

KAYTRONICS

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ELIAP News

For Members & Associates

VOLUME : XXIV

ISSUE : April 2006



from the **President's Desk**

It is heartening to note that the A.P. Government is able to get Sem-India to start a fab unit in Hyderabad with investment of US \$ 3.5 billion stimulating opportunities for many electronic Hardware units near Hyderabad International Airport. The decks are cleared with the clearance from Central Government announcing package for promoting semi conductor Industry in the country. This fab facility along with the unit promoted by Jun Mein will put Hyderabad as the first center in India to have such foundry facilities for semiconductor manufacturing. I congratulate the State Government & its officials for their success in bringing the project against tough competition from other states. I understand that ELIAP played its role in the initial dialogue with Mr. Agarwal some 2 years back. With commitment of State Government for creating necessary infrastructure like availability of land (about 500 hectares), water, clean power etc., the fab city will attract more such units in the near future.

Even though this year's Union Budget did not promise much to the Electronic hardware sector, some encouragement is given for domestic computer manufacturers (see details inside). The expected reduction of CST to 2% did not take place this year and the expectation is of phasing out to zero rate will take place over 3 year period.

ELIAP will be playing an active role and assist APIIC in creating a special Economic Zone (SEZ) for Electronic Hardware Industries in the near future for which land close to the existing Hardware Park is being identified. I thank APIIC, for taking a favourable decision after constant persuasion with the Hon' able Chief Minister. IT&C Department and APIIC which will boost the exports from AP in a big way.

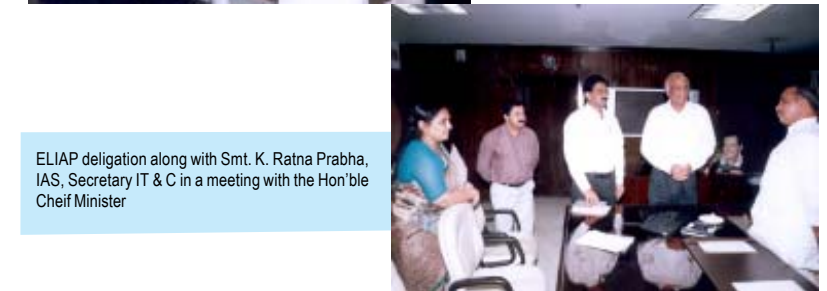
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L.Satyanarayana
President

ELIAP delegation meets the Hon'ble CM



Sri L. Satyanarayana and Sri G. Srinivas Rao presenting a memento to the Hon'ble. Chief Minister Dr. Y.S. Rajashakara Reddy



ELIAP delegation along with Smt. K. Ratna Prabha, IAS, Secretary IT & C in a meeting with the Hon'ble Chief Minister

On 13th February 2006 a three member ELIAP delegation led by Mr. L.Satyanarayana, President, Mr. G.Srinivasa Rao, Hon. Secretary , Mr.D.Venkata Rao, A.O. ELIAP met the Hon'ble Chief Minister Dr.Y.S.Rajasekhara Reddy . Mr. L. Satyanarayana presented him a memento (a laminated Photo Graph of the Hon'ble Chief Minister) as a token of memory of GITEX India 2006 Exhibition.

The delegation apprised the Hon'ble Chief Minister about the Electronic Industry of the state and made a request to accelerate the process of identifying the land for SEZ/ Hardware Park adjacent to the International Air Port and which could be converted in to SEZ.A representation was given to the Hon'ble Chief Minister in this regard.

The Chief Minister assured the delegation that he will do the needful for the Electronics / Hardware Industry and directed Smt. K. Ratna Prabha, I.A.S., Secretary to Government, Information Technology and Communications Department who was also present there to take appropriate steps in this direction.

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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. S.Ravi |
| Sri. G.R.Manohara Reddy | Sri. K.Venu Babu |
| Sri. C.Babu Reddy | 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. M. B. S .Purushottam | Dr . S. S. R. L. Swamy |
| Sri. R.N.Mittal | |

ELIAP Directory & Video film

It is proposed to bring out a high quality Directory of ELIAP members along with a video film of about 15 minutes duration to be distributed not only in India but also to commercial attaches abroad. The following will be the tariff.

ELIAP Members

- | | |
|--|-------------|
| i) Full page colour Advt with 30 sec film clipping | Rs.20,000/- |
| ii) Half page colour Advt. without film clipping | Rs.7,500/- |
| iii) Members who subscribe for above will be given free listing (1/10 th page) with logo. | |
| iv) Listing for other members (1/10 th page) with logo | Rs.500/- |
| v) Listing for other members (1/10 th page) in bold with logo | Rs.750/- |

Premium Ads in colour with free 30 sec video clipping

- | | |
|-----------------------------|-------------|
| i) Back cover page | Rs.50,000/- |
| ii) Front inner cover page | Rs.40,000/- |
| iii) Back inner cover page | Rs.40,000/- |
| iv) Book maker card 2 sides | Rs.30,000/- |

Vendors / Allied Industries

- | | |
|--|-----------|
| i) Quarter page pre-designed / formatted Advt. with name, logo, matter & address | Rs.6000/- |
|--|-----------|

General:

Members may take advantage of the opportunity by booking early since the video clipping will be restricted to about 15 minutes only. Booking from each company will be restricted to 2 pages & 1-minute video clipping.

It is proposed to assign the job to M/s.Admatrix, a professional agency who will be authorized to approach the members & collect the charges in the name of 'ELIAP'. Further details will be circulated in due course or contact ELIAP for more details.

The target date of completion will be 31.05.06

ELIAP Welcomes New Members

Name & Address	Chief Executive	Products
KEN COMSYS PVT. Ltd. #15, Raghava Enclave, Transport Road, Secunderabad – 500 009 Tel No. 040-27891905, Fax:040-27893460 E-mail:kencomconsys@yahoo.com	Mr. K.P.N.Ravi Kumar Managing Director	IGBT Based Controllers etc.,
Hitech (India) Pvt. Ltd. A-11, Electronic Complex, Kushaiguda , Hyderabad – 500 062 Tel. No. 040-27121000 Fax: 040-27120050 E-mail:connector@connecthitech.com www.connecthitech.com	Mr. Bhakt Ram Managing Director	MS Series solder and crimp type connectors, Miniature Bayonet Lock connectors, VG Series Connectors- Reverse Bayonet lock, Tussian equivalent metric shell size connectors – WP series, 2PMJ Series, PC Series , PWA Rectangular connector, High Power brass connectors, 234 series connectors, Power connectors- Range up to 1000 Amps, Industrial- All Plastic multi pin up to 20 Amps connectors, Custom Built connectors, Cable assemblies suitable for defence equipment, Small Precision components run on sliding head automats.
Concept Shapers & Electronics Pvt. Ltd., #18- A, Electronic Complex, ECIL Post, Kushaiguda, Hyderabad – 500 062 Ph:040-27123435 Fax:040-27123437 E-mail:conshape@vsnl.com, www.conshape.com	Mr. Raghunarayana CEO	Manufacturers of rugged Systems, Rugged Computers, EMI/EMC Solutions
SIGMA MICROSYSTEMS PVT LTD. 1-46/2, Venkateshwara Colony, Ring Road, UPPAL, Hyderabad – 500 039 Ph:040-27205571 / 72 Fax:040-2720 5573 E-mail:sigma@sigmamicrosystems.co.in www.sigmamicrosystems.co.in	Mr.C.Damodar Reddy Managing Director	Embedded Systems for Airborne and other rugged Applications, Software Design and Development, Hardware Design, Development and manufacture, IT Solutions.
N.B.K.R. Institute of Science & Technology (Approved by AICTE, Accorded by NBA, Affiliated to Sri Venkateswara University, Tirupati) Vidyanagar – 524 413, Nellore Dist. (A.P.) Ph: 08624-228247, 229904 Fax: 08624-228257 E-mail:ist@nbkrist.org Website:www.nbkrist.org	Dr. C.Subba Rao (M.Tech (IIT), Ph.D., Principal	Educational Institution offering 06 Courses (ECE,EEE,EICE,Me,CSE,CE)
CENTREX TELECOM LIG-B-38, Dr.A.S.Rao Nagar, ECIL X Road Hyderabad - 500 062 Tel No.040-32903348, Fax No.040-27162456 Email: sandeep@centrexindia.com	Mr.Sandeep Gupta Managing Director	EPABX

Forth Coming Events

Global TRONICS 2006

GlobalTRONICS 2006 will be held in Suntec Singapore Level 4, during October 10-13, 2006. Being organized by Reed Exhibitions Pte Ltd. This is a biennial event, featuring six specific electronic industry segments, namely NEPCON Asia Pacific, Electro TEST Asia Electronics, Electronics Manufacturing Services Asia, OPTO electronic Asia and embedded Systems Asia. For details: www.globaltronics.com.sg, Tel-+65 6789 8800 e-mail:tracey.khoo@reedexpo.com.sg

ELCOMP India 2006

ELCINA the oldest and largest Association to promote India's electronic and IT / Hardware sector and Exhibitions India are organizing ELCOMP India 2006 the second International Exhibition and Conference to be held at Pragathi Maidan, New Delhi during 5th – 7th September 2006.

Since ELIAP is a supporting Association to this event attractive package is being offered to ELIAP members. Interested members may avail this opportunity. Members interested to participate on participation basis may contact ELIAP if such interested members are there ELIAP will book for a common space. Interested members may contact ELIAP Office on or before 15.05.06.

Agenda

- Skilled Man Power development programmes through NSIC/ GIOE/ATI etc.
- Enrolment of New Members
- Arrears / Out standing dues Collection
- SEZ / Hardware Park
- Preparation of Members Directory
- Development of ELIAP Website

ELIAP **Subscribe for ELIAP News**
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email IDs : president@eliap.org, secretary@eliap.org
eliap@eliap.org
website : http://www.eliap.org

Annual Subscription for the Year 2006-07
 Subscription Bills for the Year 2006-2007 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 15th May 2006.
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: Sponsor 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.

Compiled & 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: 040-27098390, Fax: 040-27090391
 E-mail:eliap@eliap.org, Website: www.eliap.org
Design courtesy : OSI Systems Pvt. Ltd., 1 & 9, Phase II, IDA Cherlapally, Hyderabad - 500051

Featured Companies

FLIC Microwaves Pvt. Ltd

FLIC Microwaves Pvt. Ltd is established in the year 1992. The Company is a New Dimension company with Modern Technology, and serving with a motto of Quality, Commitment, Performance possessed with ISO 9001 - 2000. The Company is One Source for all Microwave Components & Subsystems covering the frequency range from 100 MHz to 40 GHz in narrow band, wide band and multioctave bands.

The company manufactures Filters, Amplifiers, Duplexers, Multiplexers, Gain Equalisers, Pin Switches, Pin Attenuators, Dielectric Resonator Oscillators, Couplers, Power Divider / Combiners, RF Front End, RF Bite Source, RF Up / Down Converter, Superhet Receiver, DIFM Receiver, Fast Tunable Local Oscillator, Frequency Channeliser, Extended Dynamic Range Log Video Amplifier (EDLVA), Wide Band Tuner, Built In Test Unit, ATR Super -Component etc.

The company is having prestigious clients like DLRL Hyderabad, DRDL Hyderabad, BEL Hyderabad, RCI Hyderabad, BDL Hyderabad, BEL Bangalore, DARE Bangalore and MTRDC Bangalore etc. defence organizations to its credit.

For Details:

E-mail: flicmicrowaves@yahoo.co.in
 Phone: 040-27665445, 27620722 Fax: 040-27602437

INCAP LIMITED

INCAP LIMITED is established in the Year 1992. Only Company in the state specialized in manufacturing ALUMINIUM ELECTROLYTIC CAPACITORS (Dia 5mm to 63mm Can Size) Radial, Snap-in type to IEC 384-4 and Lug type, Screw type, Motorstart Capacitors as per national/International Standards in technical collaboration with Lelon Electronics Corporation, Taiwan.

The company is having well established manufacturing facility with fully automatic machines, about 170 workers and made a remarkable turnover of (In Rs.million):Rs.131.40 for the current year. And serving a prestigious customers like OEMs: BPL Telecom, Bharathi Teletech, Sanyo, Genus Overseas Electronics, ITI, Punjab communications, Asian Electronics Limited, Ahuja Radios, Tata Motors, Emerson, etc.. The company is having established network of dealers like Electromark Devices (Bombay)Ltd, Bombay; Elektronika Sales Corporation, Chennai, Vam Electronics, Delhi, Texonic Instruments, Bangalore, Electro Enterprises, Pune.

For Details:

Ph: 91 866 2842571/2842479 Fax: 91 866 2842572
 E-mail: vjwincap@sancharnet.in Website: www.incapltd.com

Innovations Communications Systems Ltd.

Innovations Communications Systems Ltd., is established in 1988, is an ISO 9001-2000 accredited company. ICS envisions realization of the global village through Information Technology. ICS is committed to enhance the quality of life by providing IT solutions and services in the area of education, technology development and providing a role model of a business system based on strong ethical values.

ICS is committed to develop innovative indigenous solutions in emerging areas of Information and Communications Technologies. ICS provides state of the art telecommunication solutions and services to the mobile network people and also provide quality education and training services.

ICS is the prime supplier of Hot Line equipment to DOT/BSNL and executed a number of Turnkey Projects for Public and Private Sector Organizations. ICS is the major supplier of Voice Compression systems for all the Mobile operators.

ICS has successfully completed a number of Turnkey projects for DLRL, ELSEC, BEL as well as ECIL. The Digital Audio Recorder developed by ICS has been well accepted by the Defence Sector and is presently executing bulk orders ICS has also won the prestigious FAPCCI award "Best Technology Development in R&D"

For Details:

Ph: 040-23351024 Fax: 040-23351021
 E-mail: info@iseeyes.com Website: www.iseeyes.com

evEnts

Technology Development Centre



Mrs. Daggubati Purandareswari Devi, Minister of State for HRD officially launching TDC by lightening the lamp



Mr. L. Satyanarayana, President ELIAP addressing at Launching Ceremony

Technology Development Centre (TDC) was officially launched on 21st April, 2006 at Hyderabad with a motto to develop new technologies and knowledge pool as a resource center. The resources from the industry, institutions and knowledge corridors will be pooled for this purpose.

TDC is trying to enter into MoU's with reputed organizations and institutions like ELIAP, IETE, Institute of Engineers, Osmania University, JNTU and Andhra University. TDC has submitted its proposal to ELIAP which was accepted in principle on 14.04.06.

TDC has already entered into an agreement with University of Western Sydney (UWS). There are more than 4000 students in UWS School of Engineering/ School of Computing & Mathematics. The link with TDC, a coalition of Engineering Colleges and industry in India will give students an opportunity to access overseas facilities and participate in exchange visits along with international projects.



Dr. M.V. Ramana Rao Chairman TDC, Professor Chung-Tong Wu, Deputy Vice Chancellor UWS signing an agreement at Sydney

Allotment of land in Hardware Park / SEZ near Hyderabad International Airport

The response from Members interested in land near new International Air Port is encouraging. Other members who are interested may contact ELIAP Office at the earliest as the second batch applications are going to be processed by the Government of A.P. very soon.

35th CCITI Meeting

The 37th CCITI Meeting was held on 29th March 2006 at IT & C Conference Hall, A.P. Secretariat. Smt. K. Ratna Prabha, I.A.S. Secretary IT & C presided over the meeting. Mr. L. Satyanarayana, President, Mr. G.Srinivasa Rao, Hon. Secretary, ELIAP attended the meeting. The CCITI discussed about the allotment of land to the Electronic Hardware Units in the existing Hardware Park and in the SEZ and suggested to speed up the action in respect to SEZ.

Meeting with VC & MD of APIIC

On 18th February 2006 a two member delegation headed by Mr. L.Satyanarayana, President and Mr. G.Srinivasa Rao, Hon. Secretary, ELIAP meet Shri. B.P.Acharya, I.A.S., Vice Chairman & Managing Director for APIIC. The delegation apprised the Managing Director about the current status of the Industry and need for identifying and developing the land of SEZ near the International Airport. In response Sri. Acharya assured the delegation that the land will be identified soon and the same will be recommended for the development of the SEZ

IT for SME's



Smt. K. Ratna Prabha, IAS Secretary IT & C, Sri L. Satyanarayana President ELIAP and other dignitaries visiting ELIAP stall during IT for SME's



Smt.K.Ratna Prabha, IAS, Secretary for IT&C Department, Government of Andhra Pradesh has inaugurated "IT for SME's" a 3-day Conclave, Exhibition & Product presentation on 21st April, 2006 at Hotel Taj Krishna. Shri L.Satyanarayana, President ELIAP attended this function as a Guest and in the Exhibition Smt.Ratna Prabha about the products displayed in ELIAP stall as well as in the Exhibition. Smt.Ratna Prabha praised the IT Software products displayed by M/s.Futuretech in ELIAP Stall and th other products exhibited in the exhibition. This 3 day conclave orgnised by Vin media in association with Times of India and ELIAP etc. was held from 21st - 23rd April 2006 at Hotel Taj Krishna Hyderabad.

Union Budget 2006-07 Overview

The 2006-07 Budget barely touches upon Electronics Hardware and has belied the hopes of the industry to give this sector a push. The budget seems to have sidelined the objective of promoting domestic manufacturing in electronics hardware. There is a laudable proposal to set up a India Infrastructure Finance company with the purpose of equity investment in high tech electronic hardware projects such as for manufacture of semiconductors, wafers, ICs, LCD and plasma technology, but this move does not rectify the ground reality faced by existing hardware units whose products are subject to zero customs duty, infrastructural and fiscal disabilities and unhindered global competition.

Further lowering of Import tariffs is a step in the right direction as India integrates with the ASEAN economies. The FM has reduced the peak Customs Duty from 15 to 12.5%, instead of the expected 10%, which maybe to dampen the impact of lowering tariff barriers. The unfortunate part is, that similar urgency is not being witnessed in facilitating domestic trade between our States.

Reductions in duties on Steel, Ferro Alloys, Plastics and chemicals are positive steps as they reduce cost of basic raw materials used in manufacturing. The Addl CD of 4% on all imports will add to cost for traders, but being Cenvatable, is favorable for manufacturing. It is expected to compensate for State Taxes levied on local manufacturers. The Customs policy has shown consistency in moving towards a low tax rate and high compliance regime and this will improve with computerization of tax administration.

The step to impose Excise Duty on Computers and Set Top Boxes is welcome and long awaited. Reduction in Excise on Compact Fluorescent Tubes is a positive step towards reducing cost of this product.

Below we provide some details on the general and sector specific indirect and direct tax changes proposed in the Union Budget 2006-07.

General

- GDP Growth rate for 2005-06 8.1% compared to 7.5% last year
- Growth in Manufacturing Sector in 2005-06 9.4% compared to 8.1% last year
- Heavy emphasis on Social Upliftment, Employment Generation and Agriculture
- National Manufacturing Competitiveness Council (NMCC) identifies schemes for promotion of ICT, mini tool rooms, design clinics and marketing support for SMEs.
- India Infrastructure Finance Company to fund equity capital in high tech IT products such as Wafers, Test &

Manufacture of Semiconductors, Flat LCD, Plasma Displays and Storage Devices.

- No change in CST or VAT though Budget Speech refers to movement towards a consolidated GST including all Indirect Taxes

Telecom

- Telecom connections proposed to be increased to 250 million by 2008
- Rural connections expected to reach 50 million and connect over 17000 additional villages.

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

General

- Peak rate of customs tariff reduced from 15% to 12.5% to align with other Asian economies
- Addl Customs Duty @4% under sec 3(5) on all goods imported into India to compensate for internal taxes like VAT, Sales Tax, CST.
- Addl CD is not applicable to -
 - ✦ Goods exempted from Basic as well as CVD
 - ✦ Goods imported for servicing export promotions schemes
 - ✦ DTA clearances to EOUs/EHTP/STP/SEZ units provided such goods are not exempt from Sales Tax/ VAT.
 - ✦ Precious metals like Gold and Silver
 - ✦ Imports by EOUs and units in EHTP/STP or SEZ
- Customs duty on primary and secondary metals such as Alloy Steel, Aluminium, Copper, zinc, Tin, Tungsten, Titanium and other base metals of Chapter 81 - reduced from 10% to 7.5%.
- Customs Duty on Ferro Alloys reduced from 10 to 7.5%
- Customs Duty of 5% imposed on iron & steel melting scrap
- Concessional Customs duty of 5% on nickel & articles thereof restricted to goods falling under chapter 75.
- Customs Duty on basic inorganic chemicals such as halogens, sulphur, carbon, hydrogen reduced from 15 to 10%
- Customs Duty on basic organic chemicals under heading 2901 to 2904 reduced from 10 to 5%.
- Customs duty on methanol reduced from 15 to 10%.
- Customs duty on Styrene, Ethylene Dichloride & Vinyl Chloride Monomer reduced from 5 to 2%.
- Customs duty on catalysts of heading 3815 reduced from 10 to 7.5%.
- Customs duty on Ethyl Vinyl Acetate reduced from 10 to 5%.
- Customs duty on polymers of Ethylene (LDPE, LLDPE, HDPE, LHDPE, LMDPE) Polymers and co-polymers of Propylene & Styrene, and Polymers of Vinyl Chloride.
- Customs duty on naphtha for manufacture of specified polymers has been reduced from 5% to Nil.

Reduction of Stamp Duty for Small Scale Industry (SSI)

The Government of A.P. has issued G.O.Ms. No. 316 dated 14.03.06 reducing the Stamp Duty payable on documents relating to borrowings from the banks by the SSI Units to 0.5% of the loan amount to a maximum of Rs. 1000/- (as against Rs. 50,000/-, 1,00,000/-, 2,00,000/-) The G.O. is appended below.

Government of Andhra Pradesh ABSTRACT

Indian Stamp Act, 1899-Reduction of Stamp Duty payable on the documents under Article 7 (a) and (b) of the Schedule 1A of the Indian Stamp Act 1899, Deposit of Title Deeds and Pawn, Pledge or Hypothecation to be executed by the Small Scale Industries – Notification – Orders – Issued.

REVENUE (REGISTRATION. I) DEPARTEMENT G.O.Ms. No. 316 Dated: 14.03.06

Read the Following:-

1. Indian Stamp (Andhra Pradesh Amendment) Act, 2005 (Act No. 19 of 2005)
2. From the Commissioner & Inspector General of Registration and Stamps Letter No.S1/11744/2005. dt.12.09.2005 and dt.06.12.2005
3. From the Managing Director, Andhra Pradesh State Finance Corporation, Letter Dated:20.09.2005
4. From the Federation of Andhra Pradesh Industries, Hyderabad representation dated 28.10.2005

ORDER:-

The following Notification will be published in the Extraordinary issue of Andhra Pradesh Gazettee Dated: 20.03.2006.

NOTIFICATION:-

In exercise of the powers conferred by clause (a) of sub-section (I) of Section 9 of the Indian Stamp Act,1899 (Central Act II of 1899), the Governor of Andhra Pradesh hereby reduces the Stamp Duty chargeable @ 0.5%on the Documents under article 7 (a) and (b) of the Schedule 1Aof the Indian Stamp Act, 1899, for Deposit of Title Deeds and Pawn, Pledge or Hypothecation to be executed by the Small Scale Industries subject to a maximum of Rs. 1000/-.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Sd/-
S.V.PRASAD
PRINCIPAL SECRETARY TO GOVERNMENT

8th IETE Corporate Awards for Performance Excellence

The Institute of Electronics and Telecommunication Engineers (IETE) has announced the 8th IETE Corporate Awards for Performance Excellence in Electronic Components, Computer & Telecom Systems, Electronic Instruments & Instrumentation and Development of Software 2006. Applications should be submitted to IETE latest by 30th April 2006 for more details contact the following address The chairperson, Board of Recognition of Excellence, IETE HQ 2, Institutional Area, Lodhi Road, New Delhi 110 003 or Tel: 011-24658211, 24631850, E-mail: ietend@bol.net.in website:www.iete.org.

IT & Computer Hardware

- Customs duty on Set Top Boxes whether or not covered under ITA has been united at Nil Duty plus 16% CVD plus 4% Spl Addl Duty
- CVD under Sec 3(3) has been withdrawn on Computers consequent to imposition of Excise Duty @12%
- Customs Duty on MP3 and MPEG4 players has been reduced from 15% to 5%.

Excise Duty

Reduced from 16 to 8% on CFL lamps

- Abatement of Excise from Retail Sale Price on CFLs reduced to 37% from 40% due to reduction in Excise
- 12% duty imposed on Computers
- 8% imposed on packaged software on electronic media.
- 16% on Set Top Boxes not covered under the ITA-1
- Storage devices like DVD Drives, Flash Drives and Combo drives reduced from 16% to NIL
- MP3 and MPEG4 players reduced to 8% from 16%
- Excise duty on petrol cars upto 1200 cc and diesel cars upto 1500 cc reduced from 24 to 16%.

Service Tax

- Service Tax rate increased from 10 to 12%
- A number of new services added to the Service Tax net such as Services of Registrar to an Issue, Share Transfer Agent, ATM operations, maintenance, management, Recovery Agents, Business Support Services, etc.

EOU

Duty on Sale from EOUs/STP/EHTP/STPI to DTA units has been reduced from 50% of Aggregate Customs duty to 25% of the Basic CD plus Excise duty payable on like goods.

Direct tax proposals

No changes made in Personal Income Tax

Corporate Tax

- Minimum Alternate Tax (MAT) increased from 7.5% to 10% of Book Profit
- Fringe Benefit Tax (FBT) rationalized –
 - ✦ Benefit for Tour and Travel reduced from 20 to 5%
 - ✦ Limit of Rs. 100,000 prescribed u/s 115 WB (1)© so that only contribution by an employer in excess of Rs. 1 Lac to an approved Superannuation fund per year per employee will attract FBT.

Relevant Notifications

Customs Notification 11/2006 & 20/2006 dated 1-3-06
Excise Notification. 6/2006 dt 1-3-06
Please visit the site below to view detailed notifications <http://indiabudget.nic.in/ub2005-06/cust.htm>