 29/2/2016) the following studies are in pipeline and will be submitted by 31st March, 2016.

- (i) Techno-Economic cost price study on Tyre price increase Vs falling down price of Natural Rubber
- (ii) Note on Calculation of Milling Charges in the State of Uttar Pradesh
- (iii) Consolidated report on Milling Charges
- (iv) Study on Application of FTA level customs duty to SEZ clearance in DTA

9. Besides the reports submitted during the current financial year (2015-16) the Commission has several other studies at different stages of progress / completion. The list of ongoing study topics and the tentative number of reports that are likely to be generated in each of the study topic is at **Annexure A**.

10. Outcomes

A) Outcomes of initiatives taken by Tariff Commission.

Data base refinement - In the back drop of the constraint of getting product wise information Tariff Commission had taken the initiative with the Ministry of Corporate affairs giving full justification to ensure that the cost audit formats are restored to its earlier format to include product-wise data in respect of production, imports, consumption of raw materials, domestic sales, exports, services rendered/obtained, element-wise cost details including per unit cost etc. in respect of all major sectors of the economy, both in physical as well as value terms. Based on the vital inputs provided by the Commission the Ministry of Corporate Affairs have been able to amend the companies(Cost Records and Audit) Rules, 2014 vide Notification dated 31st December, 2014 to facilitate getting detailed information required for studies conducted by Tariff Commission particularly in respect of Inverted Duty Structure.

B) **Outcome of the study reports** submitted by the Commission, by way of adoption, indication, appreciation and interest shown by the clients in addition to the usage by the client in analysis and decision making are as below:

- 1) Tariff Commissions findings on Inverted duty structure which have been incorporated in 2016-17 budget announcement are available on the website of Tariff Commission.

Sl. No.	Product	Status as per 2016-17 Budget announcement
1.	Inverted Duty Structure on Technical Textile items – Baby & Clinical (Adult) Diapers	<p>Basic Customs duty on Super Absorbent Polymer (SAP) [3906 90 90] for manufacture of goods falling under heading 9619 [sanitary towels, tampons, napkins, diapers etc.] is being reduced from 7.5% to 5%, subject to actual user condition. S.No 242 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [S.No. 242] refers.</p> <p>Basic Customs duty on Pulp of wood [4701-4706] for manufacture of goods falling under heading 9619 [sanitary towels, tampons, napkins, diapers etc.] is being reduced from 5% to 2.5% subject to actual user condition. S.No 260 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.</p>
2.	Supplementary Report on Inverted Duty Structure in Capacitor Grade BOPP Film (Used as Core Dielectric Layer in Capacitor)	Basic Customs duty on Polypropylene granules / resins [3902] for the manufacture of capacitor grade plastic films is being reduced from 7.5% to Nil, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No. 238A] refers.
3.	IDS in Unsaturated Polyester Resin used in the Manufacture of Rotor Blades of Wind Operated Electricity Generators	Excise duty exemption on 5 specified items for manufacture of rotor blades and intermediates, parts and sub-parts of rotor blades for wind operated electricity generators is being withdrawn. They will now attract a concessional excise duty of 6%, for manufacture of rotor blades and intermediates, parts and sub-parts of rotor blades for wind operated electricity generators, subject to actual user condition. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended by notification No.12/2016-Central Excise dated 1st March, 2016 [New S. No.327A, List 9A] refers.
4.	Inverted Duty Structure on Vinyl Ester Adhesive (VEA) Used in the Manufacture of Rotor Blades of Wind	
5.	Inverted Duty Structure on Hardeners Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator	
6.	Duty Structure Inverted Duty Structure on Epoxy Resins Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator	

Sl. No.	Product	Status as per 2016-17 Budget announcement
7.	Duty Structure Inverted Duty Structure on Carbon Pultrusion	Basic Excise Duty on Carbon pultrusions, for manufacture of rotor blades and intermediates, parts and sub-parts of rotor blades for wind operated electricity generators, is being reduced from 12.5% to 6%, subject to actual user condition. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended vide notification No.12/2016-Central Excise dated 1st March, 2016 [New S. No. 327A, List 9A] refers.
8.	Inverted Duty Structure in Centrifugal Pumps	Basic Excise Duty on 5 specified parts required for the manufacture of centrifugal pump is being reduced from 12.5% to 6%, subject to actual user condition. Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by Notification No. 12/2016-Central Excise dated 1st March, 2016 [New S. No. 235A] refers
9.	Report on Inverted Duty Structure in Balloons	<p>Basic Customs duty on Natural latex rubber made balloons [4016 95 90, 4016 99 90] is being increased from 10% to 20%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. Further, Basic Customs duty of 10% is being retained for all goods other than natural rubber latex made balloons falling under tariff lines 4016 95 90, 4016 99 90.</p> <p>Basic Customs duty on natural latex rubber made balloons [9503 00 90, 9505 10 00 & 9505 90 90] is being increased from 10% to 20%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. Further, Basic Customs duty of 10% is being retained for all goods other than natural rubber latex made balloons falling under tariff lines 9503 00 90, 9505 10 00 & 9505 90 90.</p>
10.	Textile machineries i) Carding Machine ii) Combing Machine iii) Blow Room Machine iv) Draw Frame Machine v) Speed Frame Machine vi) Ring Frame Machine vii) Auto Cone Winding Machine	IDs in textile Machinery addressed as Tariff rate of BCD has being increased from 7.5% to 10% on 206 specified tariff lines falling in Chapters 84 and 85. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

- 2) Status of Tariff Commissions findings on inverted duty structure in the Medical Devices sector which have been incorporated in January 2016 are as under

Sl. No.	Product	Status as per notification in January, 2016
1	Medical Devices falling under headings 9018, 9019, 9020, 9021 or 9022	Inverted Duty Structure in Medical Devices addressed vide notification no. 4/2016 and 5/2016 dated 19/1/2016

- 3) Ministry of New and Renewable Energy vide their letter dated 21/10/2015 have recommended the proposals of Tariff Commission for redressing the inverted duty structure on input materials required for manufacturing Unsaturated Polyester Resins, Vinyl Ester Adhesive, Epoxy Resins ad Hardener.
- 4) Department of Revenue vide their letter No. 15012/3/2015-NC-1 dated 11/5/2015 have communicated that the prices of various Alkaloids produced by GOAWs Neemuch and Ghazipur have been revised on the bases on the recommendations made by the Tariff Commission.
- 5) Status of Tariff Commissions findings on Inverted duty structure which have been incorporated in 2015-16 budget announcement are as under.

Sl. No.	Product	Status as per 2015-16 Budget announcement
1	Machine Tool	Basic Customs Duty on specified components [8537 10 00] of CNC Lathe machines and Machining Centres, namely Ball screws [8483 40 00], Linear Motion Guides [8466 93 90] and CNC Systems has been reduced from 7.5% to 2.5%, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated the 1st March 2015 [new S. Nos. 406B, 406C and 406D] refers.
2	Pacemaker	CVD & SAD exempted on specified raw materials for use in the manufacture of pacemakers, subject to actual user condition. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015- Customs, dated 1st March, 2015 [new S. No. 488A] refers. Further, these good have been exempted from SAD subject to actual user condition. Notification No. 21/2012-Customs, dated 17th March, 2012 as amended vide notification No.11/2015- Customs, dated 1st March, 2015 [new S. No. 14E] refers.
3	Copper	Special Additional Duty of Customs (SAD) on melting scrap of iron or steel, stainless steel scrap for the purpose of melting, copper scrap , brass scrap and aluminium scrap has been reduced from 4% to 2%. Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No.11/2015-Customs, dated the 1st March 2015 [new S. Nos. 78A, 79A and 79B] refers
4	Electrical Insulators	Basic Custom Duty has been reduced from 10% to 7.5% on metal parts for use in manufacture of electrical insulators, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015-Customs, dated 1st March, 2015 [new S.No.334B] refers.

5	Endoscopes	Basic Customs Duty on specified inputs for use in the manufacture of flexible medical video endoscope has been reduced from 5% to 2.5%. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended <i>vide</i> notification No.10/2015- Customs, dated 1st March, 2015 [new S. No. 474A] refers.
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- 6) Tariff Commission's findings on Inverted duty Structure which have been incorporated in the 2014-15 Budget are as under

Sl. No.	Products	Status as per 2014-15 Budget Announcement
1	Mono Ethylene Glycol	Basic Custom duty on Denatured ethyl alcohol reduced to 5 percent
2	Aluminium Ingots	Basic Custom duty on coal tar pitch reduced to 5 percent
3	Personal computers	Inputs and components used in the manufacture of personal computers exempted from 4 percent special additional duty (SAD)., subject to fulfillment of condition no 5 annexed to notification no 12/2012-customs, dt 17/4/2012
4	Poly Vinyl Choride (39042110 & 39042210)	Basic custom duty on ethylene reduced from 5 percent to 2.5 percent
5	Ethylene Viniyl Acetate (EVA)	Specified inputs for use in the manufacture of EVA sheets exempted from custom duty
6	Back sheet	Specified inputs used in the manufacture of backs heet exempted from custom duty
7	Slewing Bearing	custom duty on Forge rings reduced from 10 percent to 5 percent , subject to fulfillment of condition 46 annexed to notification no 12/2012-customs, dt 17/4/2012

- 7) Ministry of water Resources vide its letter no. 11/1/2012-PP/1153 dt. 17/6/2014 have appreciated the studies done by Tariff Commission on Operational & Maintenance cost of Irrigation projects and Cost of Water in the context of its [proposed utilization by the 14th Finance Commission.
- 8) Tariff Commissions fifth study report on the "Plant based Normally Traded Commodities' as part of the of the study on quantum, value and types of bio-resources exported from India", has been appreciated by the Ministry of Environment and Forests (Reference D.O. No. C-12025/1/10-CS-III dated 14/8/2014).
- 9) Office of Economic Adviser, Department of Industrial Policy & Promotion in its tax proposals for the union budget of 2013-14, used all the 26 reports of Tariff

Commission, on Inverted Duty Structure, for making specific recommendations to the Department of Revenue for correction of IDS in manufacturing products. (Reference letter no.Ec.Ad.2/16/2012-TFP dated 19th March, 2014).

- 10) Department of Commerce vide their letter no 14/7/2005-TPD dated 26th September, 2013 have expressed interest in the reports of the studies done on inverted duty structure in 2012-13.
- 11) Ministry of Health & Family Welfare vide No.X-11035/12/2012-DGQC dated 3/4/2013 endorsed the study done by Tariff Commission to the Revenue Department on inverted duty structure.
- 12) Tariff Commissions four reports on Operation & Maintenance cost of irrigation projects and two reports on Assessment of normative cost of water for various uses viz. irrigation, drinking water and industrial water supply were presented before the Ministry of water resources on 4th March, 2014 (reference D.O. no. 2-7/2012-M.I. (stat) dated 28/2/2014).
- 13) Tariff Commissions report on O&M cost of irrigation projects for Andhra Pradesh was requested by the MI(Stat) wing of the Ministry of Water Resources for submission to the XIV Finance Commission. (Ref. letter dated 16th August, 2013).
- 14) Ministry of Fertilizers vide its letter No. 23011/8/2010-MPR dated 2nd June, 2014 has informed that the additional compensation to the indigenous manufacturers producing P&K complex fertilizers using Naptha/fuel Oil(FOL)/Low Sulphur Heavy Stock(LSHS) as feed stock under Nutrient Based Subsidy (NBS) policy, would be finalized on the basis of recommendations of Tariff Commission in view of the Cabinet decision to this effect.
- 15) The slab wise rates recommended by the Tariff Commission for movement of fertilizers by road from plant/port to block up to 500 Km has been adopted by the Department of Fertilizers.(Reference letter no.12012/25/2013-FPP dated 14th March, 2014).
- 16) Department of Revenue vide its letter no. C-15012/2/1/10- SO(NC-1) dt. 5.7.13 have intimated that the recommendations of Tariff Commission have been duly considered while revising the prices of bulk drugs produced by Govt. Opium & Alkaloid works, in March-April,2013
- 17) The formula recommended by the Commission for the payment of interest by DGS&D on the withheld amount for procurement of Jute Bag for packing of food grains has been implemented by DGS&D. (Reference letter no. Kol/Jute/ADS(C-3)/Policy Matter/2014 dated 19th Feb., 2014)

- 18) Report of Second Hand Machinery and its impact on competitiveness of domestic capital goods industry- Plastic Processing Machinery was presented before Director General of Foreign Trade Department of Commerce, during officers meeting of DGFT on 12th December, 2013. (Reference D.O. letter no.01/93/180/20/AM-13/PC-2(B)/E50 dated 12th Dec., 2013)
- 19) The four reports prepared by the Commission on medicinal plants, species and aromatic crops and horticultural crops enabled the National Biodiversity Authority to glean a total of 88 gazette notified biological resources. (Reference letter no.NBA/Tech. Gen./22/61/11-12/ dated 3rd March, 2014)
- 20) Tariff Commissions study report on “study on quantum, value and types of bio-resources exported from India”, has been appreciated by the Ministry of Environment and Forests (Reference letter no. 28-13/2008-CS-III dated 19.6.2013) and have indicated that the data provided in the study would be helpful in the context of notification to be issued by the Ministry on normally traded commodities under provisions of the Biological Diversity Act.
- 21) Tariff Commission’s Report on “Study on quantum value and types of bio-resources exported from India”, has been cited in the background note of the Expert committee Meeting/Key-stake holder consultation on “strategies for up-scaling domestic and international trade in herbal & medicinal plant resources in the 12th FYP”.
- 22) Ministry of Environment and Forests vide their letter no. 12025/1/10-CS-III dated 22/8/2013 have appreciated the second and third report of the Commission on “Spices and Aromatic Plants and Horticultural Crops”.
- 23) Report on Comparative Performance of Bio- Fertilizers with their chemical counterparts in terms of usage, efficiency and cost effectiveness appreciated by the Department of Agriculture and Cooperation, Ministry of Agriculture vide their letter no. 9.14.2013-Org. Fmg dated 08.10.2013.
- 24) The two reports on price of Pregnancy Test Kit recommended by Tariff Commission for the years 2009-10 and 2010-11 has been adopted by the Ministry of Health (reference letter no.S.12012/35/2007/Supply/Pregnancy Kit dated 16/5/2013).
- 25) NMCC vide its letter No. 21(1)/2012-NMCC dated 14th January, 2013 endorsed the recommendations of Tariff Commission on the IDS reports to the Department of Revenue and PMO.
- 26) Office of Economic Adviser vide its letter dated 19/9/2012 endorsed the recommendations of Tariff Commission on Naptha, to the Ministry of Revenue.

- 27) Department of IP&P has placed the executive summary and findings of the Commission's report on "Review of Performance of Cement Industry" on its Web-site" for obtaining the views of various stakeholders. (Ref. email dated 10th April, 2013)
- 28) Department Related Parliamentary Standing Committee for Commerce in its 95th report on Performance of Cement Industry adopted Tariff Commissions Report on Cement Industry submitted to DRPSC in 2010. (dated 24th Feb., 2011)
- 29) The Report on Cement Industry submitted by the Commission to Department Related Parliamentary Standing Committee for Commerce in 2010 was also used by the Competition Commission of India (reference order date 20.6.2012, in case no. 29/2010).
- 30) The normative transportation from the nearest rake point to block headquarters is reimbursed on the basis of per tonne, per Km, by the Department of Fertilizers on the basis of Tariff Commissions recommendations. (PIB Note dated 8th Dec., 2011).
- 31) The recommendations of Tariff Commission on the final rates of concessions for Ammonium Sulphate (AS) produced by FACT and GSFC were accepted by the Department of Fertilizers(reference Letter no. 22011/6/2009 dated 25/5/2012
- 32) The concession scheme on decontrolled Phosphatic & Potassic (P&K) fertilizers is substantially based on the recommendations of the Tariff Commission. (PIB note dated 26th June, 2008)
- 33) The price of B-Twill bags recommended by the Tariff Commission is adopted by the O/o Jute Commissioner using a price adjustment formula.(reference document on price policy for jute, para 2.28)
- 34) Tariff Commissions report on "study of B-Twill Jute Bags- 2009 has been used by the Ministry of Textiles, while preparing the policy document on Jute Fibre.(reference acknowledgement on pg 250 of the document).
- 35) Ministry of External Affairs vide its letter No. D.O. AC/202/20/2011 dated 2/6/2011 communicated that Commission's report on India's need for critical raw material and identification of sources of such raw materials in Asia, Africa and Latin America provided exhaustive and useful information to Indian Embassies and mission abroad and have been appreciated by most of the Missions /Posts abroad.

- 36) Commission's report on Critical Raw Materials: Australia as Potential Source has been circulated to related missions by Ministry of External Affairs in the year 2012-13.
- 37) Department of Health using the two reports of the Commission on Copper-T and Tubal rings made substantial savings (reference letter no. S12012/21/2004- supply dated 26/4/2005).
- 38) The Commissions assessment of savings made by MoH&FW by procuring condoms by adopting the prices recommended by Tariff Commission during the period 2004-05 - 2007-08, works out to Rs 135.15 crores
- 39) Ministry of Food Processing Industry vide its letter No. 4-5/2008 –F&VP/NE dated 23/6/2011 have appreciated the efforts of Tariff Commission w.r.t. the three comprehensive study reports on food parks.
- 40) Ministry of Housing & Urban Poverty Alleviation vide its letter No.O-17034/145/2009-H/FTS –1674 dated 30/1/2012 appreciated the report on analysis of share of various tariffs (Taxes, fees of govt.) in cost of construction of residential Apartments/Houses in select States/UTs and select Urban Local bodies.
- 41) Ministry of Housing and Urban Poverty Alleviation has acknowledge the support of Tariff Commission in preparation of Real Estate(Regulation and Development) bill, 2013. (PIB note dated 14th August, 2013)
- 42) Department of Expenditure vide their D.O. No. 6/9/03 dated 6/3/2009 expressed the requirement of the studies of Tariff Commission for policy formulation.
- 43) Based on Commission's studies in the case of fertilizer sector Govt. has been determining the subsidies since 2006-07 in Phosphatic & Potassic fertilizers and Urea.
- 44) Report on Pricing of Cost Components of LNG Import and Regasification and Transportation Tariff of NG/R-LNG suggested substantial reduction in tariff of HVJ pipeline i.e. Rs. 832/MSCM as against existing tariff of Rs. 1150/MSCM .
- 45) GAIL had entered into gas supply contracts with the consumers. Independent power producers are among consumers of gas. Gas transportation charges were being levied by GAIL from the consumers as per these contracts. In the Commission's study transportation tariff were worked out using pipeline network principle. Report on Transportation Tariff for KG Basin Gas Supply Network suggested substantial reduction in tariffs as below:

Tariff charged by GAIL Vs Normative Tariff

Name of IPP	Transportation Tariff
	Rs./MSCM

	Charged by GAIL	Normative computed by TC
GVK Industry	805	298
Spectrum Power	805	298
Reliance Energy	1,258	298
LANCO	1,732	730

(*) Note: Recommendations of TC adopted with modifications

- 46) Report on Gas Transportation Tariff for Bajhera-Agra-Firozabad Spurline and Agra/Firozabad City Distribution Network suggests substantial reduction in transportation tariff of HVJ and Agra – Firozabad spurline and city gas distribution charges i.e. Rs. 1014/MSCM as against Rs. 1217/MSCM.
- 47) The Tariff Structure for glass components used for CPTs were endorsed to the Department of Revenue and Department of Commerce by the Department of Information Technology.
11. Apart from undertaking the studies referred to the Commission it also undertook activities which inter-alia included:
- Strengthening of database for monitoring global trade & policies trends of goods & services
 - Providing real-time information on the website of the Tariff Commission which was substantially recast, in view of the change in perspective and focus.
 - Providing requisite disclosures under Right to Information Act, 2005.
 - Imparting training to its employees on emerging trade and industry, aspect of competitiveness and the changing organizational concepts/techniques.
 - Modernization cum updating the library and documentation facilities to enable the organization to deal effectively with its mandate.
 - Ensure the state-of-the-art computer network infrastructure for e-functioning.
 - Taking up the process of refinement of data base of the Office of Jute Commissioner for ensuring realistic price fixation based on current data.

12. The Tariff Commission endeavors to give due weight-age to the use of Raj Bhasha. The efforts of the Commission in implementing section 3(3) of the Raj Bhasha Act and rule 5 of Raj Bhasha Rules has been appreciated by the Department of Industrial Policy and Promotion vide their letter dated 10.12.2014.

The following reports of the Commission have been translated into Hindi in line with requirement of the client Ministry:-

- Review of performance of Cement Industry.
- Realistic price of Pregnancy Test Kit supplied by /s.HLL Life Care Ltd. (2009-10).

- c) Quantum Value and Types of bio-resources exported from India – Plant based Normally Traded Commodities.
- d) Report on Assessing the Price of 'Freedays' Sanitary Napkins.
- e) Quantum Value and Types of bio-resources exported from India – Medicinal Plants.
- f) Cost based study of Petroleum products of National Oil Marketing Companies (OMCs).
- g) Report on Cost Study of Iodized Branded Salt (Vaccum & Refined) and Non-Branded Salt.
- h) Report on Realistic price of Pregnancy Test Kit supplied by /s.HLL Life Care Ltd. (2010-11).
- i) Report on Quantum Value and Types of bio-resources exported from India – (Part –II –Spices & Aromatic Plants).
- j) Quantum Value and Types of bio-resources exported from India – (Part –III – Horticulture Crops).
- k) Report on Cost Study for levy Sugar Pricing

Tariff Commission in its endeavor to encourage the usage of Hindi language celebrated Hindi Pakhwara during the fortnight of 01st September 2015 to 15th September 2015. The theme for this year's Hindi Pakhwara was "MAHATMA GANDHI".

Tariff Commission has published several issue of its Hindi Magazine "Diva" including special theme based issues of

- (i) Vivekananda Visheshank
- (ii) Karamyogi Visheshank

13. Some of the other activities carried out by the Commission during the period April 2015 to November, 2015 include:

(i) Swachta Abhiyan

Tariff Commission as part of its commitment to the "Swacch Bharat Mission" not only endeavours to inculcate the habit of cleanliness amongst all its employees but also monitors it through a check list. The activities of cleanliness include :

- Cleaning the surroundings
- Cleaning the work place
- Organizing information for easy and prompt retrieval
- Cleaning up the mind as an endeavour
 - o for spirit of harmony
 - o to remove the pebbles of negative thoughts to enable us to run the marathon race of life at our most efficient speed.
 - o practicing simplicity
 - o starting the day plus events and activities with prayers, Introspection Chart Affirmation and Deep breathing

(ii) Reflection meeting

The progress is reflected upon collectively in a focused way, on a weekly basis, by way of reflection meetings. These meetings are a platform for introspection, deliberation on important issues, introspect and pave the way forward. The meeting begins with prayers, introspection chart & reading of thoughts of great leaders and Affirmation which reads as "Through our collective efforts we shall bring pride to our organization".

SUMMARY OF STUDIES BEING CONDUCTED BY TARIFF COMMISSION (as on 29/2/2015)

Sector Wise

S.No.	Sector	No. of Reports
1.	Manufacturing	103
2.	Service	95
3.	Social	11
4.	Mining	8
	Total	217

Type wise

S.No.	Type of Studies	No. of study reports
1	Tariff related studies	34
2	Studies related to Free Trade Agreements etc	17
3	Industry specific study studies	54
4	Pricing studies	107
	i. Commodities under Administrative Price Mechanism (APM)	2
	ii. State monopolies/public utilities	103
	iii. Government procurement	2
5	Others	5
	Total	217

List of Ongoing Studies

Sl. no.	Study topic	Sector	Type of Study	Referral Agency	No. of study reports expected to be submitted
1	Techno-Economic cost price study on Tyre price increase Vs falling down price of Natural Rubber	mfg	Pricing/APM	Department of Industrial Policy & Promotion	1
2	Inverted Customs Duty Structure in respect of raw materials and components required for the Manufacturers of goods	mfg	Tariff Study	Department Industrial Policy & Promotion	34 ¹
3	Performance of cement Industry (2016-17)	mfg	Pricing/APM	Department of Industrial Policy & promotion	1
4	Impact of Liberalization / Tariff Reduction on IDPL and Public Sector Enterprises & Innovative Pricing – IDPL.	mfg	Industry specific study	Department of Public Enterprises	2
5	Impact of Liberalization / Tariff Reduction on NEPA and Public Sector Enterprises & Innovative Pricing – NEPA	mfg	Industry specific study	Department of Public Enterprises	2
6	Public Sector Enterprises & Innovative Pricing – ‘Principles’.	Mfg	Industry specific study	Department of Public Enterprises	4
7	Study on Competitiveness of HLL	mfg	Industry specific study	Suo-moto	1
8	Study on Competitiveness of Jute Industry	mfg	Industry specific study	Jute Commissioner office	1
9	Import of second hand machinery and their impact on domestic manufacturers of capital goods and their competitiveness:	mfg	Industry specific study	Department of Heavy Industry	8
10	Impact Assessment of FTAs/ PTAs on Capital Goods - Impact analysis of tariff and trade policy of major commodity/sector	mfg	FTA impact analysis	Department of Heavy Industry	9

¹ No. of studies can vary depending upon the no. of products referred /identified for examining the Inverted duty Structure

Sl. no.	Study topic	Sector	Type of Study	Referral Agency	No. of study reports expected to be submitted
11	Impact assessment of Free Trade Agreement - Singapore.	mfg	FTA impact Analysis	Department of Heavy Industry	3
12	Impact assessment of Free Trade Agreement - ASEAN.	mfg	FTA impact Analysis	Department of Heavy Industry	4
13	Study on Export Competitiveness	mfg	Industry specific study	Department of Heavy Industry	6
14	Input Cost Study on Sub-Sectors of Capital Goods:	mfg	Industry specific study	Department of Heavy Industry	9
15	Competitiveness of Indian Manufacturers Vs. Chinese Manufacturers in respect of Capital Goods:	mfg	Industry specific study	Department of Heavy Industry	9
16	Sectoral Impact of imports on the market share in India in respect of the reserved list of SSI Sector	mfg	Industry specific study	Department of Heavy Industry	1
17	Study on determining the realistic cost of Condoms	mfg	Pricing –Govt procurement	Department of Health & Family welfare	1
18	Study for fixation of fair prices of drugs/alkaloids produced at two factories of chief controller of Factories	mfg	Pricing – Govt procurement	Ministry of Finance	1
19	Study on database on economic contribution of biotech, pharmaceutical and health care industry in Punjab to Indian economy	mfg	Others	Punjab State Council for Science & Technology	1
20	Comparative performance of bio-pesticides with their chemical counterparts in terms of usage, efficiency & cost effectiveness.	mfg	Industry specific study	Punjab State Council for Science & Technology	1
21	Impact analysis of fiscal incentives announced in the recent budgets (2010-11 & 2011-12) done for cold chain infrastructure	mfg	Industry specific study	Ministry of Food Processing Industries	1
22	Study on Status of Ship Building Industry in Goa – Strengths, Impediments and way forward	mfg	Industry specific study	State Government of GOA	1
23	Steel sector (Bhilai & Rourkela Steel plants)	mfg	Industry competitiveness	Suo-moto	1
24	Second report on Impact of FTA on IDs - revisiting of IDs studies conducted in 2012-13 and 2013-14	mfg	FTA analysis	Suo-moto	1

Sl. no.	Study topic	Sector	Type of Study	Referral Agency	No. of study reports expected to be submitted
25	Freight rates of transportation of fertilizers for the sta of Uttarakhand and 18 districts of different States	Services Sector	Pricing Utility	Department of Fertilizers	1
26	Study on costing structure/ Benchmarking for testing / homologation charges at NATRIP's centres:	Services Sector	Pricing – public utility	Department of Heavy Industry	7
27	Principles of determination of tariffs for passenger fares by the city bus services in BRT Corridors & non BRT cities / corridors. [19 cities / 12 States] – namely	Services Sector	Pricing – public utility	Ministry of Urban Development	8
28	Study on per capita costs of surface water based piped water supply schemes to cover (i) Arsenic affected habitations (ii) Fluoride affected habitations	Services Sector	Pricing – public utility	Ministry of Drinking water and Sanitation	3
29	O & M Costs of Single village and multi-village rural water supply schemes – Six states - West Bengal, Bihar, Rajasthan, Karnataka, Maharashtra & Madhya Pradesh	Services Sector	Pricing – public utility	Ministry of Drinking water and Sanitation	6
30	Operational & Maintenance cost of irrigation projects	Services Sector	Pricing – public utility	Ministry of Water resources	5 ⁽²⁾
31	Assessment of normative cost of drinking water supply	Services Sector	Pricing – public utility	Ministry of Water resources	5 ⁽²⁾
32	Assessment of normative cost of water used for irrigation	Services Sector	Pricing – public utility	Ministry of Water resources	5 ⁽²⁾
33	Assessment of normative cost of industrial water supply	Services Sector	Pricing – public utility	Ministry of Water resources	5 ⁽²⁾
34	Principles of determination of tariffs for passenger fares by the operational metro rail companies	Services Sector	Pricing – Public Utility	Ministry of Urban Development	3
35	Study on per capita costs of piped water supply schemes base in Arunachal Pradesh (a) On gravity flow (b) On pumping	Services Sector	Pricing – public utility	Ministry of Drinking Water & Sanitation	1
36	Principles of determination of tariffs for water supply	Services Sector	Pricing – Public Utility	Ministry of Urban Development	5 ⁽²⁾
37	Principles of determination of tariffs for Solid waste management	Services Sector	Pricing – Public Utility	Ministry of Urban Development	5 ⁽²⁾

² No. of 38 reports indicated is zone wise however, no. of study reports may get enhanced if state wise reports are submitted

Sl. no.	Study topic	Sector	Type of Study	Referral Agency	No. of study reports expected to be submitted
38	Principles of determination of tariffs for Sanitation	Services Sector	Pricing – Public Utility	Ministry of Urban Development	5 ⁽²⁾
39	Study of multiple use of natural gas in various sectors across Goa and benefits to the Environment	Services Sector	Others	State Government of GOA	1
40	Study on Determination of State-wise average cost of Transmission including technical and non-technical losses	Services Sector	Pricing – public utility	Ministry of Power	5
41	Study on Impact of Power Sector Reforms on financial Health of the Distribution companies and their respective payment capability for the next five year	Services Sector	Pricing – public utility	Ministry of Power	5
42	Study on Decentralised distribution Generation (DDG) Tariff	Services Sector	Pricing – public utility	Ministry of Power	5
43	Study on Comparative study of open access charges in distribution and recommendation of optimum tariff for open access	Services Sector	Pricing – public utility	Ministry of Power	5
44	Study on impact of change in royalty rates of coal and lignite on thermal power generation tariff in addition to tariff based bidding for allotment	Services Sector	Pricing – public utility	Ministry of Power	1
45	Study on Benchmark distribution margins for bidding out distribution services for privatization of distribution	Services Sector	Pricing – public utility	Ministry of Power	5
46	Freight rates of transportation of fertilizers for the state of Uttarakhand and 18 districts of different states	Services Sector	Pricing – Public Utility	Ministry of Chemicals and Fertilizers	2
47	Study on actual and normative milling charges for raw rice and par boiled rice	Services Sector	Pricing – Public Utility	Ministry of food and Public distribution	1
48	Study on quantum, value and type of bio-resources exported from India	Social Sector	Industry specific study	Ministry of Environment & Forest	1
49	Study of successful commercial models adopted by self help group for livelihood generation and sustainability in Punjab	Social Sector	Others	Punjab State Council for Science & Technology	1
50	Study on interventions through joint forest management on livelihood improvement and increase in purchasing power of local communities	Social Sector	Others	Ministry of Environment & Forest	1
51	Impact of taxation on Minor Forest Produce to the Local communities	Social Sector	Others	Ministry of Environment & Forest	1

Sl. no.	Study topic	Sector	Type of Study	Referral Agency	No. of study reports expected to be submitted
52	Impact of Certification on cost benefit ratio of handicraft items exported from India	Social Sector	Industry specific study	Ministry of Environment & Forest	1
53	Assessment of fuel wood extraction from India's forest for meeting energy needs.	Social Sector	Others	Ministry of Environment & Forest	1
54	Study to analyse the effect of lower duties on revenue foregone vis-a-vis possible economic benefits obtained in the cost of construction of residential apartments/houses in selected States/UTs	Social Sector	Industry specific study	Ministry of Housing and Urban Poverty Elevation	1
55	Economics of utilization of bio-resources (medicinal & aromatic plants) in the state of Punjab.	Social Sector	Industry specific study	Punjab State Council for Science & Technology	1
56	Contribution of Agro and Farm Forestry for meeting industrial demand of forest produce / products in the country and scope for wood based industry	Social Sector	Industry specific study	Ministry of Environment & Forest	1
57	Study on Socio-economic impact of Bt Cotton in Punjab	Social Sector	Industry specific study	Punjab State Council for Science & Technology	1
58	Integrated reports/study on cultivation of medicinal plants linked to marketing value added health products in the designated Biosphere Reserves by the Ministry on Environment & Forests.	Social Sector	Industry specific study	Ministry of Environment & Forest	1
59	Coal pricing subsidiary wise i) SIngareni Collieries SCCL ii) Coal India Ltd subsidiary ECL iii) Coal India Ltd subsidiary MCL iv) Coal India Ltd subsidiary NCL v) Coal India Ltd subsidiary NFCL vi) Coal India Ltd subsidiary SECL vii) Coal India Ltd subsidiary WCL viii) Coal India Ltd subsidiary CCL	Mining Sector	Pricing – Public Utility	Ministry of Coal	8

