

Chairman's Pen



My dear fellow exporters,

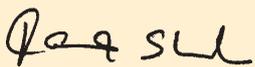
Friends, the countdown has begun for the most awaited event of the Council and we are all set to welcome Dr. A. P. J. Abdul Kalam, the President of India during the Golden Jubilee celebration of the Council on 23rd January, 2007 in New Delhi. This function will be also be attended by Shri Kamal Nath, Minister of Commerce & Industry, Government of India and many other dignitaries besides more than 300 foreign delegates and Indian participants who will be gather to participate in three day India Engineering Meet & Exhibition, scheduled from 22nd to 24th January, 2007. Around 150 member firms have confirmed their participation and everyone is waiting for fruitful business interaction with foreign buyers during the three day event.

In a first-of-its kind massive exercise by the finance ministry, it has prescribed timeframe for disposal of applications for 100% export oriented units (EOUs) in as many as 15 activities. This will sensitise the department's field officers regarding functioning in a time-bound manner and for greater transparency in transactions concerning EOUs.

The Reserve Bank of India (RBI) has provided greater flexibility to project and service exporters by relaxing norms for inter-project transfer of machinery and funds overseas. The Bank has also allowed them to deploy temporary cash surplus generated outside the country through investments in short-term papers abroad or depositing it with overseas branches or subsidiaries of designated Indian banks. This is surely a move towards the capital account convertibility.

The Central Sales Tax (CST) will be cut by 1% to 3% from April 1. This is one step forward towards its phase out and set the ball rolling for a single-goods and service tax regime by 2010. This move will end the last major hurdle in the smooth functioning of state-level VAT. As part of a compensation package for revenue loss due to CST cut, states are likely to get the entire revenue from tax on 33 services, that are currently being levied by the Centre and 44 proposed services.

Yours sincerely,


(RAKESH SHAH)