

Chairman's Pen



My dear fellow exporters,

Your Council successfully concluded its All India Award Function for 2003-04 on 13th January, 2006 in Mumbai. On this occasion, Shri Kamal Nath, Hon'ble Minister for Commerce & Industry, awarded 87 meritorious exporters with Trophies and Certificates for Excellent Export Performance.

In my welcome address at the function, I raised certain concerns of the exporting community regarding continuity of the DEPB Scheme, incidence of Fringe Benefit Tax & Service Tax, issue of applicability of Sec 80 HHC for income arising out of sale of DEPB for larger exporters (over 10 crores) and VAT refund.

While responding to concerns raised by the Council, Hon'ble Minister assured that the present DEPB Scheme will continue till a new Scheme is announced. He further assured that reasonable overlap between the phase out of old Scheme and implementation of new Scheme will be provided so that exporters can plan accordingly. The present DEPB Scheme has been extended till 31st March, 2006, as the new Scheme is not yet ready.

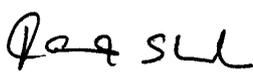
The Minister also assured to look into the matter of Fringe Benefit Tax and said that he will ensure that no taxes and duties are exported. For Council's Golden Jubilee celebration plan at an all India level, he assured to arrange for a date from the Hon'ble Prime Minister's office.

While lauding the role played by the Council in the last 50 years in promoting exports of engineering goods from India and giving the country a prominent place in the world engineering map, Shri Kamal Nath expressed his confidence that engineering exports from India are likely to exceed the revised target of US\$ 18.3 billion during the current financial year 2005-06.

The Minister was also very upbeat about the concept of EPO (Engineering Process Outsourcing) introduced by your Council, by making use of Indian intellectual capabilities. He requested the Council to prepare a concept paper on EPO.

Later the Minister also convened a meeting of the Board of Trade in Mumbai on 13th January, 2006. An important item on the Agenda of this meeting was the presentation by select Working Groups and Study Groups, which were set up sometime ago on specified areas of Indian exports. I, as the Convener of the Working Group on "Evaluation of different Export Promotion Schemes", made a presentation and it was inferred that the DEPB was the most popular Scheme, used by exporters. The Board also took it up as a major task about how this Scheme could be made near WTO compatible. During the meeting, various other issues on taxation were also discussed. The next meeting of the Board of Trade will take place in March this year to discuss issues pertaining to Foreign Trade Policy.

Yours sincerely,


(RAKESH SHAH)