

Material for the Annual report of Department of Industrial Policy & Promotion for the year 2016-17

The present Tariff Commission was constituted through a Government Resolution in 1997. Subsequently Bureau of Industrial cost & Prices (BICP) was merged in the Tariff Commission. The Commission is headed by an officer in the rank and pay of Secretary of the Govt. of India. Tariff Commission as an attached office of Department of Industrial Policy & Promotion provides study based inputs for informed decision making by Government.

2. The Department of Industrial Policy & Promotion after the review of role of Tariff Commission 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 providing research based inputs to Ministries/Departments based on in-depth study using data on ground realities collected from field for informed decision making. The study team comprises of :-

- Engineers from the field of Science and Technology belonging to Tariff Commission cadre
- Cost Accountants/Chartered accountants from Indian Costs & Account Service (ICoAS)
- 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 the 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 trade 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 2015-16 .

A. The Sector wise details of the study reports submitted during 2015-16 is given in the Table below

S. No.	Sector/Type of Study	No. of Reports
1	Manufacturing Sector:	33
	a) Studies related to Inverted Duty Structure/World Trade Organization/Market Access Offer/Free Trade Agreement/Tariff	30
	b) Industry specific studies	1
	c) Pricing Study	2
2.	Service Sector:	17
	a) Pricing Study	16
	b) Industry Specific studies	1
	Grand Total	50

The detailed list of the study reports submitted during 2015-16 (up to 31/3/2016) is given in the table below

Sl. No	Name of the Report
1	Report on Inverted Duty Structure in Methylene Diphenyl Di-Isocyanate (MDI)
2	Report on Inverted Duty Structure in Copper Alloy Products-Brass.
3	Report on Inverted Duty Structure in Unsaturated Polyester Resin used in the Manufacture of Rotor Blades of Wind Operated Electricity Generators
4	Report on Inverted Duty Structure in Copper Alloy Products- Bronze
5	Report on Inverted Duty Structure on Vinyl Ester Adhesive (VEA) Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator
6	Report on Inverted Duty Structure Inverted Duty Structure on Hardner Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator
7	Report on Duty Structure Inverted Duty Structure on Epoxy Resins Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator
8	Report on Inverted Duty Structure in Electrolytic Chrome Coated Steel Laminates
9	Report on Inverted Duty Structure in Machine Tools (CNC Grinding Machine)
10	Report on Inverted Duty Structure in Carbon Pultrusion (Used for Manufacturing Rotor Blades)
11	Report on Inverted Duty Structure in Masterbatches
12	Report on Inverted Duty Structure in Centrifugal Pump

Sl. No	Name of the Report
13	Report on Inverted Duty Structure in Textile Machinery – Auto Cone Winding Machine
14	Report on Inverted Duty Structure in Pharmaceutical Products
15	Report on Inverted Duty Structure in Surgical Blades
16	Report on Inverted Duty Structure in Balloons
17	Report on Inverted Duty Structure in Super Thermal Aluminium Conductor Invar reinforced
18	Report on Inverted Duty Structure in Ferrite Cores
19	Report on Inverted Duty Structure in Cement Industry
20	Report on Inverted Duty Structure in Radial Tyres
21	Supplementary Report on Inverted Duty Structure in Medical Implant Device (Pacemaker)
22	Supplementary Report on Inverted Duty Structure in Capacitor Grade BOPP Film (Used as Core Dielectric Layer in Capacitor)
23	Supplementary Report on Inverted Duty Structure in Copper Products
24	Supplementary Report on Inverted Duty Structure in Medical Devices – Blood Collection Tubes
25	Supplementary Report on Inverted Duty Structure in Medical Devices – Needles
26	Supplementary Report on Inverted Duty Structure in Medical Devices – Syringes.
27	Supplementary Report on Inverted Duty Structure in Special Casting Components including Hub, Base Frame, Bearing Housing and Main Shaft of Wind Operated Electricity Generators
28	Supplementary Report on Inverted Duty Structure in Textile Machinery
29	Report on Impact of Trade Agreement with Malaysia on India's Trade
30	Report on Indo Singapore Comprehensive Economic Cooperation Agreement (CECA) on Trade in plastics and Articles thereof (Chapter 39 of ITC-HS Classification)
31	Consolidated Report on Calculation of Rice Milling Charges
32	Note on Calculation of Milling Charges in the State of Punjab
33	Note on Calculation of Milling Charges in the State of Haryana
34	Note on Calculation of Milling Charges in the State of Karnataka
35	Note on Calculation of Milling Charges in the State of Odisha
36	Note on Calculation of Milling Charges in the State of Chhattisgarh.
37	Note on Calculation of Milling Charges in the State of Madhya Pradesh.
38	Note on Calculation of Milling Charges in the State of Andhra Pradesh
39	Note on Calculation of Milling Charges in the State of Tamil Nadu
40	Note on Calculation of Milling Charges in the State of West Bengal
41	Revised Note on Calculation of Milling Charges in the State of Chhattisgarh
42	Note on Calculation of Milling Charges in the State of Uttar Pradesh
43	Report on Study for determining additional compensation for complex fertilizers produced by use of naphtha/fuel oil/ LSHS based feed stock under NBS Policy
44	Report on techno-economic Cost-price Study on Tyre
45	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
46	Report on Fare Structure and Principles of Determination of Fares in the City Bus Services in BRT/Non-BRT Corridors in City of Jaipur
47	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
48	Report on Operation & Maintenance Cost of Irrigation Projects in Rajasthan
49	Report on Fare Structure and Principles of Determination of Fares in the City Bus Services in Non-BRT Corridors in City of Chandigarh
50	Supplementary Report on Quantum Value and Types of Animal Based Bio-Resources Exported from India

B The Sector wise details of the study reports submitted during 2016-17 (i.e. till 16/1/2017) is given in the Table below

Sector/Type of Study	No. of Reports
Manufacturing Sector:	37
a) Studies related to Inverted Duty Structure/World Trade Organization/Market Access Offer/Free Trade Agreement/Tariff	32
b) Industry specific studies	4
c) Pricing Study	1
Grand Total	37

The detailed list of the study reports submitted during 2016-17 (up to 16/1/2017) is given in the table below

Sl. No	Name of the Report
1	Report on Inverted Duty Structure in Printed Circuit Board
2	Report on Inverted Duty Structure in Cement Industry
3	Report on Inverted Duty Structure in Card Clothing
4	Report on Inverted Duty Structure on Measuring Tapes
5	Report on Inverted Duty Structure in Connectors
6	Report on Inverted Duty Structure in Hard Drawn Bare Aluminium Conductors Steel Re-inforced (ACSR)
7	Report on Inverted Duty Structure in Voltage Regulator Housing
8	Report on Inverted Duty Structure in Reverse Osmosis (RO) Membrane For Household Type Filters
9	Report on Inverted Duty Structure in Metal Casting Components Used in Wind Operated Electricity Generator
10	Report on Inverted Duty Structure in Tractors
11	Report on Inverted Duty Structure on Cable Terminals and Connectors
12	Report on Inverted Duty Structure on Waste Heat Boiler
13	Report on Inverted Duty Structure on Electrical Contacts
14	Report on Inverted Duty Structure on Rubber Rice De-husking Rolls (ITCHS : 40169990)
15	Report on Inverted Duty Structure on Conveyor or Transmission Belts or Belting of Vulcanised Rubber (ITCHS Code:40103999)
16	Report on Inverted Duty structure in Bicycle Tubes (ITCHs Code:40132000)
17	Report on Inverted Duty Structure on Pressure Vessels and Parts of Pressure Vessels (ITCHS Codes 84198910 & 84199090)
18	Report on Inverted Duty Structure in Tubes, Pipes and Hoses of Vulcanised Rubber (Reinforced with steel Wire) (ITCHS Code 40092100)
19	Report on Inverted Duty Structure in Compounded Rubber Unvulcanised (ITCHS Code 40051000)
21	Report on Inverted Duty Structure in Condenser (Used for Split Room Air Conditioner) (ITCHS Code 84159000)
22	Report on Inverted Duty Structure on Bicycle Tyres (ITCHS Code 40115090)

Sl. No	Name of the Report
23	Report on Inverted Duty Structure on Parts of Nuclear Reactor (ITCHS Code 84014000)
24	Report on Inverted Duty Structure on Automotive Tyres (ITCHS Code 40111010,40112010,40112090 & 40114010)
25	Report on Inverted Duty Structure on Moulded Rubber Products (ITCHS Code 40169990)
26	Status Note on Inverted Duty Structure in Compounded Rubber (ITCHS Code 40059990)
27	Supplementary Report on Inverted Duty Structure in Slewing Bearing (Used in Wind Turbine Power Generators)
28	Supplementary Report on Inverted Duty Structure in Electrolytic Chrome Coated Steel Laminates
29	Note on Impact Assessment of Tax Incentives for Manufacturing Pacemakers
30	Note on Impact Assessment of Tax Incentives for Carbon Pultrusion (used for manufacturing Rotor Blades)
31	Note on Impact Assessment of Tax Incentives Provided Due to Inverted Duty Structure on Capacitor Grade BOPP Film (Used as core dielectric layer in capacitor)
32	Report on Quick Study on “Application of FTA level Customs duty to SEZs Clearance in DTA-Identifying Labour Intensive Sector with Unutilised Capacity”.
33	Note on Calculation of bonus due to amendments in Payment of Bonus Act, 1965
34	Note on Impact Assessment Study of Indirect Tax Incentives in the Union Budget of 2015-16 “Reduction in Basic Customs Duty on Ethylene Dichloride(ITCHS Code 29031500 and Vinyl chloride Monomer (ITCHS Code 29032100) from 2.5% to 2 %”
35	Note on Impact Assessment Study of Indirect Tax Incentives extended in the Union Budget of 2015-16 “Reduction in Basic Customs Duty on Styrene (ITCHS code 29025000) from 2.5% to 2%”
36	Report on Inverted Duty Structure on Super thermal aluminium conductor invar reinforced(ATACIR)(included in other stranded wires, cables, plaited bands and the like of aluminium not electrically insulated covered under ITCHS Code 76149000)
37	Report on Inverted Duty Structure on Plastic Machinery: Injection –Moulding Machines (ITCHS Code 84771000)

8. In addition to the Inverted Duty Structure reports already submitted during the current financial year (i.e till 16/1/2017) there are studies at different stages of progress/completion which will be submitted by 31th March, 2017.

9. Outcomes

A Budget Announcements

Status of findings of Tariff Commission on Inverted Duty Structure which have been incorporated in 2016-17 budget are as follows:

Sl. No.	Product	Status as per 2016-17 Budget announcement
1.	Inverted Duty Structure on Technical Textile items – Baby & Clinical (Adult) Diapers (Two Products)	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.] has been 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. Basic Customs duty on Pulp of wood [4701-4706] for manufacture of goods falling under heading 9619 [sanitary towels, tampons,

		napkins, diapers etc.] has been 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.
2.	Supplementary Report on Inverted Duty Structure in Capacitor Grade BOPP Film (Used as Core Dielectric Layer in Capacitor) (one Product)	Basic Customs duty on Polypropylene granules / resins [3902] for the manufacture of capacitor grade plastic films has been 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 (one Product)	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 has been 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 (one Product)	
5.	Inverted Duty Structure on Hardeners Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator (one Product)	
6.	Duty Structure Inverted Duty Structure on Epoxy Resins Used in the Manufacture of Rotor Blades of Wind Operated Electricity Generator (one Product)	
7.	Duty Structure Inverted Duty Structure on Carbon Pultrusion (one Product)	
8.	Inverted Duty Structure in Centrifugal Pumps (one Product)	Basic Excise Duty on 5 specified parts required for the manufacture of centrifugal pump has been 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 (one Product)	Basic Customs duty on Natural latex rubber made balloons [4016 95 90, 4016 99 90] has been 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% has been retained for all goods other than natural rubber latex made balloons falling under tariff lines 4016 95 90, 4016 99 90. Basic Customs duty on natural latex rubber made balloons [9503 00 90, 9505 10 00 & 9505 90 90] has been 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% has been retained for all goods other than natural rubber latex made balloons falling under tariff lines 9503 00 90, 9505 10 00 & 9505 90 90.
10.	Textile machineries (Seven Products)	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.
	Carding Machine	
	Combing Machine	
	Blow Room Machine	
	Draw Frame Machine	
	Speed Frame Machine	
	Ring Frame Machine	
	Auto Cone Winding Machine	

Total no. of Products where IDS addressed: 17

Status of findings of Tariff Commission on Inverted Duty structure in Medical Devices Sector

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

(*) Total no. of Medical Products studied by TC and where IDS addressed = 13

Status of Tariff Commissions findings on Inverted duty structure which have been incorporated in 2015-16 budget are as under.

Sl. No.	Product	Status as per 2015-16 Budget announcement
1	Machine Tool (four products)	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 (one product)	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 (three products)	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 (one product)	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 (one product)	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 vide

		notification No.10/2015- Customs, dated 1st March, 2015 [new S. No. 474A] refers.
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Total no. of Products where IDS addressed 2015-16 budget : 10

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 (one product)	Basic Custom duty on Denatured ethyl alcohol reduced to 5 percent
2	Aluminium Ingots (one product)	Basic Custom duty on coal tar pitch reduced to 5 percent
3	Personal computers (one product)	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 Chloride (39042110 & 39042210) (Two product)	Basic custom duty on ethylene reduced from 5 percent to 2.5 percent
5	Ethylene Vinyl Acetate (EVA) (one product)	Specified inputs for use in the manufacture of EVA sheets exempted from custom duty
6	Back sheet (one product)	Specified inputs used in the manufacture of backsheet exempted from custom duty
7	Slewing Bearing (one product)	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

Total no. of Products where IDS addressed 2014-15 budget : 8

- B) 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.
- C) 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) Department of Heavy Industry vide their letter No. dated 15th September, 2016 5(1)/2014-PE-XI at have communication that their Department of Industrial Policy & Promotion supports the proposal of the Tariff Commission regarding BCD on Steel Balls (HS code 84829119), Rubber Seal (HS Code 40024900), Grub Screw (HS Code

73182990) and Cage Strip (HS Code 84829119) required for the manufacture of Slewing Bearing, to be brought down to 5% under actual user condition.

- 2) Light Engineering Industry Division of DIPP vide their letter No. dated 17th Nov, 2016 F.No.14(37)/2015-LEI at have communication that their Department of Industrial Policy & Promotion At the existing concessional exemption on the import duty on the final product and the import duty of 12.5% on the raw material, Effective Rate of Protection (ERP) works out to (-) 40.57%. The various ERP has been given in the report. We may support that the ERP should be zero, for which duty on raw material is also required to be brought down at par with the concessional Nil duty on the final product.
- 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-1dated 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) 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.
- 6) 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).
- 7) 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).
- 8) 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.
- 9) 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.

- 10) 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).
- 11) 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).
- 12) 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.
- 13) 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).
- 14) 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
- 15) 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)
- 16) 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)
- 17) 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)
- 18) 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.

- 19) 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".
- 20) 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".
- 21) 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.
- 22) 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).
- 23) 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.
- 24) Office of Economic Adviser vide its letter dated 19/9/2012 endorsed the recommendations of Tariff Commission on Naptha, to the Ministry of Revenue.
- 25) 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)
- 26) 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)
- 27) 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).
- 28) 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 Commission's recommendations. (PIB Note dated 8th Dec., 2011).

- 29) 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)
- 30) 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)
- 31) 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)
- 32) 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).
- 33) 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.
- 34) 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.
- 35) 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).
- 36) 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
- 37) 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.
- 38) 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.
- 39) 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)

- 40) 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.
- 41) 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.
- 42) 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 .
- 43) 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

Rs./MSCM

Name of IPP	Transportation Tariff	
	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

- 44) Report on Gas Transportation Tariff for Bajhera-Agra-Firozabad Spur line and Agra/Firozabad City Distribution Network suggests substantial reduction in transportation tariff of HVJ and Agra – Firozabad spur line and city gas distribution charges i.e. Rs. 1014/MSCM as against Rs. 1217/MSCM.
- 45) 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

10. Tariff Commission in its endeavor to encourage the usage of Official language celebrated Hindi Pakhwara during the fortnight of 01st September 2016 to 14th September 2016. The theme for this year's Hindi Pakhwara was "**SPIRITUALITY (ADDHYATMA)**". In addition the Commission publishes Hindi Magazine called "Diva". Diva magazine has been published on the following themes – Vivekananda Visheshank, Karmayogi Visheshank and Mahtama Gandhi Visheshank.

The following reports of the Commission have been translated into Hindi

- a) Review of performance of Cement Industry.
- b) Realistic price of Pregnancy Test Kid 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
- l) Report on Inverted Duty Structure on Special Casting Components including Hub, Base Frame, Bearing Housing and Main Shaft of WOEG.
- m). Supplementary Report on Inverted Duty Structure on Special Casting Components including Hub, Base Frame, Bearing Housing and Main Shaft of WOEG.
- n) Study for determining additional compensation for complex fertilizer produced by Naptha/Fuel Oil/LSHS based Feed Stock under NBS Policy.
- o) Note on calculation of Bonus due to amendments in Payment of Bonus Act, 1965.

11. Tariff commission in its endeavour to encourage cleanliness under Swachhta Action Plan, is working for cleanliness at three levels i.e. physical, mental and spiritual involving physical cleaning of the immediate environment and cleaning of mind and soul. The activities on cleaning the mind include channelizing thoughts for effective and focused outputs, inculcating the spirit of harmony, starting daily activities with prayers and introspection, organizing thoughts for efficient and focused output through meditation, strengthening of team spirit for better participation in official assignments including study reports through coordinated functioning of study teams, affirmation, team building exercises etc. The spiritual activities include weeding out attitudes counterproductive to efficiency and harmony through scientific methods of affirmation, introspection, yoga, meditation, motivational reading and reflection, doing away with character liabilities by systematically weeding out one defect at a time, organizing competitions such as just a minute, elocution, poetry, essay writing, story writing, quizzes etc., with “Spirituality” as the theme. A daily check list is maintained to keep track of all the cleanliness aspects.

12. 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 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".