FINSYS
ERP SOLUTION PROVIDERS

GROUP **MLG**

FINSYS
NEWS

Vol. 40 Yearbook 2012-13

ERP with Business Intelligence!!

Monitoring your company from your mobile

FINSYS
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What inside? ▶

Service Tax - Payment on Receipt basis ? | Small businesses – Deemed Profit provision | Income Taxes 2012-13
Finsys ERP linked to your Mobile Phone | Good News, Mr Sangeet Kr Gupta, has been ranked No-1 in India

# Service Tax - Payment on Receipt basis ? (for MSME's)

Dear Members,

Another Good News for MSME members from the Service Tax department. This news is going to benefit Lakhs of MSME units and 1-man-army consultants.

Ok, Don't pay Service Tax from your Pocket
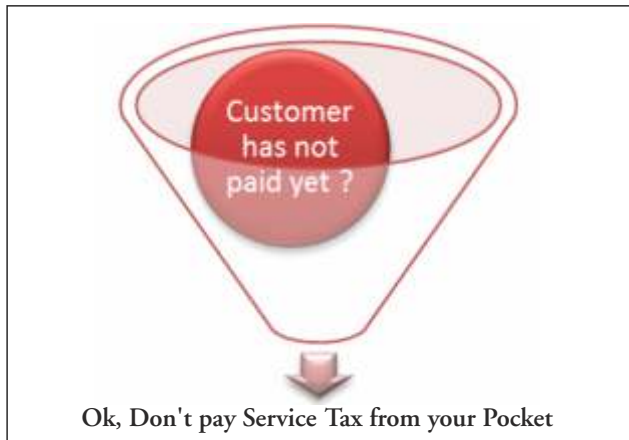
Who will benefit ?
Small Assessees upto Rs 50 lakhs p.a.
Thus, MSME units given option for "Receipt basis"

Accrual Basis or Receipt Basis ?

The service tax regime has passed via 3 phases till now

Receipt Basis
•2012 onwards

Accrual Basis
•2011-12

Receipt Basis
•1994-2011
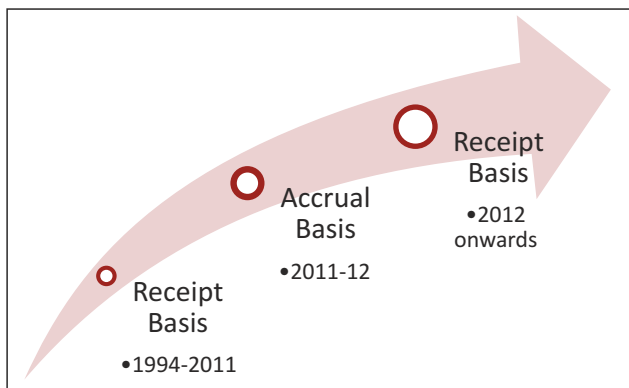
Phase 1 (1994 to 2011)
From 1994 Till 30th June 2011, Service tax used to be paid on Receipt basis by all. That means pay service tax when you collect from your customer.

Phase 2 (1.7.2011 to 31.3.2012)
Last year in April, the law was amended, system was shifted to accrual/mercantile basis of accounting. Means, as soon as you bill your customer, pay the service tax from your pocket. (even if you don't collect the payment in that month).

All service providers were covered in this, except some exceptions like CA, CS, CWA, Advocate, Interior Decorators, Architect, Scientific or Technical Consultants, Consulting engineers.

Phase 3 (2012 onwards) : Recent Change :
To make things easy for small service providers, the law has been made "easy on cash flow" for all kinds of service providers. Not merely the CA/CS/Lawyers etc.   >> But, Please note this relief is for MSME businesses only. All large scale service providers will remain on accrual basis.
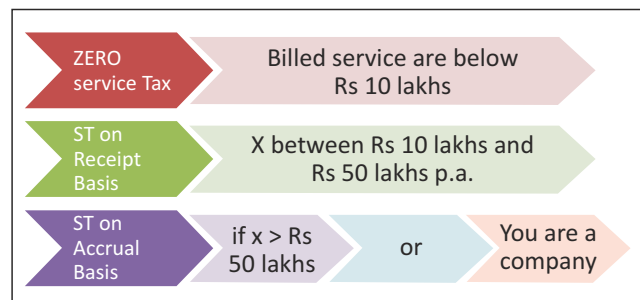
Source :
Notification No.3/2012 - Service Tax, dated, the 17th March, 2012, says   "………..Provided also that in case of individuals and partnership firms whose aggregate value of taxable services provided from one or more premises is fifty lakh rupees or less in the previous financial year, the service provider shall have the option to pay tax on taxable services provided or to be provided by him up to a total of rupees fifty lakhs in the current financial year, by the dates specified in this sub-rule with respect to the month or quarter, as the case may be, in which payment is received……… "

So,

1. Scheme is for individuals, LLP and partnerships only (that is "Private Limited Companies" shall not get this benefit.)
2. It is an "option", so, if you are ok with accrual basis, you can continue.
3. Rs 50 Lakhs limit is for the last year (example if your service billing in last year ending 31.3.2012 was Rs 45 lakhs, then, in this year FY 2012-13, you can use this scheme.
4. For computing the above limits, the turnover of the whole entity is required to be summed up and not any single registration.

New Service tax slabs are :
(Applicable for individuals and Partnerships only)

ZERO service Tax	Billed service are below Rs 10 lakhs
ST on Receipt Basis	X between Rs 10 lakhs and Rs 50 lakhs p.a.
ST on Accrual Basis	if x > Rs 50 lakhs — or — You are a company

This is going to benefit 70% of all assessee's.

They are small. They raise the invoice, wait for payments from the customer for months. And yet they have to pay service tax from their own pockets to the Government.

Now, they can take a breath of relief.

~~Stress~~
Relax

What should you do ?

If you are covered in the "Green Zone" above, then, you should go back to the earlier practice of payment of service tax on "receipt basis" only.

No Need to "pay on accrual basis".

Some FAQ !!

Will CA's pay Service Tax on Accrual Basis if Turnover exceeded Rs. 50 Lakh ?

Answer. = YES, they have to. Reason : The Exemption which as unlimited earlier, is now, limited to Rs 50 lakhs of Turnover only.

Will even small Companies, Trusts, Associations, have to pay Service Tax on Accrual Basis ?

Answer. = YES, since the Rs 50 lakh scheme is for individuals and Partnerships only

Monitor your company on the move

FINSYS™
ERP SOLUTION PROVIDERS

Economic Survey - 2012

ECONOMIC **Survey 2011-12**

At the invitation of FSIA, the Finsys Team analysed the Budget 2012 and the Economic Survey that was the base for the Budget.. here are some excerpts.

ECONOMIC SURVEY

- Survey Report dt 15.3.2012

BUDGET **2012**

Let us remember that that Budget 2012 was made in the backdrop of the Economic Survey.
Hence we analyse the Economic Survey First..
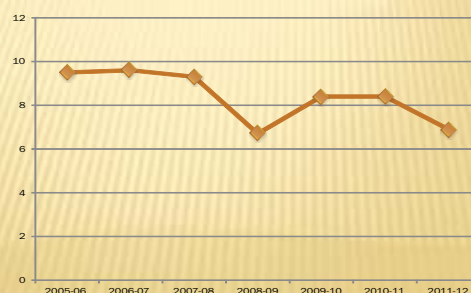Why the Govt imposed these taxes

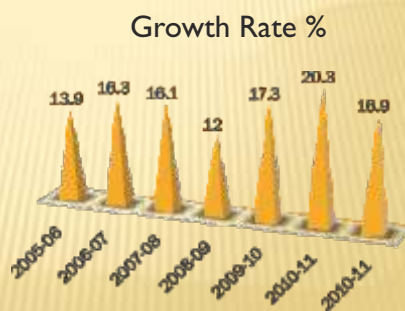## PROFITS IN INDUSTRY ....

ECONOMIC SURVEY

- Growth Rate falls to 6.9% p.a.
- (GDP Base 2004 prices) ....At par with 6.7 %, 3 years ago

ECONOMIC SURVEY

GDP (Current price) .....Is a fall from 20% to almost 17%

Growth Rate %

WHERE WAS THE WORLD ????
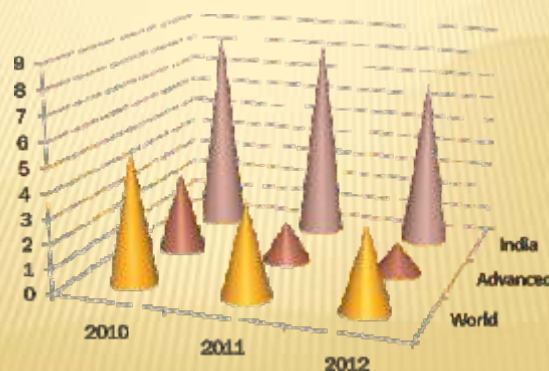
Future Proof Business Software

The Total success of every implemention

Finsys-ERP is an integrated, affordable, business management solution built from the ground up to meet the immediate and long-term needs of small and midsize businesses (SMBs). It provides a true and unified view of operations across customer relationship management, manufacturing and finance. Simple to use yet power, Finsys-ERP puts business users in charge, arming you with the critical, up-to-the-minute information you need to make smart business decisions.

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For queries, suggestions and feedback , you can e-mail us

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Development centre - FF-19, HSIIDC Flatted Factory complex, Sector 59, Faridabad, Haryana. info@finsys.in

Accounts office - H.No 63, Sector-15, Faridabad, Haryana 121007 accounts@finsys.in

Ph no 0129-4316198, www.finsys.co.in

About Finsys Infotech Limited:

Finsys Infotech Limited, the makers of Finsys ERP, is a leading Indian developer and supplier of commercial business systems. They currently provide fully intergrated software services and solutions to several hundred installations PAN-India.

Any pricing enquiries:
For Finsys-ERP
Contact: info@finsys.in

Economic Survey - 2012 (contd.)

OUR SPEED VS THE WORLD

- Where was the "World" ?
- It was (+) 3.3%
- India was (+) 6.9%
- More than Double Speed …

GDP 2011 AND 2012

See Italy, see USA, UK, …. Japan

INDIA'S SHARE in World GDP
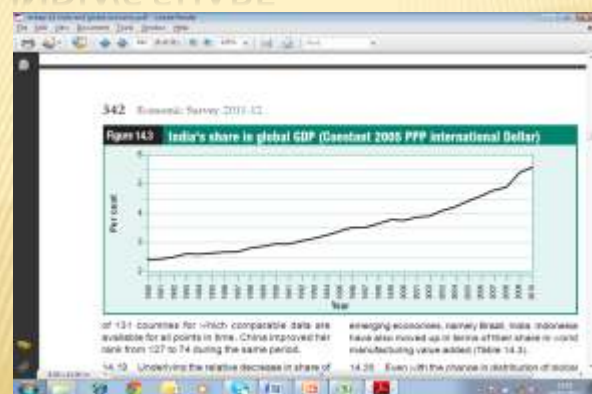
INDIA'S SHARE IN WORLD GDP
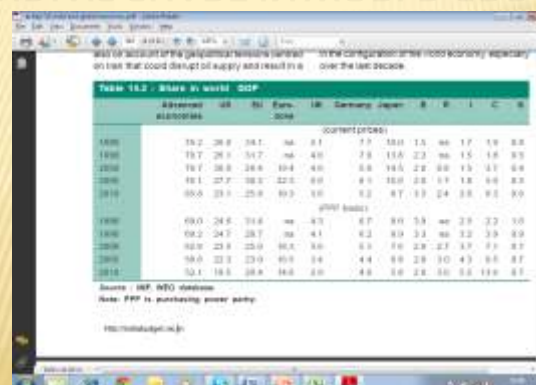
EXPORT GROWTH RATE

- The Rebound

Year	Export Growth
2006 -07	22.60
2007 -08	29.00
2008 -09	13.60
2009 -10	-3.50
2010 -11	40.50
2011 -12	23.50

Export Growth (% to last year)

POPULATION CLOCK

2001 : 103 Cr

2008: 115 Cr

2012: 125 Cr

Economic Survey - 2012 (contd.)

FOODGRAIN CLOCK

2001-06: 163 kg p.a.

2012: 200.32 kg p.a.

DO YOU KNOW ??

SERVICES SECTOR IS HELPING US RIGHT NOW

SERVICES, INDIA VS USA

eCirculars

Q-1 • Do you know that Finsys team releases around 2 E Circulars every month?

Q-2 • Do you get the "Latest News" directly?

Ans ? • if not, join Finsys Club - Email your details - name, address, company, work Profile to us

Where ? • to finsysusersclub@finsys.in

Economic Survey - 2012 (contd.)

Services are now the biggest sector of economy

- ■ Services
- ■ Agriculture and Manufacture

EXPORT GROWTH

Y-on-Y	• Quite High - LY was 40%, • This year further 25% up
EX vs IM	• First time in 6 years, • Exported rose by higher than Import Growth %

A. External Sector							
Export Growth (US$)	%change	22.6	29.0	13.6	-3.5	40.5	23.5#
Import Growth (US$)	%change	24.5	35.5	20.7	-5.0	28.2	29.4#
Current Account Balance (CAB)/GDP	Per cent	-1.0	-1.3	-2.3	-2.8	-2.7	-3.6*
Foreign Exchange Reserves	US$ Bn.	199.2	309.7	252.0	279.1	304.8	262.0#
Average Exchange Rate	₹/US$	45.25	40.26	45.99	47.44	45.58	47.70#

Mr Sangeet addressing the Audience as the Panel Speaker on Budget and Economic Survey

Small businesses – Deemed Profit provision
(Section 44AD), increased limits to Rs. 100 lakhs

Here the good news is that, if your Turnover is less than Rs. 100 Lakhs, you may pay Income Tax on just the Deemed Profit @ 8% of Turnover only. Earlier this scheme only for the Retail sector / Construction sector. Now this has been opened up, for all sectors, all businesses (except a small exception)

Case	Turnover	Effect
A	Less than Rs 100 Lakhs	Deemed income just 8% of the turnover. Pay tax on this.
B	Over Rs. 100 lakhs	Normal laws and normal rates.

Do you Know?

Income Tax = Rs 2000 only
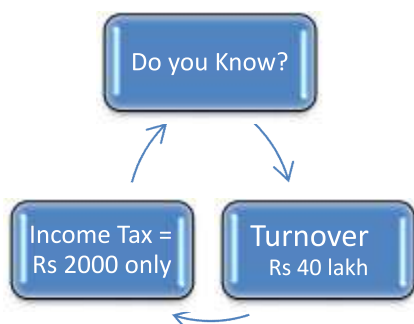
Turnover
Rs 40 lakh

* Conditions apply

The point to note is that for the real small entrepreneurs and beginners, the government has made things really liberal.
- Just say that you are a small business.
- Compute "Deemed income" at just 8% of the turnover.
- Pay tax on this.
- Take 80C relief / 80 D / 80 CCF as per law.
- Take partners salary, partners interest on capital relief too
- No accounts required
- No audit required
- No accountant required
Further benefits are :
ZERO Advance Tax
Full Credit of the TDS, if any

FINSYS
MOBILE ERP

Particulars	Case 1 = with 80C savings	Case 2 = Sale of 80 lakh	Case 3 = Sale of 60 lakh	Case 4 = Sale of 36 lakh
Suppose, your Turnover	10,000,000	8,000,000	6,000,000	4,000,000
The Deemed income =8% is	800,000	640,000	480,000	320,000
Less LIC, PPF etc savings	100,000	100,000	100,000	100,000
Net income	700,000	540,000	380,000	220,000
Tax due on above	70,000	38,000	18,000	2,000
Effective Tax as % of Sales	0.70%	0.48%	0.30%	0.05%
Tax per month	5,833	3,167	1,500	167

Tax audit Limit for Audit is now Rs 1 crores

Hi, the MICRO and SME companies. The Tax Audit Limit has been increased again. That is good news to small companies, and small businesses.

No Tax Audit Required...upto (for Business)

■ Audit Free Turnover Limit for Business(Year ending)
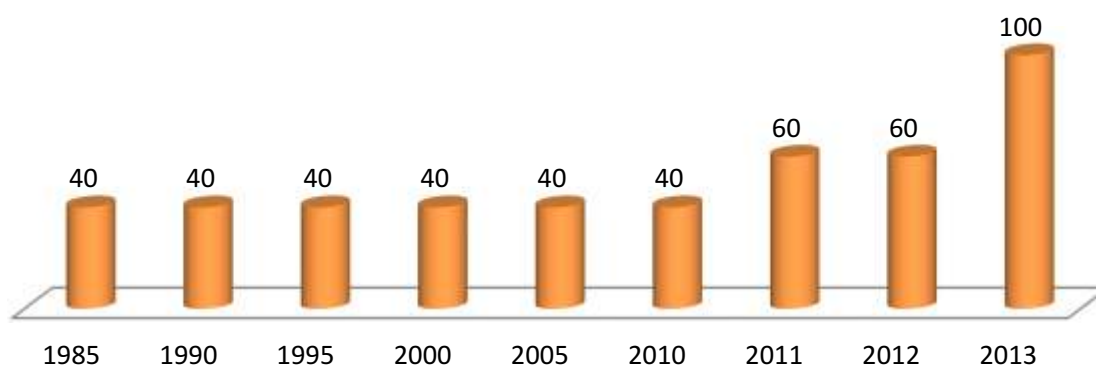
From 1984 to 2010 (26 years), it was stationery at 40 lakhs. 2 years ago, it was jacked by 50% And this time again. So, it is 250% up from what it was just 2 ½ years ago.

Congrats to Micro Businesses !!

Audit Free Turnover Limit for Professionals (Year ending)
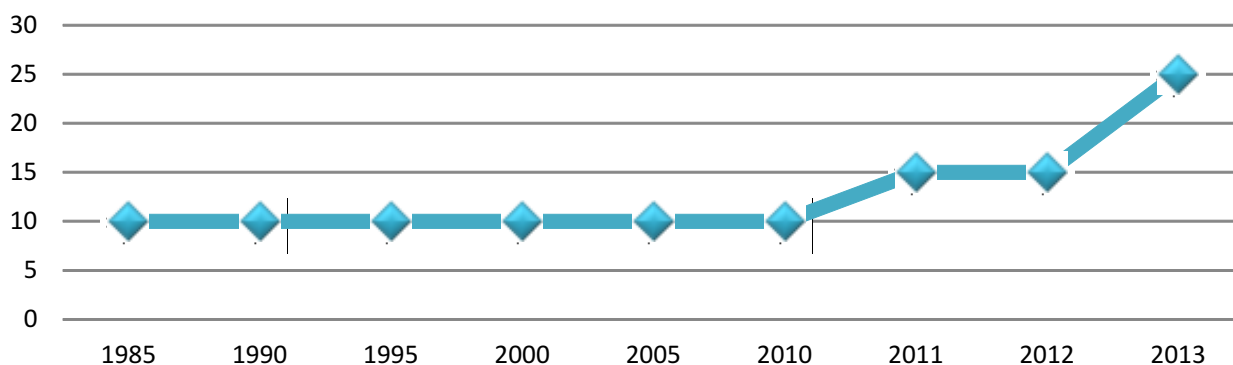
Similarly, for the small Professional Firms, the limit is a big Rs 25 lakhs

But, at the same time, let us remember that getting your accounts audited is good for you. You get a lot of good suggestions and advice for better running of businesses. So, if you desire that, you must continue the audits.

Income Taxes -Financial Year 2012-13

Some good points to remember for the Financial year 2012-13 (Asst Year 2013-14)and How they effect you ?

So, let us start our review of the points from Budget 2012

1.Corporate Tax Rate

Corporate Taxation	below 1 crores of Profit	above 1 crores of Profit
Basic Rate	30.00	30.00
Surcharge 5%	-	1.50
	30.00	31.50
Cess 3%	0.90	0.95
	30.90	32.45

2.Income Tax   Rates changed, There is a reduction for most Tax payers

Slab	Rate
Upto Rs. 2,00,000	Nil
Rs. 2.00 lac - Rs.5.00 lac	10%
Rs. 5.00 lac - Rs.10.00 lac	20%
Rs. 10.00 lac onwards	30%
Surcharge	NIL

Education Cess , & SHE cess   3% on Basic

b. No special limit for ladies, from now.

c. Basic exemption limit (till which, you do not have to pay any tax). This will be as follows :

i.For Gents   : Rs. 2,00,000
ii.For Ladies   : Rs. 2,00,000 (same as gents)
iii.For Senior Citizens   : Rs. 2,50,000 (60 yr to 80 yr)
iv.For Very Senior Citizens   : Rs. 5,00,000 (over 80 years)

d. So, ?? Most of you save a small value in Income TAXES =

i.Savings are upto Rs. 2060. per person for everybody and upto 22660 for people over Rs 10 lakh of income

ii.See the chart below

Income per year	200000	400000	500000	700000	900000	1000000
Tax as per Budget 2011	2,000	22,000	32,000	72,000	122,000	152,000
Tax as per Budget 2012	0	20,000	30,000	70,000	110,000	130,000
Tax savings		2,060	2,060	2,060	12,360	22,660

• So, Each one will save some Tax,
• And it could mean Rs 22660. per family member for many of us.

• And That is equal to say a Lakh of tax saving per family, (assuming 4 earning members)
• And it also means on the reverse that you can have Rs 75000 of income more, per member, for the same tax ....   (Rs 3 lakh additional income !!! comes will zero additional tax)

Please observe == effective Tax Rates, have become further, very very low

Table 1 = Tax % has come down to very very low.

Income	Savings - section 80C, 80CCF (suppose)	Net taxable income after 80C	Basic rate	Cess	Income Tax	Effective Tax %
100,000	0	100,000	0	0	0	0.00%
200,000	30,000	170,000	0	0	0	0.00%
300,000	55,000	245,000	4,500	135	4,635	1.55%
400,000	75,000	325,000	12,500	375	12,875	3.22%
500,000	100,000	400,000	20,000	600	20,600	4.12%
600,000	100,000	500,000	30,000	900	30,900	5.15%
700,000	100,000	600,000	50,000	1,500	51,500	7.36%
800,000	100,000	700,000	70,000	2,100	72,100	9.01%
900,000	100,000	800,000	90,000	2,700	92,700	10.30%
1,000,000	100,000	900,000	110,000	3,300	113,300	11.33%

Note : We have "assumed" some savings in Section 80C. Actual savings vary from person to person. And, please note, apart from this, you can take benefit of Mediclaim, HRA, conveyance allowance, and perks etc also.

Table 2 = TDS per month, has come down too

Income	Tax reqd per month
100,000	0
200,000	0
300,000	386
500,000	1,717
800,000	6,008
1,000,000	9,442

Above Table 2 is based on the Table 1

Also, please see that a person who earns, say Rs. 5 lakhs pa, has to pay TDS of just 1717 per month.

Similarly, for an Income of Rs. 25000 p.m. his tax could be just 386 p.m..

And for Income of 20000 p.m. his TDS could be just around Rs NIL

1. Biggest Surprise, the biggest happiness, the Marvelous pride of FSIA

FSIA Ideas **+** Ministry of Finance **=** Sec 54GB- Cap Gains

FSIA was a part of the team that created ideas for Tax Proposals Giving Idea for this New Proposal. See this carefully

This will be a boon for every entrepreneur, who unlocks the value of his property and invests in his own business. Thank you FSIA thinkers.

If
- Where you sell a house property
- Use it for Subscription of Equity Shares in a Pvt. Ltd. company
- And that company purchases Plant and Machinery etc out of that money within 1 year

Then,
- You get Exemption From Capital Gains

Available to
- Individuals and HUF's

Conditions
- It must be a New Company
- It must be a MSME unit
- Manufacturing Company only
- Assessee must have 50% of more of the share capital

New Plant and Machinery
- Includes all basic Plant and Machinery, CNC, VMC or any Machine
- Except the vehicles, office equipments, computers and 2nd Hand machinery etc

1. MAT (Minimum Alternate Tax) – Section 115 JB and 115 JC

a. What ? – It was a grouse of salaried / business people. They said, that we pay tax, but super large companies don't pay tax. Similarly, people with business in Baddi, Rudrapur, Nalagarh, Daman/Diu(earlier), Sikkim, don't pay tax. This was due to some deductions / exemptions, Now, They have been forced to pay heavier taxes.

b. And the rates are rising.

c. Have a look !!

Minimum Alternate Rate

Year	Rate
2007	8.42%
2008	8.50%
2009	11.33%
2010	17.00%
2011	19.93%
2012	20.01%
2013	20.01%

Financial Year Ending 31st March
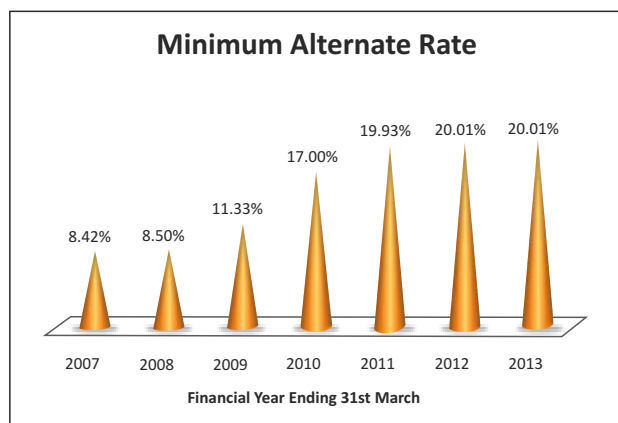
Who will pay the MAT (Minimum Alternate Tax) ?

Partnership Firms — Proprietor — Company — **Everybody pays MAT** — LLP
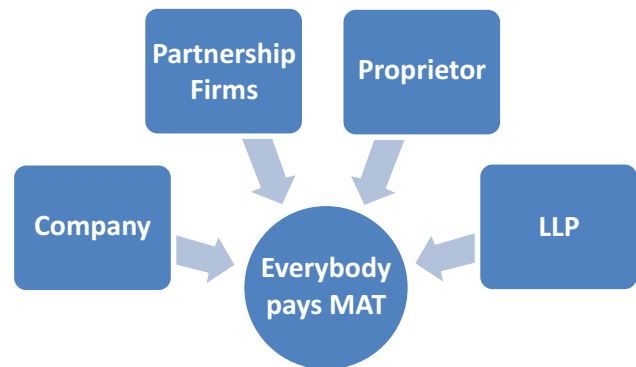
So, it is equal to all ....

India is becoming USA, … atleast in Taxation

MAT in USA vs. India - year 2007

	Value
USA (1986 to 2010) same rate	20
India - Financial yr ending 2007	7.5

Comparative M.A.T. (India vs USA)

USA 2011	India - from 1.4.2011

So, we are same

Cheers !!!

Newspaper Coverage of Finsys Team members

Good News, Mr Sangeet Kr Gupta, has been ranked No-1 in India

This was an academic exam, "DISA" - Diploma in Information Systems Audit, conducted by the ICAI.

Merit List issued by the ICAI with top 3 names is as under :

The Institute of Chartered Accountants of India
(setup by an Act of Parliament)

ISA MERIT LIST

MERIT					
ROLL NO	NAME	MNO	ISANO	MARKSSCALED	RANK
1896	GUPTA SANGEET KUMAR	95323	33299	188	1
2140	JYOTI JAIN	406990	33296	184	2
1137	ANKIT VISHNU AGRAWAL	141619	33382	183	3
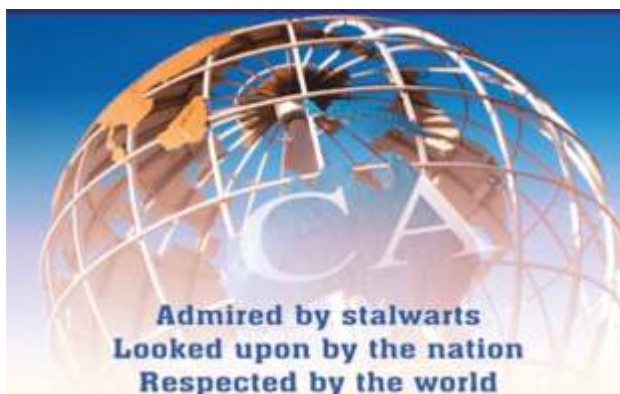
Mr Sangeet had joined an advanced 1 year course in "Information Systems Audit"- called DISA, It is an Advanced Technical Degree Course conducted by ICAI – Institute of Chartered Accountants of India.

He gave the exam last month – June 2012. He has been declared "PASS". And the big thing is that "He has topped INDIA". Your

Consultant, is also the India Topper, once again

15 years ago, when he did his CA, he was amongst the toppers in India, in both CA Inter and CA Final and first in Haryana. He was awarded a Gold Medal by Governor Haryana.

Now, a further advanced degree, And this time .... Thanks to almighty GOD, and Good wishes of the parents and friends, he topped the country. The competition was with approx. 2,569 Chartered Accountants across the Country, who sat in this exam this time.

If you desire to congratulate him, you may mail at pkgupta@finsys.in, or skgupta@finsys.in, or fsiaindia@gmail.com, or call him at 09312608426.

For info, The DISA (similar to the International CISA certification) covers subject matter in a variety of Information Security topics. The DISA examination is based on a series of knowledge domains and practices.

- Domain 1 - IT Infrastructure (Computer Hardware, OS, Networking, TCP/IP, Firewalls and Cryptography, Auditing thereof)

- Domain 2 - Protection of IT Assets (Physical Security, Logical security, Network Security, Application Security, IT Policies)

- Domain 3 - System Development Life Cycle (SDLC, Agile, Spiral Models, PERT, Auditing thereof)

- Domain 4 - Business continuity Planning (incl Risk Assessment, Disaster Recovery Plan, BCP, Testing thereof)

- Domain 5 - IT Governance, IT Security Governance, IS Budgets, How IT helps in Enterprise Governance

- Domain 6 - IT Audit processes (Goal, Mission, Standards, Methodologies, Risks, Controls, IT Act, 2000, COBIT, SAS 70, SOX Act)

Advance Tax instalments
Do you face Cash flow problem in paying advance tax on the June/Sept/Dec/March deadline ?
Did you forget paying the Advance tax last time ?
Good idea : Make a EMI – start paying in monthly installments

Finsys ERP linked to your Mobile Phone

Technology Innovation : Using mobile phone with Finsys ERP.

Now, in this special software facility, the MD of a company, will get automatic Email on this mobile phone, whenever any PO is made in his company, and is sent for his approval.

He clicks on the hyperlink "Click here" to Approve. The Software directly takes him to the approval screen made in ASP.net Platform on the companies server.

Now the MD may see the stock position, Price comparison of that item, Price Rate History and name of Indentor etc, and finally click "approved" cell.

The PO is thus approved online, Wherever the MD could be. He could be travelling .... still the job is done.

Congratulations to the Finsys Development Team

From: finsys@akitokowa.com
Sent: 05 October 2012 17:52
To: skgupta@mlginfotech.com
Subject: New P.O. No.001962 By RAJAN
PO Creation Mail

PO.No	Dated	Items	Quantity.	Rate	Order.Ref.
001962	05/10/2012	BOPP TAPE 1.5 INCH	1000.00 NOS	11.20	000891

Information
Supplier : : KHANNA TAPES PVT LIMITED .
Total Value : 11200 + Taxes.

This Report is Auto generated from the ERP. If you want to see the PO price history, and then to approve it "click here"

"Good Morning, Sales of your Company MTD are Rs. 2.29 Cr. Last month MTD were Rs. 1.98 Cr, Congrats ! Keep it Up."
– Finsys ERP 05.10.2012 / 11:54 AM

"Mr Sharma, Your shipment in invoice no 819 dt 05/10/2012, item code "09001013" has been marked "Rejected" by QC inwards Dept Pls contact Logistics Dept"

-Finsys ERP
05/10/2012/11:54 AM

Examples of Push Technology in Marketing

a) Every 9 am , ERP pushes the Marketing team (educates them their target for the month, how much they have done till date, and what % they are behind targets...)

b) Every time a shipment leaves the factory gate, the Auto-Email pushes itself and unwinds in the customer purchase dept desktop.... advising him about the facts of the shipment , including product, price, Qnty, invoice no, truck number, time of exit from factory and even the mobile number of the truck driver. (see a demo at the foot of this email)

"For enabling similar technology in your company, contact the Finsys team at info@finsys.in

List of FINSYS Modules

Scope of Work & Modules of ERP, we may work on

(This is indicative of what we do for our clients, depending on their choice. Since the whole approach is modular, we can pick and choose the various modules/submodules)

GROUP A

Scope of the ERP Project (inclusions)

1. **Management Control & MIS**
   a. MIS-Top-Management
   b. Special to the point - Cockpit reporting of all the modules you have in the ERP and M.I.S. for MD, Alerts & Graphs
   c. Basic E.D.P - monitoring, and administration . User Rights. Security levels, Backups, tracking who did what ?
   d. Correspondence-External- Log of every mail, contracts, fax, samples inwards, outwards, drawings sent and received etc + Electronic Dak Register
   e. Internal Messaging-Internal-Internal Messaging System(like E-mail) , using the ERP, sending the messages, within the ERP network, for better internal communication .
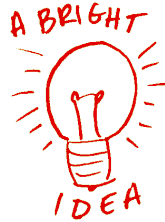
GROUP B

Basic Non-Financial Software: Engg, Purchase , Stores , QC

2. **Masters**
   a. Items: Masters-they will be involved in the creation of the Item Codes, Grouping, Sub-Grouping, Classification, basic Purchase, Stores masters -to be uploaded
   b. Vendor: Masters- they will be involved in the creation of the Vendor Codes, Grouping, Sub-Grouping, Classification

3. **Purchase - Basic**
   a. Purchase Orders- Making of the Purchase Orders Fixed Qnty PO, printout, Neat Format with Logo.
   b. PO to be made against the manual Purchase Indents in Ph-1.
   c. Option to "Close" the PO, and see Closed PO Report
   d. Approved Vendor List - price to be fixed for various approved items from approved vendors. During PO data entry, the price comes automatically
   e. Report Required for pending PO's
   f. Cash Purchase - no PO required, will continue with manual control.

   g. On line approvals of Purchase Orders
   h. PO Amendments, on line, with facility of Amended PO , with highlighting of the changed price or Qnty.

4. **Stores - Basic**
   a. Gate-Basic- Entry of Material inward at the Gate itself, PO is compulsory for BOM items. Later linked to the MRR in Stores.
   b. Stores - Inward Stores Inwards- MRR - with Rate Calculation and also show the Excise, cess and Sales Tax etc.
      i. Stores inwards connected with PO
      ii. Tracking of PO vs Delivery from vendors Report
   c. RGP- Goods sent to Outside Parties(OSP), on Returnable Gate Pass (RGP) for job work,repair or as a sample. Connected OSP Reports, of OSP ledger, OSP summary, RGP wise summary, Vendor wise summary/details etc.
   d. NRGP- Rejected Goods sent to Outside Parties, on NRGP. Connected NRGP Reports. -- to know which goods sent out without invoice(as free goods).
   e. Stores Issues : Goods issued to Production Departments/ Packing/ other Departments . Printing of Issue Slip. Connected Issue Reports. Option to get "Advance Issue slip".
   f. Issues -Facility to issue - Department wise and Machine Wise. Plus Report on Department wise consumption. Option to get Store location / bin card number in the issue slip (makes the issue process very easy). Also confirms to 5S - Japanese way of Stock management.
   g. Stores Returns - Return of stock from Production floor to the stores
   h. Closing Stock - Report of Closing Stock in hand valuation- based on FIFO cost. Alternate methods, Value based on standard cost and based on latest PO rates.
   i. Ageing - Slow moving Stock Report- according to number of days.
   j. Min-Max- Maximum -Minimum - Reorder Level reports.
   k. Reports- Daily Receipts Register, Daily issue Register- also vendor wise, item wise, Daily Challan book, Stock ledger, summaries , Stocks pending in inspection, Stock Turnover Ratio analysis,
   l. Physical Verification of assets sheet, and procedure,
   m. Identification Tags for each MRR, with vendor details for traceability.

5. **Quality-Inward**
   a. Quality-Inward-Basic- QC colm in each MRR. No issue of material without QC, Updation of each MRR with Pass-Fail-rework flag. Basic inspection / failure reports

6. **Production - Basic**
   a. Production-- Entry of Item wise production. For each shift. basic date wise/item wise production reports. For giving input to the Finished Goods Stores only (for

invoicing and stores only).

7. **Sales Area - basic invoicing**

   a. Customer-Masters- Teams will be involved in the creation of the Codes, Grouping, Sub-Grouping, Classification, database creation

   b. Orders -Basic-Entry of customer PO's. -- Sales Order Booking, Order Acceptance print, Order Registers and Order based Reports

   c. Despatch-Basic- Entry of Excisable Invoice's to Customers -- Linked to Sales Orders / otherwise. Printout as per Excise Norms

   d. Basic sales registers, charts and Schedule v/s actual reports .

   e. Marketing Reports Basic-MIS reports on Sales movements, Rising Sales, Dropping Sales, % analysis, Graphs, Category wise, party wise, item wise Reports

   f. Rejection Despatch- Purchase Returns R e j e c t e d Material Despatch Advice (RMDA cum Invoice), Requests for return -for invoice , Finance, Sales Tax, Excise linkage --- this is to be made by Finance people -- when they reject a Vendor's lot, --- they might have to return the goods with invoice.

GROUP C

Advanced = Engg, Purchase , Stores , QC, & Production
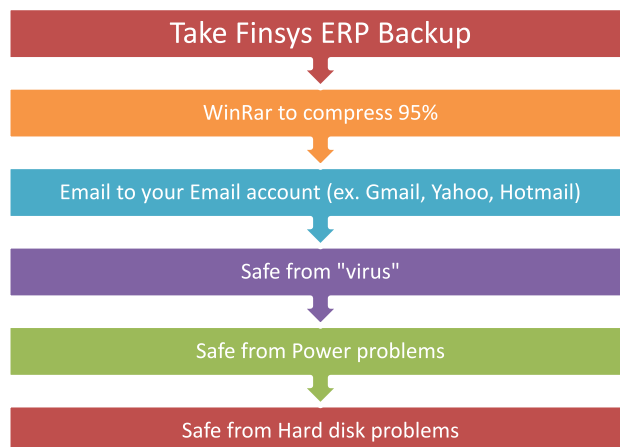
8. **Advanced = Engineering**

   a. Masters- Bill of Materials(RM + Components + Consumables). Concept of Revision no, BOM Tree, Multiple use Materials, 3 dimensional BOM with Time/production Stage referencing

   b. Masters-Facility to upload the image / design / photo of the article on the database

   c. Cost-Material costing-Product wise BOM based Raw Material costing. - based on Recent Purchase Price, and Standard BOM. Computation of Contribution %, Labour and Overheads costings is excluded.

9. **Advanced = Purchase Work**

   a. On-line Purchase Indents-and see what is the status of my indent, and make it 100% compulsory (on-line) only

   b. Purchase-On-line approvals of Purchase Indents - with no PO till PR is approved

   c. Job work Request- on-line Job work indent , for any "jobwork", - make it compulsory for any Job work requirement - fix the price, fix the vendor, fix which process ? Based on a Job Work Order

   d. Service Request On-line- On-line Service indent, for any "service", and see what is the status of my indent, and make it 100% compulsory (on-line) only . Here no Material is involved, and no MRR shall come in.

   e. Purchase Schedules Facility of Open Purchase Orders + Purchase Schedules - Daily, Weekly, Monthly, Yearly. Connected with Stores inwards. Tracking of Schedule vs Despatch of vendors,

10. **Advanced = Stores**

    a. Store Indents (non-production) On-line Indent- The different users whether at production, accounts, maintenance or EDP , make on-line store indent , and

Take Finsys ERP Backup

WinRar to compress 95%

Email to your Email account (ex. Gmail, Yahoo, Hotmail)

Safe from "virus"

Safe from Power problems

Safe from Hard disk problems

see what is the status of their indents (no paper slips required)

    b. Store Indents (production /assembly) Stores Issue Requests Issue of material acc to Production Requests. Issue of material according to BOM.

11. **Advanced - Job Workers**

Jobworker reconciliations, 1-to-1 correlated, Conversion of Form , Moulding /Fabrication Vendors reconciliation. Job work account, Plant ledger, Loss allowed %. OSP Ledgers, OSP Weight wise reconciliations, 57F4 ledger

12. **Batch No. Control**

Controlling the batch no system of Materials and finished goods. With date of purchase/manufacture, supervisor, Input details etc. Also facility to know , when this material is going to Expire.(and should not be used) Batch no concept, Issue of material- MRR- wise. Facility to control source wise stocks.

Advanced Purchase functions - part 2

13. **Material Requirement Planning** (M.R.P.).

Purchase Planning, based on stock positions, BOM , Production Plan, Sales plan and the minimum level buffer stocks , Std Order Lot Qnty

14. **Vendor Ratings**

Vendor Ratings-DPPM, QPPM, Price monitoring, Vendor wise price comparisons, item wise comparisons, Rate Trends, ABC analysis

15. **Purchase Imports**

Special features for Import PO, multi currency, linked to Stores and landed cost later.

16. **Quality Connected - Advanced**

    a. Quality-Inward-Basic QC colm in each MRR. No issue of material without QC, Updation of each MRR with Pass-Fail-rework flag. Basic inspection / failure reports

    b. Quality-Inward with "Quality parameters"-Material Receipt and Inspection Report (MRIR) with templates, Separate key parameters to check for each material, like dimensions, weight etc. and online quality report

    c. Advanced Quality-Outward (PDIR) P.D.I.R. for various customers, with various parameters, So that we can tell the ERP, which item is to be passed or failed on which technical parameters, for general or that

specific customer. Now the reporting can be done.

d. PPM Reports on the Quality Inwards and Quality Outwards. --> To monitor the rejection (Part per million) on the Factory final inspection stage. A rejected batch may effect the overall QC rating of the plant.

e. Cost of Poor Quality Reports (COPQ)- what is the direct cost we had to incur due to the rejections found

f. Graphical display of Rejections, Monthly Trend , Rejections Pie Chart for Top Quality Problems, Graph of Monthly PPM(parts per million) trend, Graph of monthly OEE, Graph of Monthly Downtime (if connected to First stage production), Cost of Poor Quality COPQ information, and Mould Change Record.

g. Special purpose Inspection Reports, with inspector Name, Date, Time, lot, Qnty as per challan / actual / passed / failed and also passed under deviation or segregation, if any

h. Google like Search facility in Inspection Reports

i. Quality Rating Reports-Quality Rating of Vendors, with factors like Line Rejection due to Vendor, and Customer Rejection due to Vendor, Wrong labels, Documentation problems, poor packing, Communication points and so on.

j. Inspection Time Monitoring Reports : Facility to Record when each MRR(SRV) is received by Inspection, alloted to which inspector, when alloted, when inspection done(auto-filled), how much time delay , reason for delays. + with Google type Search reports on these.

k. IPQC : In-process QC, with QC dept monitoring the flow of goods from one process to another, the rejections at each stage, rework at each stage, and other in-process reasonwise rejection analysis.   With appropriate slots in the production batch cards.

l. Engineering Change / Recipe Change (ECN) : As soon as this change is "logged" in the ERP. The ERP will generate an AUTOMATIC " ERP-message" to the users of Purchase, Quality and Stores, that this change has happened. --- So that effective that date, the people do not use the wrong version / recipe / BOM

m. Urgent Inspection Request in MRR / Gate : Suppose, last month 20 shipments were "critical" and "urgent due to material shortage" etc, and due to this urgency QC Team had to inspect them same day. This is ok, but this leads to delay in the inspection of the non-urgent shipments.

n. Urgent Inspection Request Database : So, QC dept can generate a database of such "emergencies" so tell who has these problems. This flag is "set" at SRV stage itself. (a) Generates on-line Alert to the QC Dept users, (b) Report of "urgencies" and their disposal.

17. Quality & Tools

a. Detail of Instruments and Gauges with Least count, Calibration Frequency, location and calibration agency ==> Master List, calibration Plan and history card for Instruments and Gauges with reminder Facilities

18. Customer Complaints

a. Customer Complaint Log Book with Filtration of Products, Customer and defects. Also having the information of Open and Close till date

b. Customer NCR Monitoring with filtration facility along with open and close status till date

19. Maintenance connected

a. Maintenance-Preventive Plant Preventive Maintenance & Calibration Schedules, Monthly Chart of due calibrations with previous vendor detail etc

b. Maintenance - on call- Accidental-The users give E request for repair of any machine / or for a job. The Call log is created along with when handled, action taken, expenses made, past history etc

20. Advanced Production connected + In process QC

a. Production-Advanced- PPC, Production, with Job Cards, Process Route Chart the detailed Stages Wise Production entry, and related sub-modules as per your industry. Special industry specific machine logs, conversion forms. Graphs

b. Work in progress mgmt-Work in progress entry, at various stages . RM WIP,   Finished WIP, Samples WIP, WIP valuation - and connected to detailed production above.

c. Production-Planning (PPC) Work order-Planning of the Order. Plan of the production and assembly of the various parts of the main body - plan the whole process

d. IPQC - In process Quality Control, and various Reports of Defect wise reason analysis.

e. OEE and Down Time Reports, Reason wise Analysis of Down Time, Machine Wise Trends, Month Wise trends, Worker wise comparison of OEE, Mould Change Time, Productivity Analysis.

f. Target vs actual production.

21. Sales & Marketing Connected - Advanced

a. Post-SalesComplaints- Customer support & Complaints (Post Sales), keeping a log of complaints, action taken, and follow up, with reports available on various parameters. - basic - submission by Marketing, view by QC, Action by Production.

GROUP D
Payroll & HR

22. Payroll Connected - Basic Salary + ESI + EPF

a. Payroll-Basic Master of employees, with their personnel master record and salary masters and deduction masters

  i. Payroll calculations, - Company Employees - Worker+ Staff

  ii. Payroll calculations, - Contractor Employees

  iii. Pay registers, pay slips,

  iv. Daily Attendance Report

b. ESI - monthly joining report, ESI Registers, ESI challans, ESI Summary, ESI return form 6, ESI Form

6 computation, ESI Form 7 .

c. Provident Fund : PF Register, PF Summary, PF form 3A, PF 6A, PF form 5, PF form 10PF form 12 A, PF Combined Challan, and PF form 6a back side

d. Payroll Punch Card link Facility to connect to your punch card machine, and import staff attendance from it

e. Facility to enter daily Time In and Time Out for each employee in each shift. And calculate salary summary automatically.

23. Payroll Connected - Advanced Areas

a. Bonus-Bonus statement (Bonus for the year calculations)

b. Gratuity- Gratuity report & Gratuity Provision calculations

c. Arrears-Advanced Arrear Calculations, based on the days attended, ruling salary for that month etc

d. Staff Advances
   i. Giving of advance
   ii. And automatic Deduction in monthly salary, till the advance is fully recovered.
   iii. Staff Loan Ledgers.

e. Full & Final settlement sheet - Computation of Full and Final settlement of the employee, based on the data entered (basic working sheet only)

f. Leaves - Advanced module
   i. Sick Leaves, Earned Leaves, Casual Leaves, -- Record of Opening, Allowed, Utilized, Lapsed etc
   ii. Encashment calculation of Leaves

24. HR Area (Basic Reports Part 1)

a. Bank- Letter to Bank for salary transfer.
b. Increments-Record of increments, when, How much,
c. Lists of birthdays / joining / leaving.
d. Lists of Marriage Anniversaries
e. List of Retirement
f. List of Probation Completion (Confirmation)
g. List of Mobile Numbers
h. List of Addresses
i. Blood Group wise Report (with address, Contact no)
j. Turnover-Basic-HR Strength v/s. sale Report
k. CTC-Basic-Cost to company report. (CTC)

25. HR Area (Basic Reports Part 2)

a. Annual-MIS Annual income summary head wise
b. Annual -MIS Department wise, Head Count+ Salary Cost --- and trend over months (so that you can review Rising(falling) Dept costs)
c. Annual -MIS Designation wise, Head Count+ Salary Cost --- and trend over months (so that you can review trends)
d. Annual -MIS Annual Salary Certificate (excluding income tax Forms)

26. HR - Advanced

a. Appraisal Forms- Basic Printout of Blank, partially pre-filled, forms for Annual Appraisal
b. Training-Basic Staff Skill Set Matrix ,
c. Training-Staff Training history,

GROUP E
Finance Modules

27. **Finance Area**

a. Accounts-Multi user- All kinds of voucher entries, Auto-Sales entry from invoices, Voucher printing, Ledgers, Cash Books, Trial Balance, basic P & L account, Balance Sheet, Including the help in the Master files, training etc

b. Accounts- Vendor Control -Basic- Printing on the cheque books- loose leaf (on laser jet) or, continuous stationery (on DMP) Cheque forwarding letter, Payment calculation / computation software, internal calculation sheets

c. Sales Tax Basic- Sales Tax and VAT, ST-38/31 registers, ST-38 inward not received reports, C-form reminders lists and reminder letters, Various kinds of VAT summaries, effective VAT reports,

d. TDS-Basic- TDS- Auto Deduction during the data entry stage, printing of TDS Challans, E-TDS Return data - 26Q support data. (excluding the Java returns and 24Q - salary area)

e. Costing Dept Basic-Allocation of Cost Centres, Linking of masters, Asking of Cost Centre During voucher entry in finance, and during stores issue slips. Giving basic Costing Reports

f. Auto Purchase Voucher Passing-Detailed Facility for the Gate staff to Issue the Gate Inward slip. --> MRR Inward is Against the PO and Schedules. Connected to Stores - then, QC - then, finally Finance. Finance Voucher is Automatic, with auto Purchase voucher passing

28. **Advance Finance Connected**

a. Service Tax Basic reports, TR-6, integration, (calculation from Finance-of input tax, and output tax)

b. Excise, tariff wise reports, ER-1 , Revenue figures, TR 6, RG-1, RG-23A-II , and all commonly used Returns and Registers, summaries,- except those which need financial inputs

c. Schedule VI Balance Sheet working together to make the Schedule VI balance sheet , directly from the ERP. Along with subgrouping etc

GROUP F
Auto Alerts

29. **Some indicative SMS / Emails can be as follows :**

a. Collection - Targets Auto calculation of the Collection Targets, based on the Outstanding, Sales -Team incharge of that customer, credit terms etc. With regular Target vs Actual Reporting

b. Sales Auto - email on case of Shipment to the customer with transporter detail and shipment details

c. MIS Position of Sales, territory wise, Area wise / branch wise

d. MIS Position of Collection teritory wise, Area wise / branch wise

e. Quality-Inward Pending MRR report - pending in QC

f. Accounts Pending MRR report - pending in Accounts

g. Collection Debtor outstanding and auto emails of payment reminder to customers(CRM)

h. MRR rejections   Material Rejected by Customer, comes in factory - alert email to all concerned, including MD Team Three

i. Material Auto - email to the user - indenter   (on receipt of goods at Gate)

j. Material Auto - email to the user - indenter in case PO is closed by the Purchase Dept

k. Auto - email to the MD in case of increase in basic rate in PO

l. Quality-Inward   Auto-email to the Vendor + Purchase + Finance Dept in case of Rejection of any lot by the QC team (of a vendor's material)

m. Directors-Auto SMS's to various Directors , General Managers, Vice Presidents, of summary of days sales, collection etc

n. Sales Team auto SMS's to various Sales Team from GM to Salesmen , of summary of days/ MTD/ YTD sales, collection and Target vs Actual Reporting

Others

o. Thought for the day-Auto Email to all users, --
Thought for the day (based on database filled by your team)

p. Reminders-Auto Email reminder for Insurance, Income tax dates, and ESI, EPF last dates etc

q. Internal Essential Alerts
   i. On change in Master Salary record of any employee - alert goes to HOD
   ii. On ERP backup not taken for 3 days or more - Alert goes to all HOD's

GROUP H
Other Special Modules

30. Multi Location

a. Multi Factory Advanced Module-Multi-factory, multi-office linking on ERP (using Radio Frequency Towers, or VPN , or Leased line Internet)

b. Facility to make one of them as "Head office" for accounts, Taxation centralization.

c. Facility of state wise consolidation.

31. Purchase-Enquiry Management System

a. Request for Quotations (R.F.Q.)

b. Database and reports of item wise , vendor wise,

c. Parameter, our target, vendor response, variation and future suitability

d. Selection of vendor based on the comparative vendor quotes

32. Truck control :

Advanced Gate out Gate pass, with invoice no wise, item details, for checking at the gate. Recording the distance of the customer factory, from our factory, computing the Truck's cartage bill, MIS on which trucks used more.

Management Control and T.N.A

33. Meetings

Minutes of meetings, Directors hold with and their action taken, along with related Word / Excel / PPT files

34. Projects Time and Action TNA

Time and Action Reporting. What tasks given to whom and what is the current status ? Which activities are in time v/s. in Delay (Yellow & Red Zone) -- Can also be used for any Shipment, any Sampling. Any project . Helps in reducing Time Used.

GROUP I
Sales & Marketing Connected - Advanced

35. Sales Export and Deemed Exports

Basic Export billing invoice, in foreign currency. Also its local currency invoice in Indian Rupees. Auto connected ARE-1 and ARE-3 annexures. Appropriate provision in the Excise returns and Sales Tax.   Also the Packing list.

36. Dealer/Sales Incentive Plans

Give targets, monitor progress, compute incentive to Sales Team / Dealers / C & F etc. -based on Sales, or collection, or both. Could be Percentage/ per pc/ or graded

37. Sales

Services Billing   Booking of On-site complaints, with service Requests) - billable v/s warranty billings, log of work done, Invoices of these services + visits.

38. Sales-

J.I.T.   & D.O.L.   Getting special DOL schedules from the customer, and making of invoices accordingly, example JCB etc

39. Own Website Live updation

Using this module you can update your Own Website with the latest production / finance / sales / purchase / inventory status, as may be desired by the management. (no entry, only view, on the net)

40. Sales Customer's Web-Upload Softwares

Key softwares for upload of Despatch Data   to your customer's ERP / Oracle Financials / Maruti's ERP , Hero Honda's SAP, M & M SAP, Finsys ERP etc - price per company

41. Sales Bar Coding

Printing of the bar codes on the invoice itself (Dot Printer). Or on a separate sheet (laser printer). Bar coding stickers for the packagings/products

42. Customer SRV, PDIR

Sometimes the customer wants you to send a SRV and/or a PDIR, along side each invoice you are sending to him. We automate this

43. New Product Development

Product Development & R & D: Pre-Commercial prototype Development Control & Costing , Schedules , New Development Request and Authorisation

44. Pre-Sales

a. Receiving Enquiries and Enquiry Database

b. Sending Offer / Quotations, sending Marketing letters, Making a log of all e-mails, quotations, faxes and replies. Getting orders, and giving Order Acceptances. Proforma Invoices,

c. plus facility to attach the technical files (in MS Word, Excel, Autocad etc) - upto 5 files

d. Facility to Initial   Hand-over the orders to the Purchase and PPC as a Work order. For initial planning by them

e. Facility to Final Hand-over the orders to the Purchase

and PPC as a Work order. For start of production activity

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GROUP J

Others
</div>

45. Die Life Management

a. Die Life Management - Advanced Master control of each die / cavity / each imported mould/ each machine, with internal automatic , updation of how much life is left.

New Culture ideas (Japanese HR initiatives)

46. Suggestion Scheme

Internal Log of the Suggestions -- May be used for logging of all suggestions , direct to Plant Head, with automatic MIS reports on the suggestions received and action taken

47. Complaints and Feedback from staff / workers

Internal Log of the Complaints -- Hidden from the others -- May be used for logging of all complaints and feedback. Direct to Plant Head, with automatic MIS reports on the complaints received and action taken.

48. International regimes

a. Multi year- MNC Multi year reporting / cross year reporting ex. 1st Jan to 31st Dec year reporting

b. Multi Currency reports - MNC Report of same data / MIS in Euros / USD / Yen etc

You did not file Income Tax Returns – Salary below Rs 5,00,000 – think again

The exemption was valid only if you have no other income except Salary income. Except the interest income and that too with max limit of Rs 10000
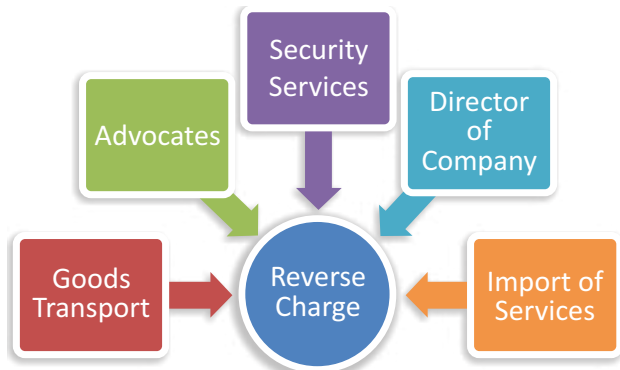
**So, if it is still pending, get it done**

Keep Monitoring your company LIVE even on your next trip to Dusseldorf

Reverse Charge Mechanism of Service Tax for 11 services now

We all know that service-tax on Transporters was on reverse charge basis for last decade. Now the same is true for some more services (11 of them) And the five of them, that effect most of MSME businesses are explained here.

For your knowledge the general exemption of Rs. 10 lacs is also not available in these cases.


Exemption of Rs 10 lakh available? → Sorry. (no exemption)
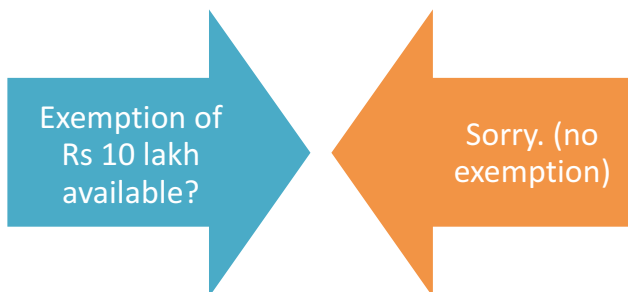
First Category : Advocates

Advocate:- where service provider is individual advocate or firm of advocate and service receiver is a business entity having turnover more than Rs. 10 lacs in preceding financial year.

Advocate + Serves Business Entity = REVERSE CHARGE basis

2nd Category : Security Services/Manpower Supply

Supply of manpower or security services:- Where service provider is Individual/ proprietorship/ partnership/ HUF and service receiver is company registered under companies act 1956 or business entity registered as body corporate in taxable region. >>>> pay service tax by reverse charge mechanism

Provider is Indl / Partnership + Receiver is Company = REVERSE CHARGE basis

Provider is himself a company = Normal TAxation
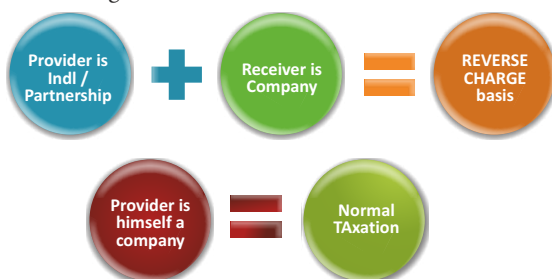
3rd Category : Import of Services

Import of services:- Any services provided by any foreign service provider to any service receiver.

If you are taking professional , or technical advice from a foreign body and paying them in Foreign currency. It will get covered here in import of service. >>>> pay service tax by reverse charge mechanism

Today a lot of FINSYS member companies are doing Foreign technical tieups. They are paying to consultants from Germany, Japan, Italy, and USA etc. So, in future when they pay to such provider, pay service tax yourself.

Foreign Provider + Local receiver = REVERSE CHARGE basis

4th Category : Fees to Directors

Services of Director to company:- The services provided by any director (Individual) to the said company.

However it is clear now that services provided by director in employee employer relationship do not attract service tax. >>>> pay service tax by reverse charge mechanism (See the example below)
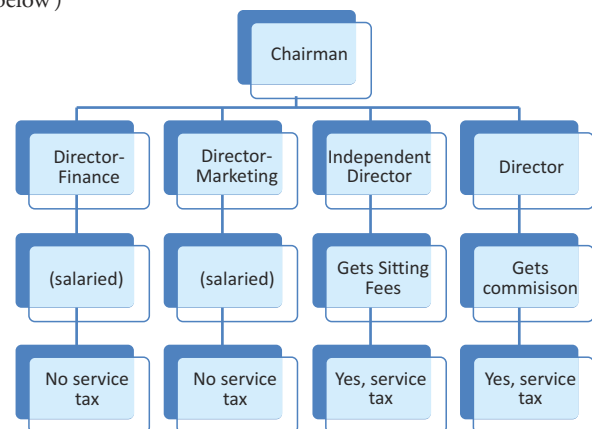
5th Category : Goods Transporters

Goods transport agency:- The reverse charge is applicable , as in past, only when consignor or consignee is a factory registered under factory act, registered society, co-operative society, any dealer registered for under central excise act, any body corporate or any partnership firm.

Editorial comment

Apparent intention of the Government

The intension of government is very clear for this type of arrangement. They want to collect the tax from the person receive the services and apply the concept of tax deduction at source so that the concealment of tax revenue could minimize.

The intension and formula applied by the government is no doubt a good one but there are practical difficulties also. The companies or entities which are not providing any kind of service but receiving any of the above mentioned services shall get themselves registered and pay the service tax. Even in case they have stop receiving such services they have to file a nil return.

Worry ? No , not much. You get the Modvat anyway.
Why ? since, usually, all of you are registered in Excise or service tax.

Finsys ERP for your company

• Forging • Casting • Machining • Plastic Moulding-Injection and Pressure
• Rubber Moulding and Rubber to Metal • Auto Paints & Lubricants • Non Ferrous (Aluminium/Brass Components)
• Sheet Metal • Fabrication • Metal Treatment • Wire Harnesses • Light and Heavy Machinery Engineering
• Chemicals & Paints • Healthcare-Pharma • EOT Cranes-Hoists • Electronics Industry
• Printing , Packaging and Corrugation Industry • 100% EOU's and Export Documentation management
• Distribution Network & CRM

Finsys ERP Solutions	Systems Audits
Conceptualizing and Designing	Systems Audits
Implementing	Pushing the ERP complaince
Customising	Helping in Stock verification
Training	Helping in Time Cost
Hand-holding	Management
	First Time Computerisations

You can approve your P.O.'s
(Purchase Orders), or even
Indents, Sales Orders,
even from the Airport...