

Chairman's Pen

My dear fellow exporters,

The Ministry of Finance has issued Circular No. 112/06-2009-ST dated March 12, 2009 which has clarified that Service Tax refund for exporters on specified taxable services will not be available for the quarter July-September 2007, since the Service Tax refund notification was issued on October 06, 2007.

This is indeed very surprising since the Union Commerce Minister Mr. Kamal Nath, while unveiling the amendments to the Foreign Trade Policy on April 19, 2007, had announced that the Government will give export refund as Service Tax for that fiscal year (2007-08). Thus, to now claim that the Notification dated October 06, 2007 on Service Tax refund for exporters will be applicable prospectively only ensures that the inefficiency on part of the Finance Ministry to issue the Service Tax refund notification in time has led to the denial of Service Tax refund facility for July-September 2007 for exporters despite the policy announcement by a member of the Indian Cabinet.

It is, therefore, strange that the bureaucracy is over riding a policy commitment by the Government made by a senior member of the Indian Cabinet and this calls for serious introspection of our administrative system opined. EEPC INDIA has taken up the matter with the Hon'ble Prime Minister has stated that repeatedly the exporters were short changed and were being denied their legitimate dues despite Government pronouncements to the contrary. This augurs very poorly on our economic policy making and demoralises the exporting community seriously. We hope that the Hon'ble Prime Minister will intervene and redress the matter.

Yours sincerely,

(AMAN CHADHA)