

Chairman's Pen

My dear fellow exporters,

The Union Finance Minister presented the Budget proposal for 2009-10 on Monday, July 06, 2009. There are some measures which EEPC INDIA has been suggesting that the budget has included specifically for exporters. The first relates to our long standing demand to have the Service Tax Refund procedure from a refund base system to exemption based system. In this connection two categories of Service Tax viz. Transport of Goods on by Road and Commission paid by the Foreign Agents have been exempted from the levy on Service Tax. It may be mentioned that there is a problem with the Notification relating to Foreign Agency Commission where even though the Explanatory Memorandum to the Service Tax states that the present cap of 10% on Commission Agency charges have been retained, the Notification mentions that only 1% of the FOB Value will be covered under the exemption system.

I have taken up this matter with both the Finance Ministry and Commerce Ministry to rectify the same. Further, with regard to the refund other services, EEPC INDIA has been demanded. The inclusion of Terminal Handling charges be included and the Service Tax Exemption/Refund System. This has now been included and certain simplification of either self specification by Chartered Accountant has been made. We need to see how this process works, though there is a view that the current procedure may be more complex. Further, time limit has also been relaxed as has been demanded by EEPC INDIA.

This apart, FBT has also been removed though this may be borne by the employees rather than the employer. Further, the MDA budget has been enhanced and this will help our members to participate in foreign exhibition abroad in a more focused manner. Also, Section 10A and 10B of the Income Tax Act has also been extending for another year and this will benefit a large number of units availing benefits under these two sections.

Yours sincerely,

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

(AMAN CHADHA)