

Panel Meeting

IMPORTANT DECISIONS OF VARIOUS PANEL MEETINGS

Important Points Discussed at the Free Trade Zone & 100% Export Oriented Units Panel held on December 09, 2005 in Mumbai

A meeting of the Free Trade Zone & 100% Export Oriented Units was held on 9th December, 2005 at the Committee Room of EEPC's Mumbai Office in which following matters were discussed :

- Foreign Trade Policy and Pre-Budget issues for the year 2006-07;
- Revision in the Guidelines on Marketing Development Assistance (MDA);
- Promotional activities planned for the year 2005-06 and 2006-07 including Hannover Fair 2006;
- Issues relating to Free Trade Zone & 100% Export Oriented Units.
- Hosting of Home Page Providing Hyperlinking+ Services on Council's Website etc.

Important Points Discussed at the Construction and Earth-moving Machinery including Cranes, Hoists, Mining Equipments and Tractors for Construction and Earthmoving purpose Panel held on December 12, 2005 in New Delhi

- It was decided that Non-Refund of VAT be taken up with the highest authority in the Ministry of Finance and also the Empowered Committee on VAT, as sizeable amount of exporters' is blocked.

Important Points Discussed at the Projects Export Panel held on December 16, 2005 in Kolkata

- VAT Refund Mechanism should be put in place immediately as significant funds of exporters are being blocked;
- Members suggested that the Council should organize an INDEE in Bangladesh to promote of export of Technical Services and Projects.

Important Points Discussed at the Internal Combustion Engines, Compressors & Parts thereof Panel held on January 7, 2006 at Rajkot

• Review of Export Performance

The members expressed their concern over the declining trend of export performance in the category of Stationery Agricultural Engines and Compressors. It was proposed that special attention should be given for promoting export of Stationery Agricultural Engines which used to be one of the leading product in this Panel.

While commending on export performance the members suggested that representative data should be collected from all concerned for facilitating amendment of entries regarding SION, fixation of rate for DEPB, Drawback, etc. For that it

was proposed that a specialist may be appointed as a consultant, the cost of which may be borne by the participating members of the Panel proportionate to their export turnover.

It was also proposed that since I.C. Engine Panel involves multi-various types of engine, special focus and attention must be given for attending the problems of Stationary Agricultural Engines and Components manufacturers.

• Report on Delegation to Ghana, Togo, Senegal & Mali

Shri Khalid Khan, Convenor of the Panel, who happened to be the leader of the delegation, briefed the members present about the delegation. He stated that the delegation was a success though not in terms of orders booked, but in terms promotion of the products in new & unexplored markets.

• Amendment of Sec 80HHC of the I. Tax Act

Members deliberated on this issue in great detail and it was finally proposed that members would wait for the verdict in the writs to be filed at Hon'ble Kolkata High Court in this regard and take a decision accordingly. It was also suggested that legal opinion may be obtained regarding jurisdiction of Hon'ble Kolkata and other High Courts on 80HHC matters on companies situated all over India. Further, the Panel Convener was requested to take up with the I. Tax Authorities for extension of abeyance from 31st December, 2005 to 31st March, 2006.

• Promotional Activities for 2006-07

Members were requested to give their suggestion for single product trade delegations, desk studies and market research reports etc.

Members deliberated on the subject for a long time and after a detailed discussion it was finally decided that members would join the Multi-product Trade Delegation to be organized by the Council in 2006-07.

The proposed destinations were as follows :

1st option :

(a) Central African Republic, (b) Cameroon, (c) Congo (Kinshasa) and (d) Gabon.

2nd option :

(a) Algeria, (b) Tunisia, (c) Mauritania and (d) Libya.

Important Points Discussed at the Sanitary Castings Panel held on January 16th and 23rd, 2006 in Kolkata

- Floor Prices for export of CI Castings to USA and Gulf countries (except Saudi Arabia) were revised.
- Amendment of Section 80HHC by Taxation Laws (Amendment) Act 2005 imposition of Penalty/Recovery of Taxes in regard to profits on sale of DEPB Credits was discussed and the affected members were advised to take legal advice.



EEPC INDIA

Domestic Information

- It has been decided that members of the Panel who have contributed towards the fund created for Promotion and Development of Sanitary Castings would participate in Hannover Fair 2006 by way of a 9 sq. mtrs. booth for Catalogue Display. Booth cost would be made from the funds collected.
- Product Catalogue for Sanitary Castings has been finalized and is under printing. The Catalogue would be launched during Hannover Fair 2006.
- It was decided that Sanitary Castings exported from India should have a LOGO to depict that the product is Made in India. It has also been decided to consult SGS, BSI, Bureau Veritas and UL for their views on the above.

Important Points Discussed at the Electric and Home Appliances, Fans, Sewing Machines, Dry Batteries, Torch Lights and other Electrical Manufactures - N.O.S. Panel held on January 18, 2006 in New Delhi

- Members were of the view that due to non-attractive/non-competitive DEPB rate prevailing in India i.e. 3% as compared to China where it is more than 12%, there was a negative growth (26%) in export of Fan.

Important Points Discussed at the Motor Vehicles, excluding Two/Three Wheelers Panel Meeting held on January 24, 2006 in New Delhi

- The Panel Convener reiterated that a Committee be formed to prepare a white paper for submission to the Government highlighting the following issues to ensure that the efforts of the exporters are not hampered.
 - Creation of competitors in movements of export cargoes;
 - Transaction cost due to imposition of VAT;
 - Infrastructure facilities at Indian Ports;
 - Export Incentives.
- The Panel Convener requested the members to send their suggestions to undertake promotional activities under EEPC for increasing the export performance of the products of the Panel.