

**Chairman's Pen**

*My dear fellow exporters,*

*Let me take this opportunity to wish you a very happy Dussera.*

*The engineering exports have touched US\$ 40 billion in the fiscal year recording a growth of little over 18%. This is as per the revised data released by DGCI&S wherein the total exports from India was increased from US\$ 168 billion to US\$ 182 billion. The engineering sector recorded a share of 21.9% of the total exports. It may be noted that as per the estimates of the Council for the first quarter of the current fiscal, the engineering exports was in a negative zone (-20% growth) and this is indeed a cause of worry and we must put in relentless efforts to address the situation.*

*With respect to the Union Budget for the fiscal year, a detailed review is called for in regard to the new Direct Tax Code that was unveiled by the Hon'ble Union Minister of Finance, Shri Pranab Mukherjee. The Council is contemplating to prepare a representation for submission to the Government which would cover the problems in the Direct Tax Code from the perspective of the exporters. In particular, the grey area of our concern pertains to the provision of MAT to be imposed at the rate of 2% on gross assets without the provision of carry forward.*

*With regard to the Foreign Trade Policy, while we must welcome the broad thrust of the new policy but it is true that certain modifications are required in some of the new schemes. In particular, with regard to the 1% FOB value benefit for status holders, this scheme should do away with the actual user condition. Further, the 15% value addition in the Advance Authorization Scheme is a retrograde step in the current circumstances and this should be done away with. The Council has sent a detailed representation to the Government.*

*I will keep you posted on further developments in the above issues.*

*Yours sincerely,*

A handwritten signature in black ink, appearing to read 'Aman Chadha'. The signature is fluid and cursive.

(AMAN CHADHA)