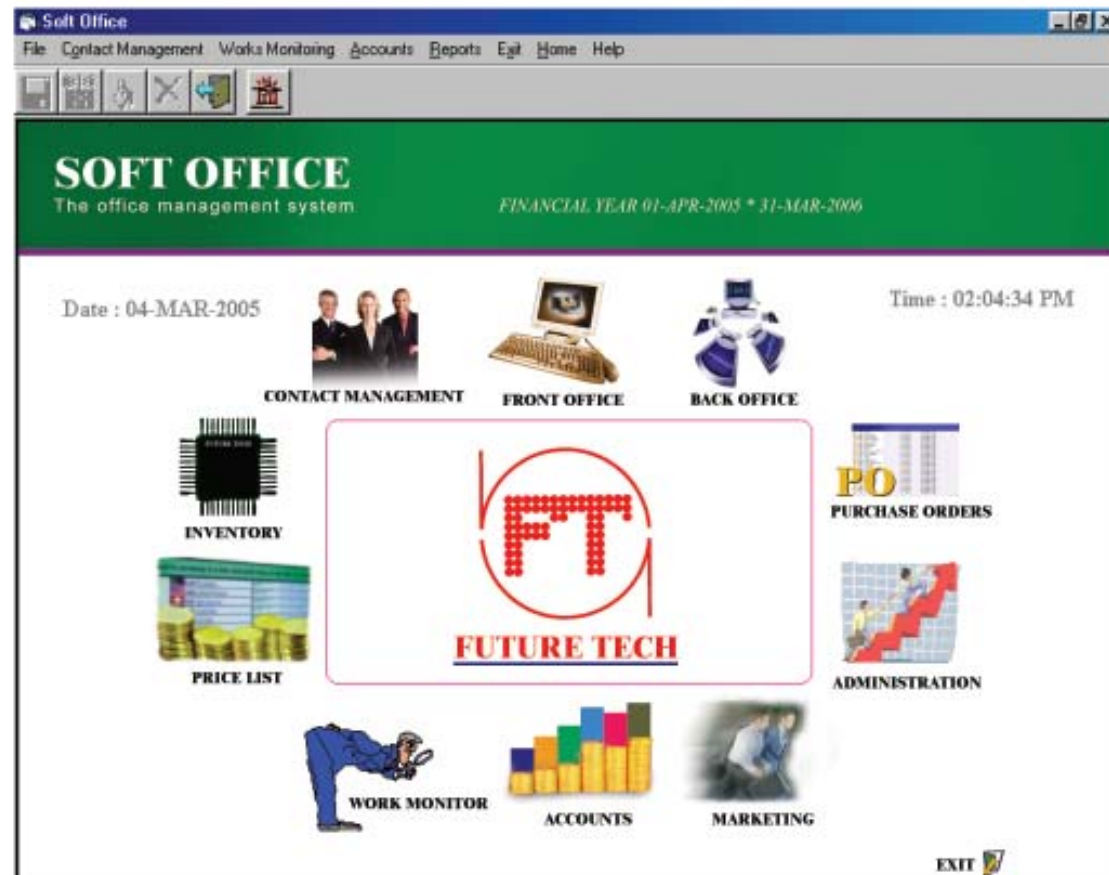


# Comprehensive Office Management Software.....

## SOFT OFFICE



SoftOffice is a comprehensive office management software covering the following modules:

- Contact Management
- Front Office
- Back Office
- Enquiries
- Quotations
- Purchase Orders
- Marketing
- Inventory
- Price Lists
- Time Attendance & Access Control
- Works Monitor
- Pay Roll
- Accounts
- Administration



### FUTURE TECH INFORMATION SYSTEMS PVT. LTD.

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 email: info@futuretechinfo.com, info@futuretechinstruments.com  
 Web: www.futuretechinfo.com



# ELIAP News

For Members & Associates

VOLUME : XXII

ISSUE : April 2005



Dear Members,

I am glad to inform you that the Executive Committee is meeting every month regularly for the past six months and actively interacting with various Government Agencies keeping the interest of the members of the Association. The Association is thankful to the A.P. Government and especially the IT&C Department for incorporating our suggestions in the new ICT Policy 2005-2010 being released shortly. The new policy gives equal importance to the hardware sector and extends more or less all facilities available to IT & ITES Sectors (see inside for salient features)

The Union Government's budget announcement reducing the peak rate of Custom Duty to 15% from previous 20% and also extending NIL duty to 217 tariff lines related to IT products as per WTO-IT Agreement throws a challenge to the domestic manufacturing industry to readjust for more exports and move to SEZ as soon as possible. The protection for domestic sales is by way of retaining 16% CVD (except software) and imposition of special Additional Duty at 4% on the above products which is CENVATABLE. To some extent this additional duty may offset the State VAT introduced by 21 States w.e.f. 1<sup>st</sup> April 2005 (see inside for highlights) Other major change announced relates to introduction of 8 digit HSN code in Excise classification to align with Customs classification.


Manufacturing Industry has welcomed the introduction of VAT and pledged its support for successful implementation. Many of our members have attended various seminars and well understood the subject. The State Government has promised to make amendments like bringing in the HSN code first followed by the item description and also for taking up of some more electronic items under 4% category with the empowered Committee in due course. We shall pursue the matter through appropriate channels both at the State and Central levels. We hope that the States will impose Entry Tax at the earliest on imported goods equivalent to local Sales Tax for providing a level playing field to the domestic industry.

While the Association is promising A.P. State Government to bring in more hardware manufacturing industries, it is disheartening to note that the share of A.P. in hardware Export is at a dismissal Rs.45 crores (0.58%) against Country's exports of Rs.7700 crores during the year 2003-2004 as per the statistical year book 2004 released recently by Electronics and Computer Software Export Promotion Council (ESC) (see inside). Except one company (M/s.OSI Systems Pvt.Ltd.) none of the hardware manufacturing companies in A.P. are figuring in the list of top 10 exporters of the country in any sector.

To encourage members to participate actively in the activities of the Association. I propose to invite 15 to 20 members to the Executive Committee meetings by rotation. I appeal to all members once again to take active interest and strengthen the activities of the Association.

You might have noticed the improvement in the quality of the paper used in this second issue and also allotment of two pages (Second & backside cover) to the sponsorer. Members may utilize this facility effectively.

I wish all members and their families a very happy Ugadi and prosperous Telugu New Year.

  
 L.Satyanarayana  
 President

## Awareness Programme on VAT



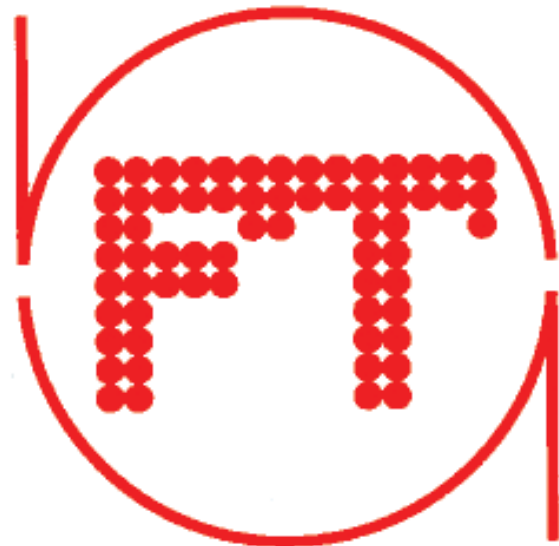
Mr. L. Satyanarayana, President ELIAP releasing the SYNAPSE'05 souvenir

ELIAP and Lions Club of Taranaka and Its Sister Clubs have Jointly organized an awareness Program on VAT on 18<sup>th</sup> March 2005 at Lions Bhavan, Secunderabad. Mr. T. Yugandhar Reddy, Additional Commissioner, Commercial Taxes Department, Government of Andhra Pradesh was present to this Programme as Chief Guest he apprised the VAT System and clarified several issues related to VAT, Mr. L. Satyanarayana, President ELIAP has apprised the Additional Commissioner about various items which were not covered under the New VAT system and the ambiguity about the HSN Codes etc. Mr. Reddy assured that the HSN Code issue and other issues represented will taken up with the authorities. Mr. B. R.Rao, Past President Lions Club has proposed Vote of Thanks. Many Members have participated in this programme, and derived the benefit.

\*See Page 5 for VAT salient Features



## Making significant inroads in electronics... Marking a new era.



### FUTURE TECH

**F**uture Tech Group of Companies are dedicated to provide quality services catering to Educational, Industrial and Information Technology sectors. Future Tech Group activities included software development, software solutions and applications etc., In addition to Manufacturing of Electronic Educational Trainers and Instruments, Representation and Trading of Branded Electronic Systems etc.,

Future Tech Instruments Pvt. Ltd. has established its brand for its Educational Trainers all over the Country since the past decade. Future Tech manufacturers over 800 different types of educational systems, trainers, test and measuring instruments.

Future Tech instruments Pvt. Ltd. Also represents 20 renowned companies for their instruments marketing in the region of A.P. Thus Future Tech Comprises One Stop Source for complete range of equipment for Electronics, Electrical, Instrumentation, Computer Hardware and Software laboratories in the Technical Institutions.

Future Tech Information Systems Pvt. Ltd. Is incorporated with the objective of developing custom built Software for Corporate Offices, Industries and Educational Institutions. Future Tech is an STPI registered unit and is a software solution provider of repute.

Future Tech Information Systems Pvt. Ltd. manufactures personal computers on the brand name FutureTech and also provides Smart Card and Bio Metric solutions.

**In service of Industry and Education**

### Committee Members

#### Office Bearers

**Sri. L.Satyanarayana – President**  
**Sri. G.N.V.Satyanarayana – Vice President**  
**Sri. A.Madhavan – Vice President**  
**Sri. G.Srinivasa Rao – Hon. Secretary**  
**Sri. Suresh K. Hebbar – Jt. Secretary**  
**Sri. G.Raghu Raju – Treasurer**

#### Committee Members

**Sri. T.Prabhakar**  
**Sri. N. Shiva Prasad**  
**Sri. U.Rama Krishna**  
**Sri. G.R.Manohara Reddy**  
**Sri. C.Babu Reddy**  
**Sri. S.Ravi**  
**Sri. K.Venu Babu**  
**Sri. Vineet Tibrewala**

#### Special Invitees

**Sri. P.Kamaleswara Rao, Director, ETDC**  
**Sri. N.E.Prasad, Director, CETE**

#### Immediate Past President

**Sri. A. Krishna Prasad**

#### Past Presidents & Permanent Invitees

**Sri.Ramesh Datla**  
**Sri R .Venkatraman**  
**Sri .K. Vijayakumar Gupta**  
**Sri. B. R. Rao**  
**Sri .K.R .Bhupatiraju**  
**Sri. M. B. S .Purushottam**  
**Sri. D .V .S. Raju**  
**Dr . S. S. R .L. Swamy**  
**Sri. R.N.Mittal**  
**Sri. M Madan Mohan**

#### Annual Subscription for the Year 2005-06:

Subscription Bills for the Year 2005-2006 have been sent to all the members. Kindly remit your subscription and arrears if any by way of crossed Cheque/ D.D. in favour of "Electronic Industries Association of A.P." on or before 30<sup>th</sup> April 2005.

#### Advertise in ELIAP News Letter:

ELIAP NEWS Letter will be published bi-monthly in multi colour. About 1000 Copies will be circulated to all the members of ELIAP, other Electronic Industries, Concern State and Central Government Officials. All Central Laboratories, PSU's, Engineering Colleges in the State and to reputed Magazines etc.

#### Sponsor's Page:

Sponsorer will be given a full page Advertisement and space for write-up of their organization, Sponsor's page Rs. 12,000/-

**Tariff:** Full page Advertisement Rs.6,000/-Half Page Rs.3,500/-

ELIAP requests all the members and industry associates to support and contribute to the ELIAP NEWS by sponsoring and advertising.

#### Subscribe for ELIAP News

**Subscribe ELIAP NEWS letter by sending Rs.200/- in the form of Cheque /DD in favour of "ELIAP" payable at Hyderabad per annum.**

#### Complied & Published By:

D.Venkata Rao Administrative Officer, on behalf of  
 M/s. Electronic Industries Association of A.P.  
 (Regd. No. 542/1971) IETE Building, O.U.Campus,  
 Hyderabad - 500 007. A.P.  
 Ph: 040-27-098390, Fax: 040-27090391  
 E-mail:hyd2\_eliap@sancharnet.in



### ELIAP EGM:

The Extraordinary General Meeting of the Association will be held on Monday the 11<sup>th</sup> April 2005 at 6.00 P.M. at IETE Conference Hall to transact the following agenda:

1. Welcome address by the President
2. To amend By-laws of the Association as Circulated
3. To ratify the appointment of the Additional Vice-President
4. To discuss any other point with the permission of the Chair
5. Vote of Thanks

You are therefore, requested to kindly make it convenient to attend the Meeting at 6.00 P.M. on Monday, 11<sup>th</sup> April 2005.

### Awareness Programme on VAT:

You are well aware that VAT has come in to force from 1<sup>st</sup> April 2005. Our State Government has already classified the Electronic items under schedule IV as IT products and Taxing @4% , for which they have Listed out some Electronic products. And the VAT Bill 2005 was also Passed by the Hon'ble Legislature Assembly and it was effected

In this back ground and to give more clarity on VAT, ELIAP is organizing an awareness program on 11<sup>th</sup> April 2005 at IETE Conference Hall at 6.30 P.M after the EGM Shri. A. Mohd. Imtiaz, Asst. Commissioner (VAT), Commercial Taxes Department and other experts on the subject will be making their presentations in this meeting.

All the members are requested to attend this program along with their respective officers to derive the benefit of the program.

### ELASIA - 2005:

The ELASIA - 2005 a leading International Industrial Exhibition and Conference is being held from 22<sup>nd</sup> - 29<sup>th</sup> August 2005 at Bangalore.

The main focus will be on the following:

- Industrial Electronics
- Electrical Engineering
- Transmission, Distribution & Power
- Switchgear & Protection
- Instrumentation & Control
- Lighting & Accessories
- Industrial Automation / Telecommunication etc.
- Microprocessor/Digital/UPS/ Scientific Instruments etc.
- Measuring Instruments

Since ELIAP is a Supporting Association to this event attractive package is being offered to ELIAP members. Interested members may avail this opportunity . For details contact ELIAP Office before 31<sup>st</sup> May 2005.

### ELCOMP India 2005

ELCINA, the oldest and largest Association to promote India's electronic component and IT / Hardware sector and Exhibitions India are organizing ELCOMP India 2005 International Exhibition and Conference to be held at Pragati Maidan, New Delhi during 8-10 September 2005.

- |                          |                            |
|--------------------------|----------------------------|
| ■ Electronic Components  | ■ Materials, accessories   |
| ■ Optoelectronics        | ■ Semiconductors           |
| ■ Printed Circuit boards | ■ Electronic Manufacturing |
| ■ Power electronics      | ■ Electronics packaging    |

- |   |                                       |
|---|---------------------------------------|
| ■ Microprocessors   | ■ Electronic design tools and systems |
| ■ ICs   | ■ Test and assemblies                 |
| ■ Capital equipment   | ■ Moulds                              |
| ■ Tools & dies  | ■ Wires, Cables, Connectors           |
| ■ Service providers to electronics hardware such as certification of quality, life, safety environment management etc., |                                       |

Since ELIAP is a Supporting Association to this event attractive package is being offered to ELIAP members, Interested members may avail this opportunity . For details contact ELIAP Office before 30<sup>th</sup> June 2005.

### Featured Companies

#### Astra Microwave Products Ltd.

Manufacturers of Microwave Components & Sub Systems for telecommunications, Satcom, Defence & Space Applications.

##### For Details:

Email : [info@astramp.com](mailto:info@astramp.com)

Website : [www.astramp.com](http://www.astramp.com)

#### Andhra Electronics Pvt. Ltd.

Manufacturers of Quartz Crystals, Crystal Clock Oscillators, TCXO, OCXO, VCXO.

##### For Details:

Email : [info@andhraelec.com](mailto:info@andhraelec.com)

Website : [www.andhraelec.com](http://www.andhraelec.com)

#### Ananth Technologies Ltd.

Participating in the Aero Space Programmes of the country namely Satellite Programme, Launch Vehicle programme, Missile Programme, Aircraft Programme and indigenous programme of AirForce, Govt of India. Receipt of IETE, SIATI & BHASKARA(ISRO) awards.

##### For Details:

Email : [mail@ananthtech.com](mailto:mail@ananthtech.com)

Website : [www.ananthtech.com](http://www.ananthtech.com)

#### Aishwarya Telecom Pvt Ltd.

Manufacturers of Optical Fibre Test Equipments like OTDR, Power Meter, Laser Sources, Variable Attenuators, Variable Fault Locators, Talk sets, Electronic Markers, Cable Fault locators for Copper Cables, Data Testers etc.

##### For Details:

Email : [aishwarya@aishwaryatelecom.com](mailto:aishwarya@aishwaryatelecom.com)

Website : [www.aishwaryatelecom.com](http://www.aishwaryatelecom.com)

#### CB Enterprices

CB is established in 1980. Manufacturing High Quality single sided PCB's.

##### For Details:

Email : [cb\\_pcb@yahoo.co.in](mailto:cb_pcb@yahoo.co.in)

Tel : 040-23731315,55162947

#### Electronic Components & Devices

Manufacturers of Electro Magnetic Relays from 1Amp to 45 Amp for various applications.

##### For Details:

Tel : 040-27754694

Mobile : 98480-28892



### IETE Vijayawada organised a National Level Student technical Paper Contest



Mr. L. Satyanarayana, President ELIAP receiving a memento

IETE Vijayawada Center Organized Intelligent - 2005 a National Level Student Technical Paper Contest. on 27.2.05 at IETE Vijayawada. Mr. L.Satyanarayana, President ELIAP had attended this Programme as a Chief Guest.

### A National Level Technical Symposium



Mr. L. Satyanarayana, President ELIAP releasing the SYNAPSE'05 souvenir

Electronics & Communications Engineering Association and Chaitanya Bharathi Institute of Technology, Gandipet have Jointly Organized SYNAPSE'05 A National Level Technical Symposium as part of their Silver Jubilee Celebrations on 11<sup>th</sup> & 12<sup>th</sup> March 2005 at CBIT, Gandipet, Hyderabad.

Mr. L. Satyanarayana, President ELIAP was present for the Valedictory function as a Chief Guest and delivered the key note address and released the souvenir. Mr. R.Venkatramna, Past President ELIAP was present as a Chief Guest to the Inaugural function.

### ELIAP Participated in Componex 2005



ELIAP has participated in "Componex / Electronic India 2005", the 10<sup>th</sup> International Conference and Exhibition of Electronic Components, Materials and Production Equipment, held at Bangalore, during 1<sup>st</sup> - 4<sup>th</sup> February 2005 at Pragathi Maidan, New Delhi. **Electronics Today**, India's oldest techno-economics electronics monthly journal, and **Messe Munchen International (MMI)**, Germany have Organized this Exhibition

**Componex/electronic India** has emerged as the most effective Business Forum for Electronic Hardware Industries in South Asia, **SAARC** (South Asian Association of Regional Co- operation), and neighboring countries. Componex has received overwhelming response from world over, participants from Mainland China, Taiwan, Hong Kong and Germany. Along with ELIAP many Associations like TEEMA- CLIK - Consortium of Electronic Industries of Karnataka etc., have supported this event.

ELIAP has taken 18 Sq. Meters Stall and accommodated M/s. **ELICO Ltd.**, M/s. **Variturn Electro Products (P) Ltd.**, M/s. Cal-on Instruments, M/s. **Sulakshna Circuits Ltd.**, M/s. **Ramnish Electronics Pvt. Ltd.**, and M/s. **Analogic Controls India Ltd.**, have participated to get the benefits of this Prestigious International Exhibition on participation base. During the exhibition there were many enquiries, Visitors have shown keen interest on the Exhibited products. During the exhibition ELIAP Brochures were distributed to the visitors. Nearly 200 CEO's have visited Our Stall.

### Agenda

- Enrolment of New Members
- Hardwar Park / SEZ
- Enlistment of consultants on various matters like Sales Tax, Excise etc.
- Policy for revival of Sick Industries
- Formation of Electronic Clusters in the State
- Various training programs through NSIC/ Govt. Institute of Electronics

## Union Budget 05-06 - Overview

### Customs Tariff (CT) & Excise Duty (ED) Highlights

#### Electronics & IT Hardware

- Peak rate of customs tariff reduced from 20% to 15% to align with other Asian economies
- All 217 ITA-1 items now fully exempt from Customs duty (Customs Nof 24/2005 and 25/2005)
- Proposed Additional Customs Duty of 4% on ITA bound items and on specified inputs used for manufacture of electronics / IT items subject to zero customs duty. Manufacturers can take credit for this against payment of Excise Duty.
- All goods imported as inputs for manufacture of ITA bound items exempt from Customs Duty subject to set out procedure under customs rules 1996
- Customs duty on primary and secondary metals such as stainless steel, aluminium, copper, zinc, tungsten, titanium and other base metals reduced from 15% to 10%.
- Customs duty on Lead reduced from 15 to 5% and on articles of lead from 20 to 10%.
- Customs duty on basic plastics and catalysts reduced to 10%
- Duty to be exempted on specified Capital Goods required for manufacture of ITA-1 bound items (Customs Nof 23/2005)
- A number of items which were under List 26 of serial number 244 under Nof. No. 21/2002 have been exempted from customs duty, however a number of items (relating to consumer electronics) have been shifted to a new list ( list 26A) and maintained at 10% duty under SI No. 244A under Nof 21/2002 (For details please see Customs Nof. 11/2005)

#### Telecom

- Parts, components and accessories of Mobile phones have been exempted from Customs duty
- Customs duty reduced from 20 to 10% on optical fibres/bundles and optical fibre cables of heading 9001
- Customs duty exemption on specified Telecom Network equipment & parts available to telecom service providers extended from March 2005 onwards without any limit

#### Computer Hardware

- Duty elimination as per ITA agreement. However, Computers and all inputs will be subject to the proposed 4% Additional Customs duty as applicable to all ITA bound items.

#### Excise Duty

- Excise duty raised on iron & steel of Chapter 72 raised from 12 to 16%

#### Notification No. 24/ 2005 Cus Dt: 1.3.2005

Zero Customs Duty for the following Chapter No.'s of the Electronic Hardware Items :

3818, 8456 91 00, 8469 11 00, 8470, 8471, 8473 21 00, 8473 29 00, 8473 30, 8473 50.00, 8417, 8520 20 00, 8523, 8523 30 00, 8524 31 19, 8524 31 90, 8524 40 19, 8524 91 19, 8524 91 90, 8525 20, 8531 20 00, 8532, 8533, 8534 00 00, 8541, 8542, 8543 11 00, 8543 81 00, 8544 70, 9009 11 00, 9009 21 00, 9009 91 00, 9009 92 00, 9009 93 00, 9009 99 00, 9010 41 00, 9010 42 00, 9010 49 00, 9013 80 10, 9013 90 10, 9026, 9027 00, 9027 30, 9027 50, 9027 80, 9030 40 00, 9030 82 00, 9031 41 00.

#### Notification No. 25 / 2005 Cus. Dt. 1.3.2005: Zero Duty Items:

8472 90, 8473 10 00, 8504 40, 8504 50, 8504 90, 8518 10 00, 8518 29 00, 8518 30 00, 8518 90 00, 8522 90 00, 8525 10, 8525 40 00, 8527 90, 8529 90 90, 8531 80 00, 8531 90 00, 8536 50, 8536 50, 8536 69, 8536 90, 8538 90 00, 8543 89, 8543 90 00, 8544 41, 8544 49, 8544 51, 9017 10 00, 9517 20, 9017 90 00, 9027 90.

## Export of Electronics Hardware

During the Year 2003 - 2004 Vs 2002 - 2003

estimated contribution of Sates / Union Territories

Region	States/ Union Territories	2002 - 2003		2003 - 2004	
		Rs. Cr.	US\$ Min.	Rs. Cr.	US\$ Min.
EAST	West Bengal	94.20	19.46	105.00	22.83
	Orissa	1.42	0.29	0.00	0.00
	Bihar		0.00	1.00	0.22
	<b>Regional Total</b>	<b>95.62</b>	<b>19.76</b>	<b>106.00</b>	<b>23.04</b>
North	Haryana	53.49	206.74	143.00	31.09
	Uttar Pradesh	1000.62	103.31	1915.00	416.30
	Delhi	500.00	11.05	600.00	130.43
	Punjab	4.65	0.32	0.75	0.16
	Rajasthan	37.66	0.96	75.00	16.30
	Madhya Pradesh	1.56	7.78	1.23	0.27
	Chandigarh	0.44	1.11	0.00	0.00
	Himachal Pradesh	5.37	0.17	6.00	1.30
	Uttaranchal	0.84	0.09	0.00	0.00
Jammu & Kashmir		0.00	0.00	0.00	
<b>Regional Total</b>	<b>1604.63</b>	<b>331.54</b>	<b>2740.98</b>	<b>595.87</b>	
South	Karnataka	1980.27	409.15	1998.00	434.35
	Tamil Nadu	395.65	81.75	155.00	33.70
	Andhra Pradesh	15.34	3.17	45.00	9.78
	Kerala	33.16	6.85	180.00	39.13
	Pondicherry	0.01		0.00	0.00
<b>Regional Total</b>	<b>2424.43</b>	<b>500.91</b>	<b>2378.00</b>	<b>516.96</b>	
West	Maharashtra	1300.00	268.60	2355.00	511.96
	Gujarat	173.98	35.95	120.00	26.09
	Goa	1.34	0.28	0.02	0.00
	<b>Regional Total</b>	<b>1475.32</b>	<b>304.82</b>	<b>2475.02</b>	<b>538.05</b>
	<b>Total</b>	<b>5600.00</b>	<b>1157.02</b>	<b>7700.00</b>	<b>1673.91</b>

\*Source: ESC Statistical year book 2004

## Segment Wise Exports

Segment	Rs . Cr. ( US\$Min)		Growth %
	2002-2003	2003-2004	
Electronic Components	2400 (496)	3755 (816)	56 ( 65)
Consumer Electronics	750 (155)	825 (179)	10 (15.74)
Telecom Equipment's & Cables	500 (103)	165 (36)	-67 (-65)
Electronic Instruments	1400 (289)	1515 (329)	8.4 (13.86)
Computer Hardware	550 (114)	1440 (313)	162 (178.48)
<b>Total</b>	<b>5600 (1157)</b>	<b>7700 (1674)</b>	<b>37.50 (44.67)</b>

\*Source: ESC Statistical year book 2004

## Scheme for Rating of Small Scale Industries

National Small Scale Industries Corporation Ltd, (NSIC) is acting as a nodal agency for implementing the scheme for Performance and Credit Rating for Small Scale Industry. The rating will serve as a trusted third party opinion on SSI's competence and will have good acceptance from Banks, Financial Institutions. SSI Customers & Buyers .SSI will be able to secure credit from banks & Financial Institutions with competitive and low interest rates. This scheme has the approval of the Government of India. There are several rating agencies like CRISL, ICRA, DUN & BRADSTREET and ONCRA CARE, FITCH Ratings etc. Reimbursement schemes are available with NSIC. For more details please contact ELIAP office or NSIC.

## Salient features of New ICT Policy 2005-2010

(applicable to Hardware Industry)

- Smart cards to be introduced for use in many applications such as banking, retail payments, vehicle registration, internet payments, citizen ID, e-Governances, ration cards, pensions, driving license, health records etc. Complete history of citizen life cycle.
- Incentives available automatically.
  - Exemption from the purview of statutory power cuts.
  - Exemption from inspections, Labour Laws, self-certification permitted.
  - General permission for three shift operation with women working in the night.
  - Non-hazardous hardware manufacturing declared as essential service.
- Infrastructure:
  - Allotment of Government land to the IT industry through APIIC with powers to provide all State Government clearances. The incentives proposed are:
    - Power: IT Industry shall be classified as industrial units with Industrial power tariff.
    - Stamp Duty : 100% reimbursement of stamp duty.
  - Hardware Industry:
    - Facility for development of Nano Technology Park near Hardware Park in Hyderabad.
    - Encourage semi conductor manufacturing.
    - Hardware park near the proposed International Airport would be declared as SEZ.
    - Land would be earmarked for SMES in the Hardware Park and will be developed as Hardware Manufacturing Cluster Park (HMCP) in SEZ.
    - Multiple Hardware Manufacturing Cluster Parks (HMCP) would be developed in the State for development of Hardware Industry.
    - All incentives for IT / ITES industry would be applicable to the Hardware Industry.

## State unveils new Industrial Policy

Salient features of the new policy announced by the A.P.Government on 01.04.05

- Applicable to new industrial units as well as for substantial expansion / diversification of existing units till 2010 located outside Hyderabad / Vijayawada / Vizag.
- 100% reimbursement of stamp and transfer duty.
- 25% reimbursement of the cost of land purchased in APIIC Estates.
- Reimbursement of power cost at 75p per unit for 2005-06 with suitable adjustment for subsequent years.
- Infrastructure assistance to stand alone units upto 50% cost with a ceiling of Rs.1 crore.

- 15% investment subsidy on fixed capital upto a maximum of Rs.15 lakhs to SSI units.
- 5% additional investment subsidy to women entrepreneurs upto a maximum of Rs.5 lakhs.
- 3% interest subsidy on term loan to SSI & Tiny industries.
- 25% grant on Sales Tax paid adjustable in subsequent year.
- 50% refund of ISO certifications expenses.
- 25% subsidy on investment for environment protection.

## ELIAP Welcomes New Members

Name & Address	Chief Executive	Products
<b>Ram Engineering &amp; Controls</b> G-1, G-2, Opp. ZPH School, Malkajigiri, Hyderabad-47 Ph: 27064054 Fax: 27061048 email: ramengineering@yahoo.com	<b>N.V. Raman Prasad</b>	<b>UPS, Inverters and Chargers</b>
<b>AEC Electronics</b> 2-1-555/1/1, Nallakunta Hyderabad - 44 Ph: 27667938	<b>M. Nageswara Rao</b>	<b>Transformers, UPS &amp; Servo products</b>

## Salient Features of VAT as applicable to Manufacturers / Dealers

- 4% category under IT list is as per Finance Ministry's circular. However, HSN code is given first followed by description.
- Discretion to States for primary products only.
- 91 items of industrial inputs are under 4% category (earlier 278 items). Any item missed should have no effect since full in put credit will be available.
- Branch transfer will get input credit after deducting 4%.
- All other sales (except exempted goods) will get full input credit immediately eg. Local Sales, Exports, CST Sale & Capital Goods etc (except negative list like automobiles, civil works etc.) without going into details of relationship. Entry Tax is also rebatable.
- Under Rule 20, stocks as on 01.04.05 (procured within one year) including w.i.p, consumables, packing materials will be eligible for full credit (in case of direct purchases, otherwise 90% value) even if they have suffered higher tax rate under APGST Act.
- Manufacturers are also given choice to opt for turn over tax (0.25 to 1.0%) if the turnover is between Rs.10 to 40 lakhs and total transactions are within the State or go for VAT.
- TIN number is must for VAT dealer while buying inputs (Tax invoice is on demand by the buyer) to prevent misuse.
- Separate serials to be maintained for tax and non-tax invoices. Even Central Excise gate pass cum invoice is acceptable if S.No. & TIN number is stamped.
- CST registration number removed.
- INPUT credit given on a monthly basis.
- No. separate annual returns.
- Self assessment unless picked up for audit (less than 25% cases) with prior intimation.
- Refund of excess credit before March 2007.