

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7333
ANSWERED ON:13.05.2005
IT RELATED HARASSMENT
Madhwaraj Smt. Manorama

Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that small and medium type export units are on the verge of closure due to harassment of IT authorities on account of Tax on DEPB and in case of Negative Profits under section 80 HHC of the IT Act; and

(b) if so, the details thereof alongwith corrective measures taken to redress the grievances of the exporting community especially on the application of section 80HHC?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

(a): No Sir. From a number of representations received from exporters it appears that they are concerned about re-computation of the export incentives availed of by them under the Income-tax Act. The issues concern interpretation of certain provisions of the Income-tax Act.

(b): The matter has been referred to the Prime Minister's Economic Advisory Council. Any further action will be taken on receipt of the report of the Council.