

Hailing PM's bold move against black money; engineering exporters seek operational relief

Welcoming Prime Minister Mr Narendra Modi's bold initiative to fight black money and corruption, the EEPC India today said it would result in long term benefits to the Indian economy, but certain operational issues relating to demonitisation of high value notes may be resolved to help the exporters.

In a presentation to the Commerce and Industry Minister, Mrs Nirmala Sitharaman, the apex body engineering exporters said certain segments like farm equipment , steel rolling have been affected. " To alleviate the difficulties of the engineering industries the limits for withdrawal from the current account at Rs 50,000 and OCC (Open Cash Credit) at Rs 25,000 may be increased.

"This is inadequate and affecting most of the small and medium scale units.. For instance, some companies have a weekly system of wages where workers seek payment in cash. Even though they have bank accounts, they are unwilling to accept direct payment to their banks largely because if the amount exceeds Rs.50,000 this would lead them to forfeit their subsidy benefits for BPL Account", said Mr Ravi Sehgal, Senior Vice Chairman of EEPC India.

He said while the objective of the scheme is to curb generation of black money," It is quite well known businesses have to incur transaction cost Steps should also be taken to lower transaction costs for long term benefits.

Besides, with the transport sector being affected by demonitisation, the movement of export cargo has been hit, Mr Sehgal said.