

Exporters pick up tips on planning tax liabilities



FIEO (ER) Chairman, Mr. Ramesh Kumar Agarwal (left) presenting bouquet to the Chief Commissioner of Income Tax, Mr. Gautam Choudhuri.

The Federation of Indian Export Organizations (Eastern Region) organized an Interactive Session where Mr Gautam Choudhuri, Chief Commissioner of Income Tax, Kolkata interacted with exporter members on 24 March 2010 at the Bengal Club in Kolkata. Around 45 members participated in the meeting, including Mr Ramesh Kumar Agarwal, Chairman, FIEO (ER), Mr Sushil Patwari, Managing Committee Member & Convenor, Committee on Finance & Banking, FIEO, Mrs Debdatta Nandwani, Dy Director General, FIEO (ER), Mr P.T. Srinath, Dy Director, FIEO (ER), and Mr Ashok Tulsyan, tax consultant.

Initiating the meeting, Mrs Nandwani said such interactive meetings with senior Government officials is significant as their advice and suggestions will enable exporters to plan their tax liabilities. Due to the openness and accessibility brought about by the Government facilitating agencies, there is a sea change in the present exim trade environment in India.

Delivering his welcome address, Mr Agarwal informed the participants that Mr Choudhuri had served in various capacities in the states of Uttar Pradesh, Delhi, and West Bengal in his 36 years of distinguished career in the Indian Revenue Service. Mr Choudhuri played a significant role as the Commissioner of Income Tax, Computer Operations, in comprehensive computerization in West Bengal.

While congratulating the Government of India for its landmark tax reforms and its path breaking budget, he however cautioned that there are teething problems to be expected in implementation which if phased out early will ease out a large number of problems for the assesseees.

Mr Choudhuri delivered the keynote address and mentioned the relevant provisions of the export businesses. His observations were that the worst was over and the time has come to consolidate. The Government has now presented a landmark budget in keeping with the present times and it is expected that the DTC and GST due to be introduced shall be equally path breaking. India's GDP growth as compared with most of the developed countries is poised at a very good position at 7.1% whereas economies like the US at (-0.25), Japan at (-0.53) and EU at (-3.91) have gone through a very bad time. The objective of the Government is to contain the fiscal deficit.

As compared with the fiscal deficit, a reasonable balance needs to be made for higher allocation of plan outlay and the non plan outlay. He



Mr. Gautam Choudhuri, Chief Commissioner of Income Tax Kolkata – I (3rd from left) addressing the meeting. On his right are , Mr. Ramesh Kumar Agarwal, Chairman, FIEO (ER); and Mrs. Debdatta Nandwani, Dy. Director General, FIEO (ER). At extreme right is Mr. Ashok Kr Tulsyan, Tax Consultant, A K Tulsyan & Co.



A view of participants.

also advised the exporters that when they plan their accounts, it should be drawn in such a manner that it should face minimum difficulty at the time of scrutiny by the IT officials in obtaining the exact export turnover.

Eminent tax consultant Mr Tulsyan highlighted some of the points under Corporate Tax and Direct Tax:

- The provisions relating to Tax Deduction at Source (TDS) should be simplified and rationalized

- Lowering the tax burden on individual taxpayers by widening the tax slabs
- Allow small companies to convert into Limited Liability Partnerships without attracting capital gains tax liability;
- Tax-payer friendly changes in tax rates
- Rationalization of the provision of section 10AA relating to tax holiday of the units or undertaking established in SEZ
- Amendment in the provision relating to computation of business income
- Widening of the scope of the provision of section 35AD
- Change in section 35DDA (amortization of expenses under VRS)
- Settlement Commission
- Rationalization of TDS provisions with effect from 1st July, 2010

The Interactive Session saw some very pertinent questions being asked concerning implementation of the tax laws. The meeting ended with a vote of thanks by Mr Sushil Patwari, Managing Committee Member & Convenor, Committee on Finance & Banking, FIEO. ■



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