

**Chairman's Pen**

*My dear fellow exporters,*

*The Interim Budget for the first four months of the next fiscal year was presented today in Parliament by the acting Finance Minister Shri Pranab Mukherjee. Unfortunately, the Interim Budget while highlighting the problems being faced by Indian economy stuck to the conservative stance that further measures would be taken by the new Government. While the Budget mentions that export growth rate has fallen to 17% during the first nine months indicating how badly the export sector has been affected, there seems to be no measures to combat the slowdown that has hit the exporting community and the Indian economy at the present juncture. With respect to the export sector in particular, lowering certain taxes such as FBT, streamlining the procedures for Service and Excise refund etc. could have been attempted as they would not have affected the structure of the Interim Budget and would have been within constitutional norms. The budget could have provided for an exemption scheme for Excise and Service Tax refund.*

*The Council welcomed the extension of Interest Subvention Scheme till September 30, 2009 but felt that this should have been extended till December 31, 2009 and should have covered engineering sector as also included Urban Cooperative Banks. With regard to the possibilities of the shift to the Goods and Service Tax, it is hoped that the deadline of 1st April, 2010 will be met and there will be one rate of GST for the entire country. Further, given the slowdown in the engineering sector, the Government should consider some support measures for this sector.*

*In conclusion, the Interim Budget seems to have lacked in taking some urgent initiatives and one would have to wait for the next Government to take more positive measures.*

*Yours sincerely,*

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

(AMAN CHADHA)