

FSIA E-circular dt 26th January, 2008



Heartiest Greetings to all members, on the Republic Day



Rajive Chawla
President, FSIA



Sangeet Kr Gupta
Hony Consultant, FSIA

Dear Members,

Part 1 of today's Circular = Major Change in Income Tax Payment System =
Now Compulsarily to be paid by Electronic Mode only

What is the Topic ?

All Companies who pay taxes as TDS or Advance Tax , (till now) usually pay by cheque/Cash. In future, they will have to pay by Credit Card / Debit Card or E-payment directly from the Bank Account E-payment facility.



What does it mean for FSIA members ?

You pay Tax ? Yes.

Does your bank give you a E-payment facility ? Maybe ?

Do you have it ? 99% chances are that you do not have any such facility from your own bank (till now).

From When ?

With effect from 1-4-2008, it is going to be compulsory.

For Whom ?

One = For all Companies, (irrespective of turnover or income)

Two = For Non-Companies who are covered under Tax Audit. (Sales are more than Rs. 40Lakhs per annum)

For others it is still optional

What should I do if I want to pay from the Bank account ?

Option 1: Speak to your Bank – Today most of the banks do offer this facility (SBI, PNB, SBOP, Corp, UBI etc,) . Get this facility enabled. And use it for trial and be ready.

Option 2: If your bank / your branch does not give this facility yet → then Speak to a new Bank and open an account with that branch which gives this facility.

What should I do if I want to pay with Credit Card ?

Detailed Guidelines are yet to be notified. But, most likely the process shall be similar to one, we already have for the ROC (Registrar of Companies) payments—by Credit Card.



Now a point of caution :

Do not use your “personal Credit Card” → Apply for and get a “Corporate Credit Card”.. → Why ? → Logically, if your “personal” Credit Card has transactions more than Rs. 2 Lakhs per annum, it will get listed in the Government’s AIR report and you may get a question Why ? What ? etc

Who has done it ?

Your favourite Govt of India and its Finance Minister Mr P Chidambaram



Should I be Happy or Sad ?

HAPPY = Yes, that is the way the world does it, whether in USA, or UK or Australia etc.

Paperless. →

No challans → No making of cheques, No sending to bank, No standing in queues, No challans getting lost, No illegible stamps on the challans, No wrong challan numbers, No wrong PAN numbers, No handwriting problems

But ??? any hassles ?

Yes, for the initial phase, you may have to get this E-payment facility from the bank. Keep the password safely.

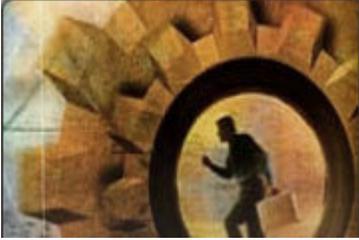


And ??? any dangers ?

Yes,

Our Managing Directors, and Chairmen, will have to Learn Computers

All our FSIA members, shall have a challenge to meet.

<p>Either delegate this password to your staff to pay your tax on your behalf on the internet (and <u>Risk its being “remembered” and “misused”</u> Your this password can be used to clear all funds from your bank account / CC limit</p> <p style="text-align: right;">Danger ??→</p>	
<p>Or, <u>Learn Computers yourself.</u> Pay this tax online from your bank to Government’s bank account, yourself.</p>	 <p style="text-align: right;">Will have to learn computers</p>

(Source : Press Release No.402/92/2006-MC (05 of 2008) Government of India / Ministry of Finance Department of Revenue, Central Board of Direct Taxes New Delhi dated the 23rd January 2008)

Part 2 of today’s Circular

This is the time to know the deadlines in the coming few weeks.

15 th March	Advance Tax for Income Tax (Last Instalment)
15 th March	Fringe Benefit Tax (Advance tax)-Last Instalment
31 st March	Payment of Excise, and Service Tax
31 st March	Last date for filing of return for AY 06-07
31 st March	Last date for filing of Income Tax return for AY 07-08 - check if your Directors, family members, some small group company , HUF is still left out → do it now.
31 st March	WEALTH TAX = Last date for filing of return for AY 07-08
Feb - March	Pre-Finalise your Budgeted “Balance Sheet” for 31.3.2008. Discuss with your friendly Chartered Accountant. He will love to plan it for you.

Part 3 of today's Circular= Income Tax Liability
may come down further

Last year the Income Tax rates were reduced from 33% to 30% for all small companies and Firms (with profits upto Rs. 1 Crore). This time the Government is thinking of reducing this to flat 30% for all.

However this is just a media guess.
The Union Budget 2008, is approaching fast
..... Let us see.



Part 4 of today's Circular= Cost Inflation Index -
Financial year 2007-2008

The Central Government notified the Cost Inflation Index for the period from 1 April 2007 to 31 March 2008 as 551.

If you had any Long Term Capital Gain this year, then this is the index you shall use.

Part 5 of Circular= Our President's Road Shows across the Country for ILO-FSIA-FIP
programmes

As already informed, We are pleased to share with you that the "Factory Improvement Programme" brought to India by International Labour Organisation (ILO), implemented by your Association (FSIA) for the first time in India for Light Engineering Sector and Electroplating Sector and funded by Swiss Economic Cooperation (SECO) and United States Department of Labor (USDOL) has been widely acclaimed as highly successful. The stupendous success of the programme and its meticulous implementation by FSIA and its participating units has enthused the donors and ILO to implement this programme across the nation.



A nationwide campaign begins this week with Roadshows in Kanpur on 22nd January and in Vadodara on 25th January. Mr Rajive Chawla is currently on the nationwide tour with seniormost team of ILO and AIOE to showcase the results of FIP and motivate SMEs all over India to start and implement the programme in various clusters. We are sure that FSIA, which is now being recognised at the international level as "the emerging modern and progressive face of the Indian SMEs" shall accept the role of a leader for SME organisations across the country by sharing its wealth of knowledge and expertise in SME Cluster Development programmes and by jointly initiating and implementing similar clusters throughout India with the joint collaboration of regional associations.

Congratulations FSIA, Congratulations our President, Mr Rajive Chawla.

Part 6 of Circular= Request for pending FSIA membership fee



Most of the members, have already paid their annual fee for the Financial year 2007-08. However our FSIA secretariat tells us that some of you are still to do that. We understand that some pre-occupations, and oversight might have prevented you at that time. We request you to get in touch with your accounts department and make it sure that your FSIA membership fee is duly paid(if not yet paid). In case you have already done this, please ignore this para. We thank all members for their co-operation. → And if you / your friend wants to become a FSIA member, email to us / contact us please.

	<p><i>Sangeet Kumar Gupta</i> FCA, ICWA, PGDMM, B.Com(Hons) Honorary Consultant, Faridabad Small Industries Association 93126-08426 groupmlg@eth.net Camp Off : 63, Sector-15, Faridabad FSIA Off : FSIA Park, Opp. Plot No.23, Sector- 24, Faridabad- 121005</p>	
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Notes & disclaimer

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Success and failure factors of adopting SAP/equivalent in ERP system implementation

Nah, F.F., Lau, J.L., Kuang, J. (2001), "Critical factors for successful implementation of enterprise systems", *Business Process Management Journal*, Vol. 7 No.3, pp.285-96.

[Nah. \(2001\)](#), identified 11 factors that were critical to ERP implementation success. :

1. ERP teamwork and composition; - Your **Team** should be Appropriate.
2. **change management** program and culture;
3. top management support;
4. business plan and vision;
5. business process re-engineering and **minimum customization**;
6. effective communication;
7. project management;
8. software development, testing, and trouble shooting;
9. **monitoring and evaluation** of performance;
10. **project champion**; and
11. appropriate business and information technology legacy systems.

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