



Ghaziabad Management Association



Aiming to inspire individuals to actualize their potential, Ghaziabad Management Association, an autonomous management association was set up in 1982 as a Registered Society under the aegis of late Shri Sitaram Jaipuria. GMA has striven for management expertise that can synthesize Indian ethos with international management thought and practices since its inception. During the short span of its existence, GMA has taken deep roots in the industrial city of Ghaziabad and has become an

important forum of the business executives and other members to share their experiences and ideas to further the cause of management. It is striving to outline the present and future problems concerning management, while looking for perfect harmony in human relationships, which can take many forms, such as corporate, employers, employees, customers, and the members of the society we live in and facilitate individuals and organizations to include best management programs. It wouldn't have been possible without the strenuous efforts of late Dr. C.B.Gupta, Ex Director of Institute of Management Technology & Founder President of GMA. The activities of GMA got a further fillip after securing the permanent affiliation to the Apex national body, All India Management Association, New Delhi, and registered under Societies Act.

HIGHLIGHTS

VISION

ORGANIZING CHANAKYA - THE BUSINESS SIMULATIUN GAME:



Ghaziabad Management Association organized a two day workshop in form of Management Simulation Business Game called "CHANAKYA" on 28th & 29th January 2015 at AKGIM campus.

This game was conducted by All India Management Association (AIMA).

The event was inaugurated by CA Anil Agarwal, Jt. Secy of GMA and Mr. Sachin Goel, Director, ABES Engineering College.

Shri Vinay Gupta welcomed the guests and the participants and explained the importance of organizing such an event.

The game was steered by Shri Vijay Singh and Mr Shubham Basu from the Games division of AIMA.

To enable Ghaziabad organizations to develop global competitiveness.

MISSION

To facilitate individuals and organizations realize their potential.

Save Nature



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To _____

Mr. Asish Das (Chairman Newsletter Committee GMA)



Mr. Asish Das

**Dear Readers,
Greetings of the day.**

Disha, the official newsletter of Ghaziabad Management Association, has now begun its journey of engagement. We have started actively engaging with GMA members, associates and people from all walks of life to garner their

support and cooperation in building up Disha as a Global brand.

Disha has also taken bold steps to engage with Organizations working for uplifting of the society.

Nation wide Political upheavals are keeping citizen mood optimistic but the common man is yet to see direct impact on his life. Ease of doing business is the need of the hour without which the Prime Minister's Make in India initiative will fall flat. We invite all to give feedback and suggestions which can be passed on to the Government of India.

There seems to be some kind of rush in infrastructure projects being undertaken in Ghaziabad. Citizens of Ghaziabad will welcome

such moves with open arms but it is yet to be seen as to whether these are targeted towards safeguarding political positions with the elections on the anvil or are these genuine efforts to improve Ghaziabad.

GMA is actively working towards supporting Industry growth along with many Organizations and Institutions who support its cause. For the same seminars and lecture sessions are being arranged on a regular basis.

On the social front GMA organized a Cancer awareness rally to alert people about this deadly disease.

We invite Industries and Institutions who are not GMA members to join this force and take it to a next level altogether. Taking this organization from strength to strength is our key objective.

Once again, I heartily thank all our readers, critics and associates for being an integral part of this journey.

With best wishes

Mr. Asish Das

(Director - AKD Infotech Pvt. Ltd)



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Business Game 'Chanakya' is a simulation game where teams of four persons each are made to represent the decision makers of a company. They are required to take the most profitable decision for their company under the dynamic circumstances and vagaries created to simulate the actual business scenarios that can prevail. In this event,

participation was in form of 8 teams from management cadre of Industries and faculty from Management Institutes.

The teams were from the following organizations:

- AKGIM
- ABES
- Continental Carbon
- International Tobacco Co. Ltd.
- NTPC
- Shriram Pistons & Rings Ltd.
- GPPL
- BEL

The teams were from the following organizations: AKGIM, ABES, Continental Carbon, International Tobacco Co. Ltd., NTPC, Shriram Pistons & Rings Ltd., GPPL, BEL. The team from NTPC was declared winner and the team from Shri Ram Pistons & Rings Ltd. was the runners up. Shri Arun Agarwal, President, GMA was present as Chief Guest and gave away the winner and runner up trophies to the participants where. Dr. Tripurari Pandey, Director AKGIM and Shri Vinay Gupta Executive Director, GMA were also present on the occasion.

This event was widely appreciated and enjoyed by all the participants. They assured that on commercial front and as a team, their vision has broadened and they have learnt a great deal in the game.

CSR Concerns in Indian MSME



Mr. H. N Singh

INTRODUCTION : Jaipur rugs have been into developing weaving skills among people of remote villages so that they can earn a self sustainable livelihood for themselves.

TCS has developed software that aids an illiterate start reading and writing by 40 days, Infosys has been helping students get computer literate by designing course circular for them and

Aviva, a life insurance firm have launched street school to educate the under privilege students. Such initiatives have resulted in uplifting of under-privileged sections and distribution of wealth.

Micro, small and medium enterprise (MSME) are the bulwark of the economy, accounting for more than 45 per cent of industrial output and more than 40 per cent of India's exports. MSMEs usually identify themselves closely with the region or town where they are located. MSMEs have a considerable role and impact when it comes to environmental issues such as pollution, social issues such as income, working conditions and the working environment.

MSME : In India MSMEs as per MSMED Act, 2006 are defined based on their investment in plant and machinery (for manufacturing enterprise) and on equipment for enterprises providing or rendering services. Although definition differ across countries, they have one thing in common ; the vast majority of MSMEs are relatively small and over 95% of MSMEs in Asia employ less than 100 people. MSMEs significantly contribute towards India's economic growth, employing nearly 40% of India's workforce and contribute around 45% to India's manufacturing output.

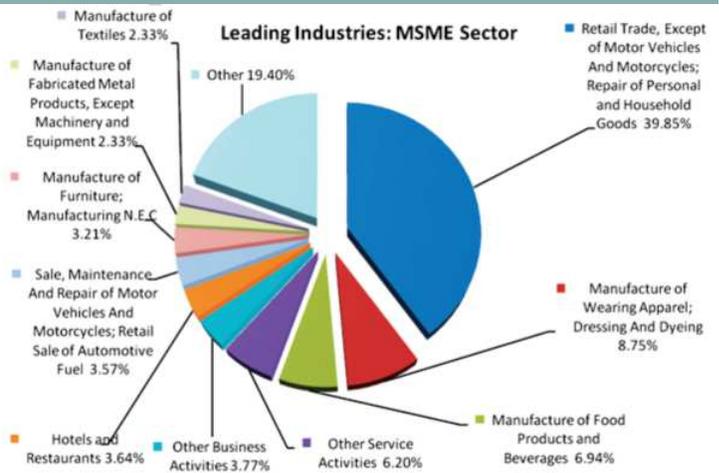
The SME's alone contribute to 7% of India's GDP. As per the latest Fourth All India Census of MSME's industries during the period 2006-7 to 2011-12, total number of enterprises in MSME Sector was estimated to be 361.76 lakh with total employment of 805.24 lakh. The estimated numbers of enterprises and employment have increased at an annual compound growth rate of 28.02% and 6.42% respectively as compared to third All India Census of SSI, during the period 2001-02 to 2006- 07.

The leading industries with their respective shares are shown in Figure 1.

OBJECTIVE OF THE STUDY

The study has been conducted mainly to:

1. Understand the dimensions of corporate social responsibility in India
2. To understand the challenges in execution of CSR by MSME



3.Proposed solutions for CSR implementation

REVIEW OF LITERATURE

Yoon et al ,2006, found that, CSR activities improve a company's image when consumers attribute sincere motives, are ineffective when sincerity of motives is ambiguous, and hurt the company's image when motives are perceived as insincere. According to Francesco *et al*,2008, the companies use different strategies as well as diverse management systems and tools to address CSR issues along with supply chains (SCs).According to Kabir ,2011,the major reasons for involving CSR practices by companies are to create and maintain a favorable corporate image where companies should be viewed as social organizations. Brooks,2012, suggests that CSR has to do with how a corporation respects the interests of its stakeholders and reflects those interests in its actions and accountability.

RESEARCH METHODOLOGY

Descriptive research design has been used to study which are concerned with characteristics of a particular group, that is MSME .

SOURCE OF DATA COLLECTION

Secondary data has been collected from text books, research papers and websites. Few interviews have also been conducted with small companies.

DISCUSSION AND ANALYSIS

The review of data and interactions have revealed followings:

- In the past, governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with distrust of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead.
- There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations.

- Investors are changing the way they assess companies' performance, and are making decisions based on criteria that include ethical concerns.
- As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their reputation. Mr Munish Gupta, MD, ACPL, Sahibabad Industrial Area, manufacturer of PT and CT has revealed that ACPL has started implementing SCM practices to improve material delivery from vendors.
- The role of media in highlighting good cases of successful CSR initiatives as it spreads good stories and sensitizes the local population. An interaction with scissor clusters in Meerut industrial area, revealed that once flourishing industry now almost in dead stage is being revitalized with formation of special purpose vehicle with help from NIESBUD, Govt. of UP and GOI.

Benefits of CSR

- MSME can benefit from improving their image and reputation. We must note that there are some large companies that really want to help to promote business with the small business sector and they will be looking to identify smaller enterprises that have established a reputation for good quality, well priced products produced in a way that is seen as socially responsible.
- Good CSR can lead to direct cost reductions. Many of these reductions are related to the environment and come about through reductions in energy usage, water consumption, waste reduction and the more efficient use of raw materials. But many CSR managers and other experts are of the view that good internal CSR like employment practices, bonus schemes, diversity initiatives, etc. can increase morale, reduce absenteeism, increase the commitment of workers to the organisation and increase productivity.

Concerns of MSME in meeting CSR

- Lack of awareness: MSME owners often do not fully understand the demand coming from the stakeholders of their customers and therefore do not recognize the importance of CSR. During interview with companies in clusters in Ghaziabad, Meerut, Delhi, many MSMEs seem to have some awareness of the concept but lack awareness of what elements of CSR might be usefully initiated in their own workplace settings.
- Lack of human resources and inefficient management systems: MSMEs often lack in systems approach to management, which might be related to a lack of qualified personnel or simply the lack of recognition about the benefits of moving towards a properly structured management system. There are

simply not enough adequately trained experts in areas such as lean manufacturing, human resource management, health and safety, etc.

- Lack of procurement practices: For example, customers often place orders late but still expect delivery in a short period of time. Orders are often changed before completion according to some managers interviewed.
- Mandating CSR for MSME through Company ACT 2013: A larger step was taken by the Indian government last year, in the form of the Companies Act, 2013. According to Clause 135 of the act, it is applicable to companies with an annual turnover of 1,000 crore and more, or a net worth of 500 crore and more, or a net profit as low as five crore and more. The Act encourages companies to spend at least 2 percent of their average net profit over the previous three years on CSR activities. Among the eligible activities included in the act are, Promotion of education, Eradication of extreme hunger and poverty, Gender equity and empowerment of women, Combating HIV/Aids, malaria and other diseases, Environmental sustainability, Reducing child mortality and improving maternal health,

Recommendations:

Based on analysis of data, interviews and findings recommendations are summarised as below.

- Training and facilitation services: corporate trainers, advisors and consultants, clubs and associations of like minded MSMEs could be utilised.
- Awards and prizes: Public recognition can be given to successful pioneering companies.
- Use of media: News coverage of positive CSR-related activities could be planned.
- Hand outs and guidance: Short and practical brochures could be made available.
- Facilitation Websites: On line information centre could be developed.

CONCLUSION :

It may be concluded that key challenge facing MSME business is the need for bringing essential service providers to their door steps, such as corporate trainers to provide skill based training, modern management tools, consultants to provide better tie ups, JVs, B to B opportunities, special purpose vehicles (SPV) for finance, technology, cheaper energy availability, carbon credits and many more, an elaboration has been provided as annexure A.

***Prof. H. N Simgh
(Head EDC - BBDIT Ghaziabad)***

Reverse Charge Mechanism in Service Tax



Mr. G . Thapar

Provisions relating to reverse charge are contained in Notification No. 30/2012-ST dated 20-6-2012 duly amended by notification no. 10/2014-ST dated 11/07/2014 (effective from 11-07-2014).

Reverse Charge Mechanism:

Generally, service tax is payable by person providing the service (called service provider) who actually collect

the tax and pays to the government.

But Section 68(2) of the Finance Act, 1994 makes provision for reverse charge i.e. making person receiving the service (called Service Recipient) liable to pay tax.

Partial Reverse Charge Mechanism:

Provision are also made that part of tax will be paid by service receiver and part by service provider, generally, called partial reverse charge mechanism or joint reverse charge.

In case of few taxable services, the service provider and service recipient both are required to pay service tax but in all cases the total amount of the service tax is actually borne by the service recipient.

Registration/ Amendment in Registration by Service Recipient:

Update Service Tax Registration Certificate for Services covered under reverse charge mechanism before payment or filling of service tax return under reverse charge mechanism. Amendment in registration certificate- ST-2 is required for services covered under Reverse Charge Mechanism by existing assesses, if not covered earlier.

New assesses must include the relevant taxable service to be provided as service recipient, in the application for registration of service tax in ST-1, so that the same could be covered in the certificate of service tax registration (i.e. ST-2)

Time of Payment of Service Tax by Service Receiver Under Reverse Charge:

In case of reverse charge service tax is payable after payment is done to service provider (the payment should have been done within a period of three months).

The provisions are given in the point of taxation rules 2011 as amended up to date.

That point of taxation in respect of reverse charge will be the payment date or the first day immediately after a period of three months from the date of invoice, whichever is earlier with effect from 11 July 2014.

Payment of Service Tax Under Reverse Charge mechanism/ non-Utilization of Cenvat Credit:

Payment of service tax under reverse charge mechanism shall be in cash /through bank etc. but Cenvat credit can't be utilized against service tax liability in reverse charge mechanism.

No Benefit of Basic Exemption Limit for Small Service Provider:

No benefit of Basic exemption limit of Rs ten lacks is available as per the NN 33/2012-St dt. 20-06-2012, except

in case of legal service provided by Advocate.

Therefore the Service Receiver is liable to pay service tax under this mechanism from very first invoice received under this category.

Cenvat Credit:

CENVAT Credit can be availed of for the service tax amount paid to the Service Provider as well as paid by the Service Recipient in cash/ through bank, directly into the Government Treasury under the Partial Reverse Charge Mechanism provided the same is Input Service for the Service Recipient.

In case of an input service where the part of the service tax is paid under partial reverse charge by the provider of the service but actually borne by the service recipient, the credit of service tax paid to the service provider would be available on the basis of the invoice issued provided the payment of the value of input service and the service tax made within three months from date of invoice otherwise service recipient shall pay/reverse equal to the CENVAT credit availed on such input service and take credit whenever subsequent payment made of value of input service and the service tax by the Service Recipient.

On the other side the Cenvat credit, of the amount of service tax paid by the service recipient under reverse charge mechanism or partial reverse charge mechanism can be taken by him only after the payment of such service tax.

Billing by Service Provider :

Under reverse charge mechanism, the service provider does not charge service tax from service recipient on his bill, whether or not he is small service provider or not.

But in case of partial reverse charge mechanism, service provider should charge only his part of service tax on the bill, which he will collect from the service recipient and deposit with the department.

The Basic exemption of small scale service provider, under partial reverse charge, will, however, be available to service provider and therefore small service providers are not required to charge service tax on their bills till the exemption limit.

On other side, the service recipient is required to pay service tax of his/its part under partial reverse charge mechanism. Service recipient is liable for only his part and not entire amount, even if service provider does not charge his/its portion of service tax and no basic exemption limit is available to service recipient in this regard.

Shifting of Liability not Possible by Mutual Agreement:

If statutory liability is of service receiver to get himself/ itself registered as service recipient and pay tax accordingly, he/ it alone is liable.

A statutory liability cannot be shifted by mutual agreement.

Services Covered Under the Reverse Charge Mechanism:

Following services are covered under reverse charge/partial reverse charge mechanism under Rule 2(2)(d)(i) read with Notification No. 30/2012-ST as updated by NN 45/2012-ST, NN 46/2012-ST & NN 10/2014-ST:

1. Insurance Agent Service (Banking) Recovery Agent Service
2. Goods Transport Agency Service
3. Sponsorship Service
4. Legal Service
5. Arbitral Tribunal Service
6. Services by Directors (Part time/ Independent/ Nominee) of the company/ body corporate to the company/ body corporate
7. Support Services provided by Government/Local Authority to any business entity located in taxable territory.

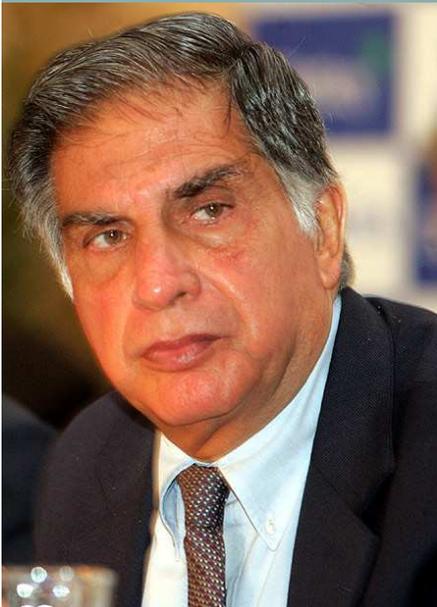
(Note: Payments made by the company to its Managing Director/Working Director by any nomenclature, like commission etc., amounts to salary and therefore out of ambit of service tax being employer-employee relationship among the company and such directors.)

(Note: This reverse charge mechanism does not apply in case of following specified services)

- a.) Renting of Immovable Property and
- b.) Specified Services as specified in clause (i), (ii) & (iii) of Section 66D
- (c) under negative list, which are as hereunder;
 - (i) Services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government,
 - (ii) Services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport, or
 - (iii) Transport of goods or passengers;
8. Rent-a-Cab Service
9. Manpower Supply Service
10. Security Service
11. Service portion in execution of Works Contract
12. Import of Taxable Services

Mr. Gulshan Thapar
(CA, ACA, FCS)

Bravo Ratan Tata



As told by someone from Tata Administrative Services :

Few months after 26/11, Taj group of Hotels owned by TATAs launched their biggest tender ever for remodeling all their Hotels in India and abroad.

Some of the companies who applied for that tender were also Pakistanis. To make their bid stronger, two big industrialists from

appointment. Frustrated, these two Pakistani industrialists went to Delhi and through their High Commission met up with then Commerce Minister Anand Sharma.

Sharma immediately called up Ratan Tata requesting him to meet up with the two Pakistani Industrialists and consider their tender "enthusiastically". Ratan Tata replied "you could be shameful, I am not" and kept the phone.

Few months later when Pakistani government placed an order of Tata Sumo's to be imported into Pakistan, Ratan Tata refused to ship a single vehicle to that country.

This is the respect and love for motherland that Ratan Tata has.

Something that our current Politicians should learn from.

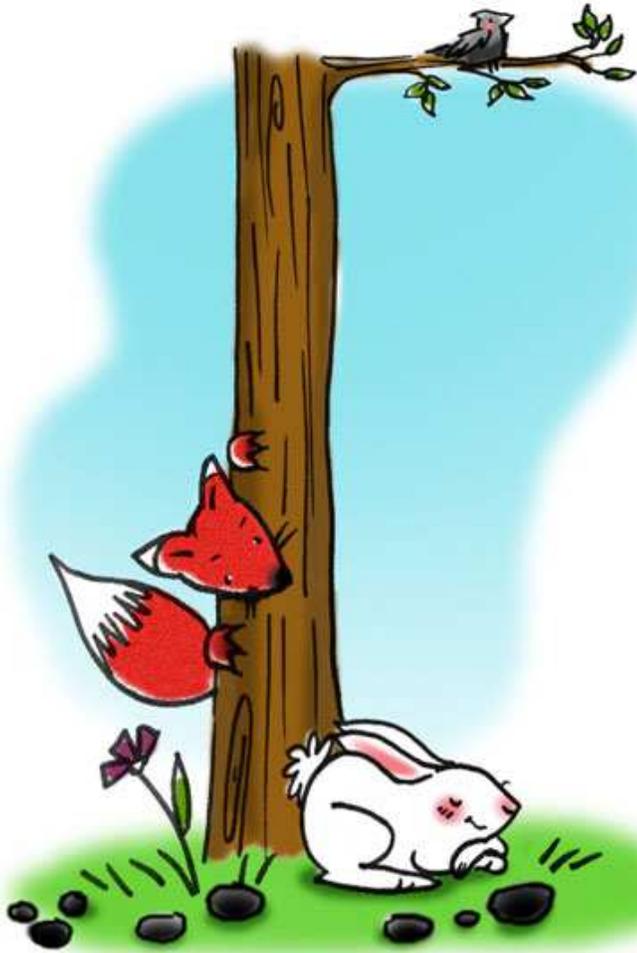
You got to stand for something in your life...else you will fall for everything.

Awake Country men, Nation is above everything else.

Pakistan visited Bombay House (Head office of Tata) in Mumbai without an appointment to meet up with Ratan Tata since he was not giving them any prior appointment.

They were made to sit at the reception of Bombay house and after a few hours a message was conveyed to them that Ratan Tata is busy and can not meet anyone without an

Corporate Lesson from the Crow and Rabbit Story



For all the lazy people from the corporate world, if you've been envying your boss sitting idle in the office and if you've been trying to imitate him, here is an interesting story of a crow and a rabbit that comes with an important piece of message for you:

A rabbit saw a crow sitting on a tree, doing nothing all day. The rabbit asked the crow, "Can I also sit like you, doing nothing all day long?" The crow said: "Sure, why not."

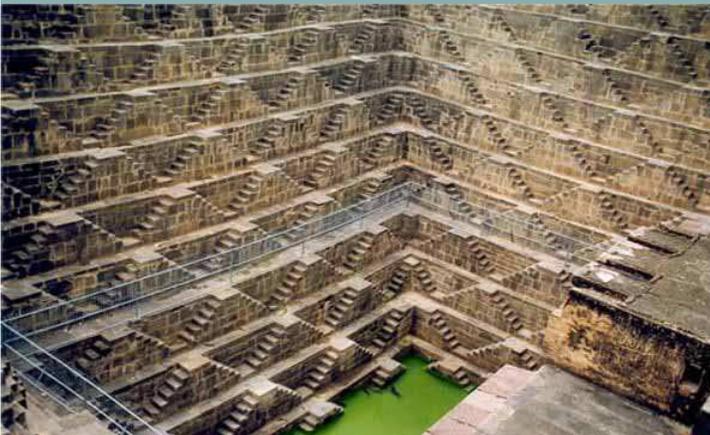
So, the rabbit sat down on the ground below the crow, and started taking rest.

There came a fox who jumped on the rabbit and ate it.

Moral of the story:

To be sitting and doing nothing, you must be sitting really very high up.

1000 year old engineering wonder ! STEP WELL IN JAIPUR



Are you aware of this Marvel ?

Here is bit of information that u would love to know !

1000 years old and Deepest step well in the world - Jaipur- India still in immaculate condition.

This is sheer engineering wonder without modern day instruments.

Chand Baori The Deepest Stepwell in the World

Chand Baori is a famous stepwell situated in the village Abhaneri near Jaipur in Indian state of Rajasthan.

The Chand Baori, a vast well with flights of steps on three sides, is a 10th century monument situated in Abhaneri.

It is a fine example of the architectural excellence prevalent in the past.

This impressive step well is as deep as a seven story building.

The famous Harshat Mata temple situated opposite to this well shows that there must have been a religious connection with the step-well.

The well is 35 m on each side with steps leading down from each side and water can be drawn from any level.

It has so many steps that it is impossible for someone to retrieve a coin once it 's been dropped in the well.

Time to Laugh

SARDAR'S son:- papaji.....

**Bahar Darwaje par koi Swimming pool ke liye
Donation mang Reha hai.**

SARDAR:- Puttar Ja, usko Ek Lota pani de de.

**Sardar:- Yaar raat bhar train me
Neend nahi aayi upar ki seat mili thi..**

Dost:- to exchange karna tha..

**Sardar:- kisse karta,
Niche seat pe koi tha hi nahi.**

Jethalal:- aare daya raat ko

**Mobile charging me mat rakho,
Blast ho jayega,**

Daya :- tapu ke papa

Aap tension mat lijiye

Maine battery nikal di he...

Teacher: - can you define who is a leacturer?

**Student: - Lecturer is a person
Who has a very bad habit of
Speaking when someone is sleeping.**

PICTURE OF THE DAY



"Reaching Out"

Your Parents

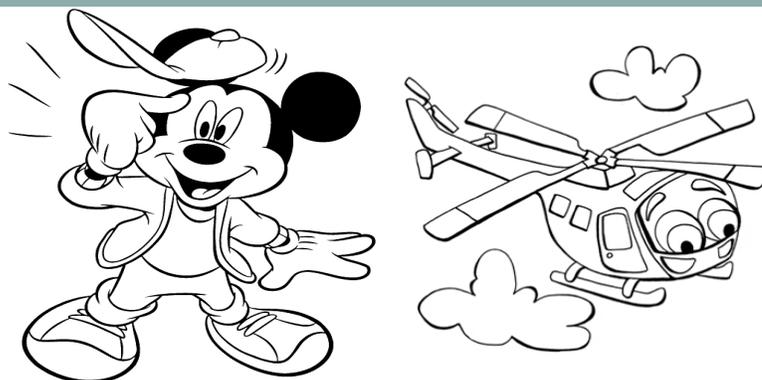


**"Leave anything
for parents,
Never leave
parents for
anything.
Because life will
leave something
for you,
but parents have
left their life for
you"....**

SUDOKU

7	6		
9		4	1
8	9	5	
9	7	2	
3		8	
4	8	1	
8	3	9	
1	6		7
	5		8

Fill Colour



THOUGHT OF THE DAY

**"What you
are will show
in what you
do,,**

Thomas Edison

Contribution of articles/ comments/ reaction/ participation are most welcome along with name, address, phone number, and photograph preferably by e-mail to Disha-contribute@maindia.org