

Chairman's Pen

My dear fellow exporters,

The Central Government announced certain fiscal measures yesterday, which included some measures for the exporting community. With respect to the engineering exporters, I am highlighting a few key measures that have been announced.

- The first relates to the bringing back of interest subvention of 2% on Pre and Post Shipment Export Credit for labour intensive exports as well as the SME sector subject to a minimum rate of 7% per annum.*
- The second important step has been to allow refund of Service Tax on Foreign Agent Commission of up to 10% of FOB value of export from the earlier 2%.*
- The press release of the Government of India also mentions that services provided by clearing and forwarding agents to exporters will also benefit from such refund.*
- This apart, Drawback benefit can now be availed of simultaneously with refund of Service Tax paid in respect of exports.*

Last week, I also met senior Government representatives both in the Ministry of Finance and the Ministry of Commerce & Industry and discussed with them various issues affecting engineering exporting community. Some of the steps that have been discussed will be taken up by the Council in due course and I will keep you updated on this issue, through a separate circular seeking your help in seeking more support measures from the Government.

I would also like to mention that the first meeting of the Special Task Force will be held in Mumbai on December 10, 2008 under the Chairmanship of Shri Rakesh Shah, my predecessor. We would discuss the steps already been taken by the Government yesterday and what are the further initiatives that are required so that the Council can take necessary steps in this regard.

Yours sincerely,

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

(AMAN CHADHA)