

Dear Sir,

**Sub: Suggestions from the Industry and Trade Associations for Budget 2017-18 regarding changes in direct and indirect taxes.**

Ministry of Finance, Department of Revenue, Tax Research Unit vide their letter dated 06.10.2016 has sought suggestions for changes in the duty structure, rates and broadening of tax base on both direct and indirect taxes giving economic justification for the same.

In this context, the Council wishes to invite your suggestions and views both direct and indirect taxes. Your suggestions and views may be supplemented and justified by relevant statistical information about production, prices, revenue implementation of the changes suggested and any other information to support your proposal. The request for correction of inverted duty structure, if any for a commodity, should necessarily be supported by value addition at each stage of manufacturing of the commodity. It would not be feasible to examine suggestions that are either not clearly explained or which are not supported by adequate justification / statistics.

Further, as regards direct taxes, while forwarding your proposals, please take into consideration the budget announcement made in Union Budget 2015-16 to reduce the rate of Corporate Tax from 30% to 25% over the next 4 years along-with rationalization and removal of various kinds of tax exemptions and incentives and the plan of phasing out exemptions and tax incentives laid before the Parliament with the Union Budget 2016-17.

The synopsis of your suggestions could be given in the following format:

S.No	Issue	Justification
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Further, in respect of proposals relating to changes in the Customs and Central Excise duty rates, the additional information (as per attached Annexure) may be provided:

Your views and suggestions may be emailed to Mrs. Chandrima Chatterjee, Advisor, Email: [advisorcc@aepcindia.com](mailto:advisorcc@aepcindia.com), copy to [wagas@aepcindia.com](mailto:wagas@aepcindia.com) immediately, but not later than by October 14, 2016.

With regards

Vijay Mathur

Additional Secretary General

AEPC, Apparel House, Gurgaon

**ANNEXURE**

S.No	HS Code	Description of the product	Quantum of imports 2014-15 and 2015-16	CIF value of imports 2014-15 and 2015-16	Quantum of domestic production 2014-15 and 2015-16	Value of domestic production 2014-15 and 2015-16	Unit price (CIF)	Existing duty	Proposed duty	Revenue implication of the proposal	Implications of the proposal for the domestic industry
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