

From Chairman's Pen



7th September, 2005

My dear fellow exporters,

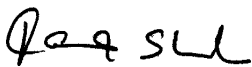
We understand from media reports that the Duty Entitlement Passbook Scheme (DEPB) is likely to continue this fiscal as the new Scheme has not been finalized yet. This is indeed a matter of great relief for the exporting community as they can continue with contracting. Earlier, Department of Revenue, Ministry of Finance, has already notified rollover of DEPB Scheme till September 2005.

Ministry of Finance has announced clarifications on Fringe Benefit Tax through Circular No. 8. However, it does not give substantial exemptions to the exporters. I invite suggestions from all the member-exporters in this regard.

I believe that the Government has decided to keep the matter of recovery proceedings under Section 80HHC of Income Tax Act in abeyance further till 30th September, 2005. We have been making representations regarding this to the Ministry of Commerce.

The Council has made a representation to Shri Kamal Nath, Hon'ble Minister for Commerce & Industry regarding Service Tax on Commission Paid to Foreign Agents which has come into effect from 16th June, 2005 through an amendment in Finance Act 2005. We have said that such a move will make prices of Indian products uncompetitive since foreign agents play a very important role in facilitating export of Indian products. We understand from Government sources that a notification on this issue is expected shortly.

Yours sincerely,



(RAKESH SHAH)