

No service tax on remittances to India by NRIs: PM to Chandy

Prime Minister Manmohan Singh has dismissed reports of any plan to bring under the service tax ambit foreign remittances by overseas Indians, Kerala Chief Minister Oommen Chandy said today.

Singh has also sought details from the Finance Ministry on the issue, said Chandy who raised objections before the Prime Minister over the reported move by the Government to levy the tax on the money of Indians working abroad.

"Prime Minister has dismissed reports that the Government is planning to charge 12.36 per cent on all foreign remittances to India," Chandy told reporters after meeting the Prime Minister here.

The Chief Minister took up the matter with the Prime Minister as the annual remittances from NRI population in Kerala is nearly Rs 50,000 crore and such a move by the Centre would hit the economy of the southern state.

"Prime Minister said that no decision has been taken to levy the tax on money sent by the NRIs. He has assured status quo on the service tax issue," Chandy said.

Chandy also asked Prime Minister to take immediate steps to end the delay in securing the safe release of crew including Keralites taken as hostages by Somali pirates.

He told the Prime Minister that 43 Indian citizens had been taken hostage by Somali pirates and requested him to "direct the authorities concerned" to take all possible steps to secure their release considering the agony and pain of the relatives of the abducted persons.

(Economic Times)