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## VALUE ADDED TAX (VAT) A GREAT ECONOMIC REFORM - BEING POLITICALLY DERAILED?



**Vinod Jain\***

Value Added Tax (VAT) which was proposed to be implemented to replace existing Sales Tax in all the States is a great economic reform as it proposes to work similar to CENVAT in excise law and impose progressive tax at various stages of trade and commerce by taxing only value added at every stage.

VAT would clearly require that against sales tax (VAT) payable on sales by a dealer or business entity, a corresponding credit is allowed equal to sales tax (VAT) paid on purchases of all inputs. The primary objective of the proposed system is to:

1. Remove cascading effect of multiple taxes at multiple levels.
2. To replace sales tax, entry tax, octroi, electricity duty, luxury tax and other small state level taxes and impose VAT in their place. This tax (VAT) is to be vatable at all levels like CENVAT / MODVAT.
3. To bring into fold unrecorded sales into the net of taxation.
4. To remove burden of Sales Tax form collection.
5. To make export more competitive.
6. Significant increase in inter-state trade.

There is a great opposition which has been developed across the country against VAT legislation without adequate debate, preparation and understanding of the subject matter at the level of Government (Central as well as States), legislature, trade and commerce as well as implementing machinery.

**It may not be appropriate to sidetrack the opposition of VAT as politically motivated or a publicity of tax evaders.**

In fact there are such a large number of issues, which are yet to be resolved to the satisfaction of all concerned that this law cannot be implemented unless these are addressed. **A brief list of some of such important issues is as follows:**

1. The uniform tax rate of 12.5% applicable to all important large volume items is too high for those States where existing average tax rate is 4% to 6%.
2. A clear description of this law is necessary as **Sales tax, VAT or State VAT** with a clear declaration that it will replace sales tax and specified other taxes.
3. Since this tax is "Consumption based tax" and is ultimately recovered from final consumer why a uniform tax rate is mandatory in all states considering that states should be free to levy a lower or higher tax on their consumers. A federal system of government.



presents

### FINANCE 2003 - CHALLENGES & OPPORTUNITIES

**A Conference for Emerging Finance Leader**

at New Delhi on May 24, 2003

(for details please see page no.8)

ECONOMICTIMES.COM

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Tuesday, 22nd April 2003, Delhi  
Friday, 25th April 2003, Mumbai

(for conference program and registration form please see page no.4 & 5)

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\*Mr. Vinod Jain, FCA, Member Central Council, ICAI and Convenor, National Economic Forum (NEF).

## LATEST IN FINANCE

### 1.0 8% SAVINGS (TAXABLE) BONDS, 2003

Government of India has recently announced the launch of 8% Savings (Taxable) Bonds, 2003 commencing from 21st April 2003 to enable resident citizens/charitable institutions/universities to invest in a **taxable bond**, without any **monetary ceiling**. The main features of the Bonds are:

#### i) Who can invest

The Bonds are open to investment by individuals (including Joint Holdings) and Hindu Undivided Families/charitable institutions/universities. NRIs are not eligible for making investments in these Bonds.

#### ii) Issue Price

The Bonds will be issued at par i.e. at Rs.100.00 per cent. The Bonds will be issued for a minimum amount of Rs. 1000/- (face value) and in multiples thereof. Accordingly, the issue price, will be Rs.1000/- for every Rs.1,000/- (Nominal). The Bonds will be issued in demat form (Bond Ledger Account) only.

#### iii) Limit of investment

There will be no maximum limit for investment in the Bonds.

#### iv) Tax treatment

- **Income-tax:** Interest on the Bonds will be taxable.
- **Wealth tax:** The Bonds will be exempt from Wealth-tax.

#### v) Maturity and rate of interest

The Bonds will have a maturity of **6 years** carrying interest at **8%** per annum payable half-yearly. The cumulative value of Rs.1000 at the end of six years will be **Rs.1601/-**.

#### vi) Transferability

The Bonds are **not** transferable. The Bonds are **not** tradeable in the Secondary market and are **not** eligible as collateral for loans from banking institutions, non-banking financial companies or financial institutions.

### 2.0 SBI SLASHES GOLD DEPOSIT RATE TO 1.5%

In line with international trends, the State Bank of India (SBI) has slashed interest rate on gold deposits to 1.5 per cent from 3.5 to 4 per cent offered earlier. SBI, the only bank offering the scheme, is also finding it difficult to deploy the gold accepted in the form of deposits in the changing trade scenario.

### 3.0 SFCs CAN'T SELL MORTGAGED PROPERTY OF SICK UNITS

In a major setback to the state finance corporations (SFCs), the Supreme Court has erased their right to unilaterally sell mortgaged properties of a company under winding up proceedings without permission from the concerned Courts.

Earlier, taking shelter under Section 29 of the SFC Act, the corporation used to secure their credit by selling the mortgaged assets of a sick company without even approaching the high court during the pendency of winding up proceedings.

### 4.0 FOREIGN DIRECT INVESTMENT – LIMIT RAISED

The Cabinet approved the following Foreign Direct Investment (FDI) Limits:

#### (i) FDI in TV channels devoted to News and Current Affairs

For purposes of uplinking from India, a 26% cap on all form of foreign investment in TV channels devoted to news and current affairs.

#### (ii) FDI in banking companies

The Cabinet approved a proposal to amend the Banking Regulation Act (BRA) 1949 to allow 74% foreign direct investment (FDI) in banking companies from all sources under the automatic route. The proposed amendment would also give the shareholder voting rights proportionate to his equity holding.

#### (iii) FDI in Ground Handling

In relation to the policy on ground-handling at Indian airports, the government has decided to allow 49% FDI in this area. However, clearances for foreign investment in this area would be done on a case-to-case basis. While security screening would be mandatory, foreign investors have to form joint ventures with Airports Authority of India, Indian Airlines or Air-India to enter the segment which is estimated to generate business worth Rs.1,000 crore per annum.

### 5.0 SPECIAL ELECTRONIC FUNDS TRANSFER

The Reserve Bank of India, in conjunction with the banks, has embarked upon a Special Electronic Funds Transfer (SEFT) Scheme. The Scheme would enable safe, secure and quick transfer of funds electronically across branches of banks at many centres of the country. The Scheme would be introduced from April 1, 2003, with the settlement taking place at Mumbai for inter-bank funds transfers. The salient features of the Scheme are:

- The Scheme is designed to provide for same day inter-bank transfer of funds between accounts maintained in any of the participating branches under the Scheme.
- The Scheme covers branches of banks that are networked so that SEFT messages could be transmitted electronically and quickly.
- Inter-bank settlement under the SEFT Scheme will be done at Mumbai with the processing being done at the National Clearing Cell, Reserve Bank of India, Nariman Point, Mumbai.
- There will be three SEFT settlement cycles on weekdays (at 12:00 noon, 2:00 p.m. and 4:00 p.m.) and two settlements on Saturday (at 12:00 noon and 2:00 p.m.).
- Credit in respect of inward SEFT requests would be given to the beneficiary's account latest before the next settlement cycle.
- Any credits that cannot be afforded to the beneficiary's account would be returned during the next settlement cycle failing which the credits would be assumed to have been effected.
- The settlement cycles under the SEFT Scheme will be distinct from the existing EFT Scheme, which will continue to operate even after the introduction of the SEFT System.

The Scheme would facilitate timely settlement of pay-in and pay-out under the proposed T+2 based rolling settlement in securities at the Stock Exchanges.

(Source RBI Press Release : 2002-2003/1018)

## LATEST IN FINANCE

### 6.0 6.5% SAVINGS BOND, 2003 (NON-TAXABLE)

The Government of India, hereby notifies the issue of 6.5% Savings Bond, 2003 (Non-taxable) from 24th March 2003 until further notice. The important terms and conditions of the issue of the Bonds, shall be as follows:

#### i) Eligibility for Investment

The Bonds may be held by an individual, not being a Non-Resident Indian and a Hindu Undivided Family.

#### ii) Limit of Investment

There will be no maximum limit for investment in the Bonds.

#### iii) Tax concession

- **Income-tax :** Interest on the Bonds will be exempt from Income-tax under the Income-tax Act, 1961.
- **Wealth tax :** The Bonds will be exempt from Wealth-tax under the Wealth-tax Act, 1957.

#### iv) Transferability

The Bonds in the form of Bond Ledger Account and Stock Certificate shall not be transferable except by way of gift to a relative as defined in Section 6 of the Indian Companies Act, 1956, by execution of appropriate Transfer Form as prescribed.

#### v) Interest

The Bonds will bear interest at the rate of 6.5% per annum.

#### vi) Advances / Tradability against Bonds

The Bonds shall not be tradable in the secondary market and shall not be eligible as collateral for loans from banks, financial institutions and Non-Banking Financial Company (NBFC) etc.

#### vii) Repayment

- The Bonds shall be repayable on the expiration of 5 (five) years from the date of issue.
- **Provision for Premature Encashment -** After minimum lock in period of 3 years from the date of issue, an investor can surrender the bond any time after the 6th half year but redemption payment will be made on the following interest payment due date. Thus the effective date of premature encashment will be 1st July and 1st January every year. However, 50% of the interest due and payable for the last six months of the holding period will be recovered in such cases both in respect of cumulative and non-cumulative Bonds.

### 7.0 US-64 HOLDERS TO GET TAX OPTION ON BONDS

The Government has decided to offer two types of bonds, including an 8% taxable bond, to investors of US-64 who do not want to encash the units when it comes up for redemption this May.

Those investors who want cash at the time of redemption in May would receive Rs. 12 per unit for up to 5,000 units they hold. For holdings in excess of 5,000 units, the investors would be offered either Rs. 10/- unit or the next asset value, whichever is higher.

## AUDIT

### 1.0 GUIDELINES ON COMPLIANCE WITH ACCOUNTING STANDARDS (AS) BY BANKS

With a view to eliminating the gaps in compliance by banks with the Accounting Standard issued by ICAI, RBI has issued guidelines on compliance with following Accounting Standards by banks. The full text of the guidelines including "reasons for qualification" and "action to be taken by banks/auditors" are available at RBI website at [www.rbi.org.in](http://www.rbi.org.in):

- AS 5 – Net Profit or Loss for the period, prior period items and changes in Accounting policies.
- AS 9 – Revenue Recognition
- AS 15 – Accounting for Retirement Benefits in the Financial Statements of Employers.
- AS 17 – Segment Reporting
- AS 18 – Related Party disclosures
- AS 22 – Accounting for Taxes on Income
- AS 23 – Accounting for Investments in Associates in Consolidated Financial Statements
- AS 25 – Interim Financial Reporting
- AS 27 - Financial Reporting of Interests in Joint Ventures

(Source: DBOD.No.BP. BC. 89 /21.04.018/2002-03 dated March 29, 2003)

### 2.0 CONCURRENT AUDIT MADE MANDATORY FOR ALL URBAN CO-OPERATIVE BANKS

The RBI has made concurrent audit mandatory for all urban co-operative banks with immediate effect. The system of concurrent audit until now, was applicable only to those urban co-operative banks (UCBs) whose deposit base was over Rs. 50 crores.

#### FORM IV (See Rule 8)

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I, Satish Chandra hereby declare that the particulars given above are true to the best of my knowledge and belief.

Sd/-

Satish Chandra (Publisher / Printer)


**INDIA  
FINANCIAL  
SUMMIT**

**NEW DELHI** - Tuesday, April 22, 2003 at Hotel Taj Palace, New Delhi

**MUMBAI** - Friday April 25, 2003 at Oberoi Towers, Mumbai

(Timings: 9.00 a.m. to 6:30 p.m.)

## CONFERENCE PROGRAMME

(Registration – 8:30 a.m. to 9:00 a.m.)

### INAUGURAL SESSION (9:00 a.m. to 9:45 a.m.)

**KEYNOTE ADDRESS - CHALLENGES & OPPORTUNITIES FOR INDIA INC.**

#### SESSION - I (9:45 a.m. to 11:00 a.m.)

##### INDIAN ECONOMIC GROWTH MODEL – THE PATH AHEAD

Liberalisation, globalisation and other major economic reforms have brought great opportunities coupled with challenges before Indian Economy like unemployment, poverty alleviation and revival of investment and growth of industry & agricultural sector. The Indian human resources need development of skill, entrepreneurship, quality and global competitiveness. Power and transportation infrastructure skill lacks the momentum. Structural changes in policies and processes along with a momentum push are required for accelerated sustained growth.

TEA BREAK – 11:00 a.m. to 11:15 a.m.

#### SESSION - II (11:15 a.m. to 12:30 p.m.)

##### WEALTH CREATION – LESSONS FROM CHINA & SOUTHEAST ASIA

What have China and other aggressive economies in Asia done that India hasn't? What Lessons are to be learnt to put the Indian economy on the road to richness?

#### SESSION - III (12:30 P.M. TO 1:45 P.M.)

##### CORPORATE INDIA GOES ABROAD

India Inc. has great opportunities with potential customers and competitive suppliers worldwide. Indian multinationals are taking shape by developing employees, business processes, finance and international strategic alliances. To explore potential areas of Industry and services where Indian expertise and advantages can be harnessed. India Inc. need to prepare it for international structuring, Mergers & Acquisitions, international financial & capital markets and knowledge of international trade, laws and taxation to enable them to meet the challenge and opportunities for sustained growth.

LUNCH BREAK – 1:45 P.M. TO 2:30 P.M.

#### SESSION - IV (2:30 p.m. to 3:45 p.m.)

##### CORPORATE GOVERNANCE – CORPORATE ETHICS AND BEST PRACTICES

This requires change in the mindset. Corporate Governance cannot be imposed by regulation or by law. This has to be achieved through openness, integrity and accountability by adopting best corporate ethics and practices. India Inc. to move forward...

TEA BREAK – 3:45 p.m. to 4:00 p.m.

#### SESSION - V (4:00 p.m. to 5:15 p.m.)

##### CAPITAL MARKET – REVIVAL AND SUSTAINED GROWTH

Challenges of revival of investors confidence, channelisation of funds for primary and secondary market, balancing of liberalised regulations and effective surveillance, making derivatives and other international products deliver, hedging risk, introduction of ALBM or Badla in a modified form for an effective and secure stock lending and margin trading mechanism and to achieve better P-E multiples with adequate liquidity and depth in the markets.

#### PANEL DISCUSSION (5:15 p.m. to 6:30 p.m.)

##### CHALLENGES BEFORE THE INDIAN CFOs

Creating and Enhancing Shareholders value in the challenging times? Strategic Cost Management, redefining business strategy, international benchmarking and institutionalizing worlds best practices and restoration of credibility of financial statements.

### THE CONCEPT

ECONOMICTIMES.COM, the online edition of The Economic Times, India's No. 1 and world's no. 2 financial daily, and CFO World, a forum of Chief Financial Officers from leading companies of corporate India promoted by AICAS (All India Chartered Accountants' Society) are jointly organizing India Financial Summit at New Delhi and Mumbai. The theme for the summit is Challenges & Opportunities for India Inc.

Globalization & liberalization have brought great opportunities and presented even greater challenges for India Inc. The new emerging frontiers are reshaping the thought processes in the boardrooms and compelling corporate India to manage the transformation.

India Financial Summit aims to deliberate and identify challenges and opportunities before CEOs, CFOs and other finance professionals in this liberalized global environment and WTO framework. Targeted at the decision makers of India Inc., the summit will have leading experts from diverse industries, businesses and polity sharing their views on identifying a vision for sustained growth and a blue-pint for the path ahead.

### SPEAKERS

- Arun Jaitley, Union Minister of Commerce & Industry
- Jairam Ramesh, Secretary, Economic Affairs, Indian National Congress
- Dr. Jagdish Shettigar, Member, Prime Minister's Economic Advisory Council
- Subir Raha, CMD, ONGC
- Onkar S. Kanwar, CMD, Apollo Tyres Ltd.
- Anand Mahindra, MD, Mahindra & Mahindra
- Alex von Behr, CEO, Coca Cola
- Vikram Singh Mehta, Chairman, Shell India
- Rajiv Kaul, MD, Microsoft India
- Tejinder Khanna, Chairman, Ranbaxy
- D. P. Roy, Chairman, SBI Capital Markets
- P. K. Choudhury, MD, ICRA
- Pramod Saxena, Country Head, Motorola India
- R. K. Pachauri, Director General, TERI
- Uday Kotak, Kotak Mahindra
- Kiran Karnik, President, NASSCOM
- Arun Duggal, CFO, HCL Technologies
- Akhil Gupta, CFO, Bharti Cellular Ltd.
- Abhinandan Chatterjee, Director - Finance & IT, Glaxo Smithkline
- R. V. Joshi, MD, Securities Trading Corporation of India
- Ravi Sud, VP Finance, Hero Honda Motors

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- Rs. 6,500/- per delegate
- **Early Bird Registration** : Rs. 5,000/- per delegate
- **Group Registration** : Rs. 4,000/- (for 3 & above delegates)
- **CFO World members** (Special price) : Rs. 4,000/- per member

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#### Registration Policy

- For Seminar registration, payment MUST accompany the registration form.
- Confirmation of registrations will be subject to availability and timely receipt of payment.
- The registration is transferable but not refundable
- All unpaid registrations need to pay at the Seminar venue
- All cancellations are liable to lose the entire fee

## EXIM-FEMA

### 1.0 HIGHLIGHTS OF EXIM POLICY 2002-07

- Duty-free import facility for service sector including Chartered Accountants having a minimum Foreign Exchange earnings of Rs. 10 lacs.
- Venture capitalists to get tax breaks for funding entertainment projects
- 10 High-potential clusters to be reinvigorated
- EPCG rationalised, export obligation to be 8 times duty saved
- EOUs need to be just net positive forex earners
- Annual advance licence for status-holders
- Duty-free entitlement for fast growing export houses
- Farm inputs costs to be factored in for DEPB
- DTA sales by SEZs to be treated as exports
- Fiscal package for offshore banking units in SEZs
- Legal services, wholesale trade on negative list
- Boost to healthcare, entertainment, professional services & tourism
- Corporate to sponsor agri-export zones
- Special focus on textiles, auto spares, gems & Jewellery, drugs, hardware as potential high growth sectors
- Codification of SEZ rules to facilitate investment
- Priority to EDI to cut transaction costs

### 2.0 LIBERALIZATION IN BOOKING OF FORWARD CONTRACTS

Presently, resident entities are allowed to book forward contracts up to the extent of average of past three years export/import turnover without production of documents, subject to the condition that at any point of time, the outstanding forward contracts shall not exceed 25 per cent of the eligible limit, subject to a cap of USD 100 million.

To enable large corporates with proven track record to effectively and actively manage their risks arising out of genuine exposures relating to export/import transactions and in response to representations received in this regard, it has been decided to allow higher limits on application by corporates, in excess of USD 100 million, for booking forward contracts based on past performance for hedging purposes on "deliverable" basis.

Those entities, desirous of availing of higher limit may apply through their authorised dealer, justifying therein the need for the higher limit, to the Chief General Manager, Reserve Bank of India, Exchange Control Department, Forex Market Division, Central Office, Mumbai 400 001 (Fax 2261 1427. E mail: ecdcofmd@rbi.org.in). The application should inter alia contain details of past three years turnover, delayed realizations/payments and the limits fixed for booking forward contracts based on past performance. This facility will be available until further notice.

(Source : RBI Press Release : 2002-03/1027)

## COMPANY LAW

### 1.0 SIMPLIFICATION OF PROCEDURE FOR REMOVAL OF NAME OF DEFUNCT COMPANIES.

The Department has decided to introduce a Simplified Exit Scheme (SES), simplifying the procedures to be adopted by companies as well as ROCs in striking off the name of defunct companies, with in-built safeguards to ensure that unscrupulous promoters/directors/managers do not escape their liabilities.

There should be an incentive for the companies to exit, and a penalty for continuing to remain on the register without complying with the provisions of the Act. It is, therefore, proposed that companies which actually exit may not be prosecuted. If there are any pending prosecutions for non-filing of Annual Return and Balance Sheet, can be withdrawn. However, if there are other offences, prosecutions can only be withdrawn with the prior permission of the Department. On the other hand, such companies that continue to remain registered without complying with the provisions of the Act will be prosecuted vigorously.

Details about format of application; affidavit and indemnity bond etc. has been given in the General Circular No: 13/2003 dated 25.3.2003 issued by Department. The scheme will be in operation upto 31.12.2003 from the date of issue of circular.

(Source : F.No. 17/78/2001-C.L. dated March 29, 2003)

### 2.0 ESTABLISHMENT OF NCLT

The Companies (Second Amendment) Act, 2002 received the assent of the President of India on 13.1.2003. Government has decided to bring into force the provisions of section 2 and 6 of the Companies (Second Amendment) Act, 2002 with effect from 1.4.2003. Notification has been published in the Official Gazette dated 31st March, 2003 as S.O. 344 (E). This has been notified to enable the Government to initiate necessary steps to establish National Company Law Tribunal and make it operational.

For the sake of clarity it is stated that this Notification bringing into effect section 6 of the Companies (Second Amendment) Act, 2002 will only set in motion all preliminary steps required for establishment of National Company Law Tribunal. Upon establishment of the same a separate Notification regarding constitution of NCLT will be issued. Till such time jurisdiction of Company Law Board will continue to remain unchanged.

(Source : PRESS NOTE NO: 2/2003 dated April 4, 2003)

## CAPITAL MARKET

### 1.0 SEBI RENAMES ADVANCE RULING SYSTEM TO SKIP LEGAL TANGLE

To overcome legal hurdles, the Securities and Exchange Board of India (SEBI) is planning to introduce its fee-based service of advance ruling in the new avtaar of 'no action letter'. The system will be identical to the earlier version, but will differ only in name.

## VALUE ADDED TAX .....

4. C.S.T. will be reduced to 0% in three years phasing process. Why not to allow credit of Central sales tax as VAT.
5. A clear mandate is necessary that states will not impose entry tax, transit tax and other similar taxes over and above VAT during this period.
6. Sales tax Exempted Zones are proposed to be converted to VAT deferred tax Zones, which is clearly against sovereign commitment at the time of setting up of units. This can be only prospective. Why this is proposed to be retrospective.
7. Uniformity of VAT legislation across India- How it will be ensured on long term basis.
8. How will the State government restrict fake credit of VAT on fake bills.
9. Why not to merge state Vat and Central Vat at a specified stage.
10. Whether service tax will also be vatable with state VAT or CENVAT.
11. **CASH FLOW ISSUE:** A very serious cash flow issue arises in the following cases:

- a. When a manufacturer or trader buy mainly locally and sell interstate.
- b. When an exporter buys locally.
- c. On goods which are already tax paid at the time of VAT implementation. In some cases proof of payment of tax itself would be a difficult issue. Proposal to restrict tax credit to only tax paid goods purchased during last 6 months/ 12 months is not acceptable to trade and commerce.

In all the above cases VAT paid / Sales Tax paid is to be claimed as refund. Major issues are:

- a. Some States like M.P. want to refund Sales Tax on existing goods in stock over up to 5 years.
- b. Some States want to refund VAT paid locally after 12 months.
- c. Even other States want to refund VAT after 2 months to 3 months.

This would create serious cash flow issues besides **breeding corruption at the time of refund.**

12. Why Government proposes to impose 3% per month interest on late deposit of VAT when they wish to credit +1% per month in refund.
13. The formula for tax credit is very complex in case of mixed goods from import, local and central purchases.
14. There could be major disadvantage in case of branch transfer in the proposed system, while claiming Vat refund.
15. VAT refund should be allowed even when trade discount is allowed later and not at the time of raising of invoices only.
16. If original VAT paid invoice is lost, there should be a simple procedure to claim credit.
17. How the credit for the tax paid on existing goods will be allowed and how to present payment of tax proof when goods have passed various stages as tax paid. Why only 50% or 75% adhoc tax refund is planned in case of tax paid goods. Why not to allow tax free sale of existing tax paid goods.
18. Why no VAT is proposed to be imposed on an importer as soon as he sells locally. How will Govt. track such goods being sold against cash payment and unbilled.

19. When CST would be NIL an importer of goods from other Indian states could also sell unbilled against cash payment in the absence of any tracking. How will government replace "C" form or "E" form in such cases.
20. **Why criminal prosecution is proposed for various defaults in place of civil penalties. The government should ensure only civil liabilities arising out of non compliance.**
21. Why the government proposes to make VAT law draconian with hefty penalties and prosecutions.
22. Why commission or VAT orders are to be treated as final and non appealable. Will it not breed corruption and bureaucracy.
23. Why not to permit at least 4 levels of VAT rates for different kinds of goods? It is not appropriate to make only 2 classifications.
24. The Government should permit vatability across differential VAT rates goods.
25. The Government should not insist on fresh registration in VAT and existing registration under local sales tax law should be treated as VAT registration.

There are several such issues, which clearly outline the concern of various sections of trade and commerce. The drafting of VAT legislation has been copied from other countries by international consultants hired by various states. These laws are far away from India realities and require a close examination by a high powered committee where interest of trade and commerce are represented and all present and future issues are resolved.

**The Government has rightly recommended VAT audit by Chartered Accountants for 40 lacs plus turnover. This should be utilised to reduce inspector raj and scrutiny by tax department.**



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Presents

## FINANCE 2003 - CHALLENGES & OPPORTUNITIES

A Conference for Emerging Finance Leader

DATE: Saturday, May 24, 2003  
TIME: 9.00 a.m. to 6.00 p.m.

VENUE:  
Hotel Le Meridien, New Delhi

### CONFERENCE PROGRAMME

(Registration & Tea - 8.30 a.m. to 9:00 a.m.)

#### INAUGURAL SESSION (9:00 to 9.30 a.m.)

KEY NOTE ADDRESS ON "BUSINESS ETHICS - A KEY TO SUCCESS"

#### TECHNICAL SESSION - I (9:30 a.m. to 11.00 a.m.)

Emerging Opportunities For Finance Professionals :

- In Industry
- In Practice as /or Business Advisors

TEA BREAK 11:00 a.m. to 11.15 a.m.

#### MERGERS & ACQUISITIONS - Practical Aspect

#### TECHNICAL SESSION - II (11.15 a.m. to 12.45 p.m.)

Mergers & Acquisitions :

- Business Strategy
- Due Diligence & other Practical Aspects

#### TECHNICAL SESSION - III (12.45 p.m. to 2.00 p.m.)

Mergers & Acquisitions :

- Taxation Aspects
- Legal Aspects

LUNCH BREAK 2.00 p.m. to 2.45 p.m.

#### RESOURCE MOBILISATION - Latest Trends

#### TECHNICAL SESSION - IV (2.45 p.m. to 4.00 p.m.)

Domestic Resources :

- Financial Institutions & Banks (including structured and other latest products).
- Equity, short term, medium term & long term debt instruments including venture capital funding, private placement & public issues.

TEA BREAK 4.00 p.m. to 4.15 p.m.

#### TECHNICAL SESSION - V (4.15 p.m. to 6.00 p.m.)

International Resource Raising :

- ECB and other short term & medium term debts
- ADR, GDR and foreign listing

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Darya Ganj, New Delhi - 110 002



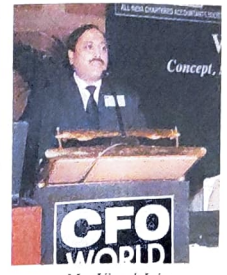
## CFO WORLD MEETING "VALUE ADDED TAX (VAT)" Concept, Methodology & Implementation Issues



Mrs. Bhavna Doshi,  
Partner  
Bharat S. Raut & Co.



Mr. Abhay Tripathi,  
Director (Sales Tax), Deptt. of  
Revenue, Ministry of Finance.



Mr. Vinod Jain  
Chairman, INMACS  
Management Services Ltd.



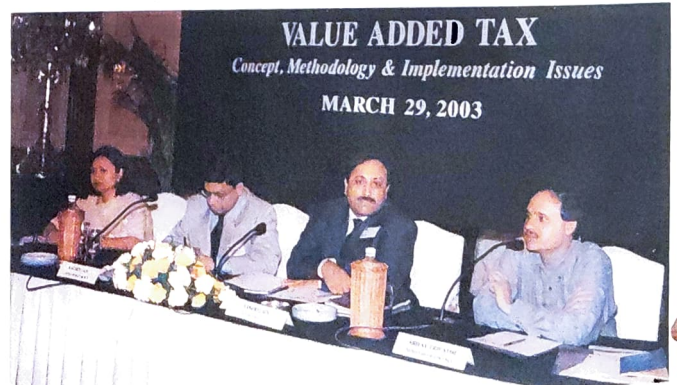
Mr. Naveen Jain  
Corporate Dir. - Operational Controls  
The Oberoi Group



Mr. Ravi Gupta  
Senior General Manager  
Bhartiya International Ltd.



Mr. Shailen Gupta  
Financial Controller (India)  
Expeditors International (I) Pvt. Ltd.



(L-R): Mrs. Bhavna Doshi, Partner, Bharat S. Raut & Co.; Mr. Naveen Jain, Chairman, CFO World & Corporate Director - Operational Controls, The Oberoi Group; Mr. Vinod Jain, President, AICAS & Chairman, INMACS Management Services Ltd. and Mr. Abhay Tripathi, Director (Sales Tax), Deptt. of Revenue, Ministry of Finance.

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