

NEWS ALERT

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Dual Tax Structure For Goods & Services

Laying the roadmap for the introduction of a goods and service tax (GST), state governments today proposed a dual GST structure, with two rates for goods and a single rate for services. The tax would be levied both by the Centre and the states, though there is still no clarity when the new tax regime will be implemented.

Union Finance Minister Pranab Mukherjee had during the budget set April 1, 2010, as the date for the new tax regime that seeks to redistribute the burden of taxation equitably between manufacturing and services. The proposals unveiled through a discussion paper today will be followed by a draft of a constitutional amendment that is expected to be ready by November 15, said Asim Dasgupta, chairman of the empowered committee of state finance ministers.

Pure Auction Method May Be A Game Changer For IPOs

On Monday, the capital market regulator stepped in to change the way public share offerings happen. To begin with Securities and Exchange Board of India (Sebi) has announced a pure auction method of book-building for follow-on public issues. Chances are this could be a precursor to a bigger change in the IPO market. A look at what it means:

What is the 'pure auction' method of book-building?

In this format, the company mentions a floor price. Investors are free to bid at any price above the floor price, and shares are allotted on a top-down basis, starting from the highest bidder.

How is it different from the existing form of book-building?

In a typical book-built issue, the merchant banker to the issue quotes the price band within which the investors have to bid. This band may not always represent the fair value. But investors wanting to participate in the issue have no choice but to bid within that band.

Guess what's going to be taught at the Harvard Business School soon — business models adopted by mid-tier companies like MindTree and Zensar Technologies which emerged unscathed after the downturn. And, among the list of personality profiles, the students of this high-profile B-school will delve into, will be names like Kris Gopalakrishnan, CEO Infosys, Anand G Mahindra, vice-chairman and managing director of Mahindra & Mahindra, Britannia Industries MD Vinita Bali and ICICI Bank non-executive chairman KV Kamath. David A Garvin, the C Roland Christensen professor of Business Administration at the Harvard Business School, is currently on an India mission, building up case studies along with his research associates, on these two mid-size companies. They are also conducting extensive interviews with top 25 senior executives of Indian firms to understand the distinctive qualities of the Indian business environment, organisations and leadership.