

## From Chairman's Pen



1st September, 2004

My dear fellow exporters,

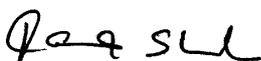
*In my previous columns, I had mentioned about various export benefits which have not been considered by the Government in spite of our several representations. I had the privilege to meet the Union Minister of Commerce & Industry, Hon'ble Mr. Kamal Nath on 23rd August, 2004 in New Delhi when the benefit of tax exemption under 80 HHC was discussed threadbare. I have specifically pointed about the intent of the Tax Authorities all over India to needlessly find out small technical flaws to deny the benefit of this section and they have raised huge tax demands on exporters all over the country. This has put the entire exporting community into the embroilment that has led to wasting of time, productive time, energy and resources. But you may be aware that most of the courts have struck down the flimsy additions made by the Tax Department. The need of the hour is to come out with a suitable clarification at the national level so that all the pending disputes are finally set to rest particularly when exports have been proposed to be given the National Priority in the forthcoming new Policy.*

*Immediately after the meeting, I have sent a letter to the Hon'ble Minister to look into the issues such as, exemption of export incentives like DEPB, DFRC and Duty Drawback etc., Negative Profits, Interest Income, Income from foreign exchange fluctuation and refund of statutory levies. I have specifically pointed out to the Hon'ble Minister about adopting the diverse method by the IT officers in calculating the deduction under 80 HHC that has put the entire exporting community in jeopardy.*

*I have also taken up the matter with the Hon'ble Minister for introduction of an alternative Scheme in lieu of DEPB after its discontinuation. As you are aware, there has been severe port congestion in JNPT, Mumbai due to which smooth flow of both import and export cargo have been affected. Earlier also, I had made a representation to the Hon'ble Minister for an immediate solution. During the meeting this point was also taken up.*

*I would also like to draw your attention to the news item on WTO appeared in Info-Bulletin, issue dated 18th August, 2004 giving a brief introduction as well as some other features which might give you some idea about the activities of WTO. I would seek your views on WTO.*

Yours sincerely,



(RAKESH SHAH)