

"Coming together is a beginning. Keeping together is progress. Working together is success."

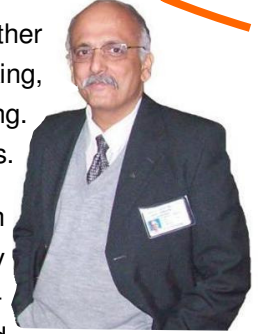
Henry Ford



The Changing World

We all know that the only permanent thing is change. Change is inevitable, whether it is for an individual or an organization. If you can look back at your own thinking, however young you are, you will find that you have been constantly changing. Interestingly it is said that our success is always in the area we change ourselves.

People change their diet plan, go for walking and they clearly see changes in their weight and shape. People who have started meditation will definitely experience change in their thinking and the way they react with the world. People who have developed an interest for reading find themselves updated and well informed.



R S Murali

The next level of enquiry is what if we have all these positive habits already in us? How should we change? For such people who are already in a positive mode the intensity has to change. They need to get intense and become an expert in specific areas. A person who has been practicing yoga or meditation for a long time should be able to spread the good message and teach others such techniques and then they move into next level of their existence.

So every one who wants to be a specialist has to get intense in whatever they do. They need to keep moving towards specialization, and perfection. Such a constant movement makes them a specialist. Over a period of time, they become experts or specialists. Once you are a specialist the world looks at you. You get everything that you need, particularly recognition and money. Once you are a specialist intellectually, you engage yourself in your field and that keeps you mentally fit. There are innumerable examples of great achievers who were fit till their last breath.

A sportsman cannot be one until he dies, a film actor cannot be one until he dies (unless he dies young), but a poet or a thinker or a professional can be one until he dies. Thus intellectual pursuits keep you engaged without any problem and keep you fit.

Many people wonder how to address the fast changing pace of the market? Simple we need to specialize. Bell-bottom pants have gone and may come back, long hairstyle has gone and may come back, but wearing dhotis or sarees have not gone; but new materials have come and new ways of wearing them keeps them going. They have adapted to the changing times, and they have survived.

Even in human species those races that were able to adopt to changes have survived.

Are we changing? Are we adopting to changes in the market? Are we making ourselves a hardy race by specializing? These are the questions that we need to really ask ourselves and not get lost in the continuous changes that take place.

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Learning Management Systems



Ashok Rao

A **Learning Management System (LMS)** is a software solution to manage all activities concerned with training and running online courses. It is one of the many tools for Knowledge Management in an organization. Learning Management Systems have had a major impact on the world of training making traditional constraints of location, time and mode of delivery seamless. LMS have been so far used only by big organizations and small organizations have avoided it due to constraints of investment and internal capacity. With the increasing adoption of cloud computing, the LMS usage potential for small and medium organizations is immense.

What is a LMS?

A LMS is basically a software application which makes the task of organizing, delivering, tracking, documenting and reporting a training programme/e-learning course easy. It goes without saying that the necessary IT infrastructure in terms of hardware and communication equipment is an integral part of LMS.

What does a LMS do?

A LMS e-facilitates the following functions:

- **Setup and communication** – Scheduling tools to plan and organize a training programme/online course and communication to large, diverse audiences;
- **Trainer management** – Maintenance of trainers' database, scheduling tools and trainer performance management;
- **Participant registration** – Online registration of participants, tracking of participants, alerts & reminders;
- **Payment mechanism** – A payment gateway interfacing with the LMS;
- **Content management** – The scope here is so huge that this functionality is also separately known as Learning Content Management System (LCMS). This contains online tools to prepare, share and administer training content virtually in a platform-independent manner with access and version controls. It also covers the recording and reproduction of training programmes/content for subsequent use;
- **Administration** – Tools for actually conducting a live training, covering participant login through multiple channels, audio-video & desktop sharing tools, live session participation with chat, messaging, annotation, online polls and so on;
- **Evaluation** – Conducting online tests, scoring and grading, communication of results;
- **Outcome management** – Collection, analysis and reporting of feedback. This mainly feeds into the Trainer and Content Management functionality of LMS, thus setting off a continuous improvement process.

LMS Technology

Most LMS are web based applications built on a variety of platforms. There are both open-source as well as proprietary solutions available. Infrastructure for LMS is improving as we speak with better audio, visual tools and improved connectivity. A list of open source and commercial LMS solutions is available at http://en.wikipedia.org/wiki/List_of_learning_management_systems.

LMS Potential

LMS is one of the relatively new industries. Cloud computing technologies and improving connectivity have come as a boon for the LMS industry. However, a 2009 survey of 520 LMS users shows that customers are far from satisfied with their LMS as can be seen from the numbers below:

Parameter	Criticality to success	Satisfaction with current LMS
Ease of use	87%	25%
e-learning content integration	87%	33%
Reporting	79%	17%
Customization	55%	10%

Percentages indicate percentage of respondents (Source: www.bersin.com)

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“Lack of activity destroys the good condition of every human being, while movement and methodical physical exercise save it and preserve it.”

Plato

The LMS market is estimated at \$850 Mn and is expected to grow annually at 10-15%. This presents a huge opportunity for LMS providers who can understand customer requirements well and have a grip on the latest technologies.

LMS in India

With the recent improvements in broadband connectivity, LMS business is poised for rapid growth in India. While a number of Computer Based Training (CBT) and Web Based Training (WBT) tools are available, there are only a handful of LMS solutions in the true sense. LMS Industry research reports are not readily available. A simple web search throws out the following key players: Perennialsys, G-Cube Solutions, Flexiguru.com, Cygnet Infotech, Web-guru.in and others. Apart from these niche players, a number of large IT companies have their own version of LMS available.

LMS – what it means for NCRCL?

With corporate training as one of our thrust areas, we at NCRCL cannot afford to ignore the advent of LMS. LMS as a solution has different implications for us:

- **As an end user** – All in-house training can be migrated to an open source/low cost LMS thus bringing in efficiency in internal training. In fact, we have already made a beginning with the rollout of the Webex Meeting Center which can also be used for internal training;
- **As a training service provider** – We need to very soon think about delivering our training over a LMS either by getting our own LMS or partnering with LMS providers;
- **As a LMS vendor** – Over a period of time, with a better understanding of the corporate training industry our expertise in implementation can be leveraged to offer customized LMS solutions to customers.

References

- (1) www.Wikipedia.org
- (2) www.bersin.com
- (3) http://www.astd.org/LC/2009/0509_LMS2009.htm
- (4) <http://www.perennialsys.com/industry/education.asp>
- (5) <http://moodle.org/>

Words Confused and Misused (27)

Refute-Deny:

Refute is often incorrectly used for deny or challenge, as “When he was called a thief Mr. blank refuted the allegation”. *Refute* means to overthrow by argument, to prove something false or erroneous. It involves actual proof and not mere assertion.

Reiterate- Repeat:

Repeat is the more general verb, applying to actions as well as to words. It may mean only one recurrence or it may mean more. *Reiterate*, a limited synonym of repeat, applies to words and statements and implies many recurrences. “Please repeat your question”; “how often have I reiterated that rule?”

Renumerate- Remunerate:

The first of these verbs is often erroneously substituted for the second, both in speaking and in writing. To *renumerate* is to count again, that is, to recount. To *remunerate* is to pay, compensate, reimburse, or recompense. Similar distinctions must be made between *renumeration and remuneration and renumerative and remunerative*.

Reprehend-Apprehend:

To *reprehend* is to blame, reprove and censure. To *apprehend* is to perceive, understand, grasp, and interpret. “Any normal person can apprehend when he is being reprehended.”

Resolve-Resolution:

Resolve is primarily a verb but may be correctly used as a noun in the sense of a conclusion reached by a person and also in the sense of the determination displayed by a person. *Resolution* is the correct name for an expression of opinion by the normal vote of an assembly. “His resolve enabled him to get the resolution passed by the legislature.”

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“We can do no great things, only small things with great love.”

Mother Teresa

Business Confidence Index for SMEs (Source: CII)

1. Highlights

The overall Business Confidence Index (BCI) of SMEs for quarter Oct-Dec, 2010 is estimated at 67.0 on a scale of 0-100. This is an improvement from the BCI of last quarter estimated at 65.6. Within SMEs, services are expecting larger improvement compared to the industrial sector.

Gross sales, new orders, Capacity utilization and Capacity expansion recorded a value of BCI in excess of 75, indicating substantially significant improvement (greater than 10%) in the outlook of these variables during the ongoing quarter over the previous one.

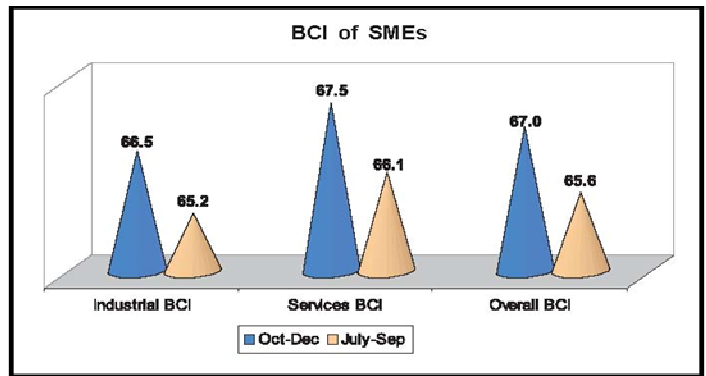
Remaining variables, except Input costs, have values of BCI in the range of 51-74, meaning favorable change to the extent of 1-10%. Only 'input cost' has a value of BCI below 50, implying unfavorable impact of rising cost on the performance of the SMEs.

Buoyancy in Gross sales is backed by the strong prospects of domestic demand, as outlook on exports has come down significantly in current quarter to 67.4 from 70.1 in previous quarter. Slow recovery in the western economies along with appreciating rupee against US dollar could be the major reasons behind it. Employment prospects in SMEs look bright with a BCI value estimated at 73.6.

Even though the credit availability for SME sector seems to be improving, relatively low and declining value of BCI for Cost of credit for capacity expansion is a cause for concern. Given the persistent upward pressure on interest rates, it may not be too long before the cost of credit starts impacting this crucial sector of the economy adversely. Implementation of Benchmark Prime Lending Rate (BPLR) from July 2010 has apparently shielded the sector so far from the adverse impact of rising interest rates.

2. Overall Business Confidence Index of SMEs:

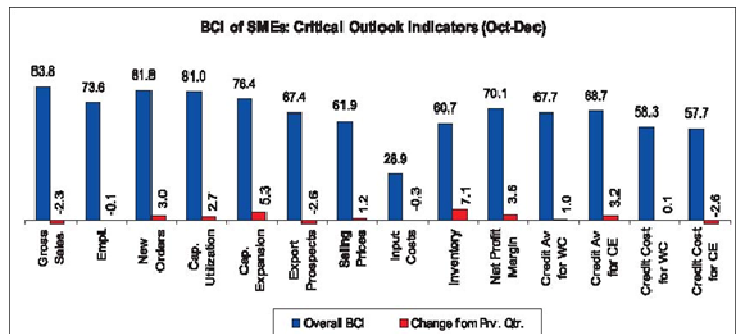
The overall (industry plus services) Business Confidence Index (BCI) of small and medium enterprises (SMEs) for Oct-Dec, 2010 quarter is estimated at 67.0 on a scale of 0-100 (The range of 0-100 has been divided in the following four segments: (i) 0-24, indicating significantly unfavorable change to the extent of more than 10%, (ii) 25-49, indicating unfavorable change to the extent of 1-10%, (iii) 51-74, indicating favorable change to the extent of 1-10%, and (iv) 75-100, indicating most favorable change to the extent of greater than 10%. The values of 0, 50 and 100 would indicate most unfavorable change, no change and most favorable change, respectively). This indicates that SMEs are expecting a favorable change in business prospects to the extent of 1-10% as compared to previous quarter. Within SMEs, services are expecting larger improvement than the industrial sector. The BCI for services is estimated at 67.5 reflecting continuity in improvement of the business outlook, The BCI for Oct-Dec quarter stood higher by 1.4 points over the same for previous quarter. While both industrial and services SMEs recorded an improvement, services SMEs did a better scoring on this front. The BCI for services SMEs increased by 1.5 points compared to a rise of 1.3 points in case of industrial SMEs. Services SMEs, hence, do not only show higher confidence than their counterparts in Industrial sector but they also exhibit faster improvement.



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3. DECOMPOSITION OF OVERALL BUSINESS CONFIDENCE INDEX:

Decomposition of overall BCI in various sources reveals a varying degree of confidence with respect to each variable for the ongoing quarter. Gross sales (83.9), New orders / contracts (81.8), Capacity utilization (81), and Capacity expansion (76.4) recorded a value higher than 75, indicating a substantially significant improvement in outlook (more than 10%) in these variables during the current quarter over the previous one. Remaining variables, except Input costs, registered BCI values in the range of 51-74, indicating a favorable change (to the extent of 1-10%) in the outlook. The highest BCI in this category is held by Employment (73.6), followed by Net profit margin (70.1), Credit availability for capacity expansion (68.7),



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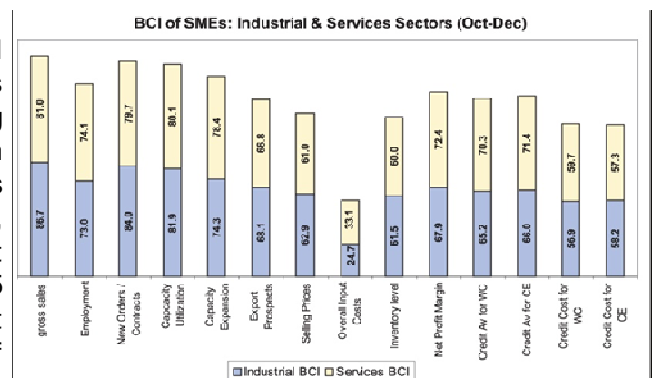
Credit availability for working capital (67.7), Exports prospects (67.4), Selling prices (61.9), Inventory (60.8), Credit cost for working capital (58.3), and Credit cost for capacity expansion (57.7). Even though the Gross sales capture the highest BCI among all the 14 variables, it has witnessed a huge decline from the figure reported last quarter. Much of this decline could possibly be linked to softening in BCI for Exports from 70.1 in July-Sep to 67.4 in current quarter. This may not be surprising given the slow and uncertain pace of economic recovery in most of the western regions of the globe. If Gross sales has still managed to remain buoyant, it is primarily due to domestic demand as reflected in greater New orders / contracts (up by 3 points) coupled with rising Selling prices (up by 1.2). Riding on strong domestic demand, Inventory levels are also expected to be lower in current quarter as compared to quarter. Further, high expectation of domestic demand is keeping the employment prospects bright in the SME sector.

The prospects of credit availability for SMEs, in general, seem to have improved for the current quarter, even though it continues to be far below to be stated as 'most favorable'. The improvement is faster for capacity expansion (up by 3.2 points) than for working capital (up by 1 point). Significantly, the rising credit cost has so far not started affecting the SME businesses adversely, with BCI value of it staying above 50 point. This, among other factors, could be attributed to implementation of Benchmark Prime Lending Rate (BPLR) from 1st July 2010. By promoting greater transparency in the determination of interest rates, the base rate system is expected to increase competition among banks, which, in turn, should reduce the credit cost for SMEs. Worrying factor is, however, the decline in BCI value of Credit cost for capacity expansion. With given upward pressure on interest rates, it may not be too long when Credit cost starts adversely impacting the capacity expansion of this critical sector of the economy.

Given the continued prevalence of high inflation, escalating Inputs costs is a major concern to the SMEs, with its BCI value lying at only 28.9. Furthermore, the adverse impact of growing Input cost has increased by 0.3 point from the previous quarter. Nevertheless, the sector expects to end the quarter with reasonably good results, as BCI for Net profit margin is estimated at 70.1, after growing by 3.6 points over the value of previous quarter.

4. BCI of Industry and Service Sector: A Comparison

Within the overall confidence index, the BCI values for industrial and services sectors have varied a great deal. While in 7 variables (out of 14), BCI for industry exceeded that of services, in remaining others services did better. Industrial sector recorded higher BCI in cases of Gross sales (86.7 against 81.0), new orders / contracts (84.0 against 79.7), Capacity utilization (81.9 against 80.1), Capacity expansion (71.3 against 70.9), Exports (68.1 against 66.8), Selling prices (62.9 against 61.0), Inventory levels (61.5 against 60.0) Credit cost for capacity expansion (58.2 against 57.3). Services, on the other hand, recorded higher BCI in cases of Employment (74.1 against 73.1), Capacity expansion (78.4 against 74.3), Input costs (33.1 against 24.7), Net profit margin (72.4 against 67.9), Credit availability for working capital ((70.3 against 65.2), Credit availability for capacity expansion (71.4 against 66.0), and Credit cost for working capital (59.7 against 56.9).



On the basis of the individual values of BCI for industrial and services sector of SMEs, the following broad observations can be made:

- Prospects of increase in Gross sales in industrial sector look brighter than that in case of services sector, attributable to better prospects of New orders / contracts, exports, selling prices and lower inventory levels.
- SMEs in industrial sector seem to be relatively less favorably placed in terms of credit availability and credit cost of working capital as compared to their counterparts in services sector.
- Net profit margin in industrial SMEs is far lower than that in Services SMEs. This could be owing to greater adversity of rising cost in former than in later.

Zen Story-The Other Side

One day a young Buddhist on his journey home came to the banks of a wide river. Staring hopelessly at the great obstacle in front of him, he pondered for hours on just how to cross such a wide barrier. Just as he was about to give up his pursuit to continue his journey he saw a great teacher on the other side of the river. The young Buddhist yells over to the teacher, "Oh wise one, can you tell me how to get to the other side of this river"?

The teacher ponders for a moment looks up and down the river and yells back, "My son, you are on the other side".

"If you can, help others; if you cannot do that, at least do not harm them."

TDS on 'Home Salary' paid to Expatriates

Taxation of salary received from outside India, by an expatriate, i.e 'home salary' from his foreign employer is a debatable issue. Judicial pronouncements in this regard, have created a furore and this article attempts to capture the emerging divergent views.

The salary received, by a resident expatriate, who is on the payrolls of a foreign employer, is taxable in India. The salary may be received in India or outside India or sometimes partly in India and partly outside India. The situation would be different if the expatriate being a resident but not ordinarily resident earns income outside India as the same is exempt from Indian Income Tax.

As per the charging section of the Indian Income Tax Act, the income is deemed to accrue or arise in India since the services are rendered in India.

There is unity of view in respect of the charging section of the Indian Income Tax Act. But it is to be contemplated whether the TDS provisions which are the machinery provisions of the Act are independent of the charging provisions.

In this regard, it is pertinent to note that the Act is an integrated code in which the chargeability and computation goes hand-in-hand. Accordingly, the TDS provisions u/s 192 have to be read along with section 9(1)(ii). Hence, the Act casts a burden on the Indian employer to deduct tax at source on the estimated salary. This raises the following issues:

- The Indian employer may not be aware of the actual salary received by the expatriate, unless voluntary disclosure is made by the expat.
- The Indian employer may not have cash flow to even pay salaries. So there is no question of bearing the TDS.

Viewing the above points and the recent judgment of the Supreme Court in the case of *CIT vs Eli Lilly & Company (India) P Ltd. & Ors*, it is seen that the above issues were not considered. Further, the Apex Court has imposed interest u/s 201 (1A) and penalty u/s 271C in case of default by the assessee.

The decision of the Supreme Court requires deduction of tax at source by the Indian Company u/s 192 even though the Indian company does not pay salary to the expatriate and has no control over the expatriate rendering service in India or to terminate his service or the terms of remuneration. Further, the Indian company is liable to be treated as an assessee in default in case of failure to comply with the TDS provisions.

The argument before the Apex Court was made without 'commerce sense' leading to the imposition of the above tax burden which would deter the collaborations and joint ventures in India. Surprisingly, nobody pleaded w.r.t Double Taxation Relief (DTR) and Double Taxation Avoidance Agreement (DTAA). Now, the entire tax liability would have to be borne by the Indian Company regardless of the volume of the tax burden as the expatriates would like to receive tax-free remuneration.

In this regard, it would be appropriate to formulate provisions in DTAA regarding taxation of foreign expatriates working in India along with the existing provisions pertaining to taxation of Indian expatriates working abroad. Or a suitable circular maybe issued by the CBDT to avoid harassment and confusion.

-R.Sreenivas & Priya Muralidharan
N C Rajagopal & Co.

Excel Tips

Small

What Does It Do ?

This function examines a list of values and picks the value at a user specified position in the list.

Syntax

=SMALL(ListOfNumbersToExamine,PositionToPickFrom)

Example

	A	B	C	D	E
1	Sales	Jan	Feb	Mar	
2	North	5000	6000	4500	
3	South	5800	7000	3000	
4	East	3500	2000	10000	
5	West	12000	4000	6000	
6					
7		Lowest Value	2000	=SMALL(B2:D5,1)	
8		2nd Lowest Value	3000	=SMALL(B2:D5,2)	
9		3rd Lowest Value	3500	=SMALL(B2:D5,3)	
10					

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"The only people with whom you should try to get even are those who have helped you."

John Southard



Congrats to Ashok Rao, Mohanty, Deepak, Mahesh & Mamtha for winning the Vision Image Contest



R S Murali is now the President of the Giants Group of Chennai Main (affiliated to Giants International)



G Balaji receives a token of appreciation for the assistance rendered by the past President of Giants Group



N S Kishore has been appointed as the Director of the Chennai Chapter of Giants International.



A Vimalanathan and Sreedevi Sriraman join NCRCL as Consultants – Support. We extend a very warm welcome to the new entrants.



R S Murali was one of the main speakers at Guruvayoorappan Institute of Management, Coimbatore during the "National Conference on Made in India Strategies" on 21st January 2011

Last month updates on myncrcl.com

1. Strategy meeting files (see myncrcl.com>>support>>ncrcl knowledge base>>Internal sessions)
2. Five Human Values (see myncrcl.com>>the five values)
3. Employee details of Namith, Lakshmi, Vimalanathan & Sreedevi Sriraman (see myncrcl.com>>employees>>employee details>>chennai)
4. New page for article (see myncrcl.com>>support>>ncrcl knowledge base>>articles)
5. RVS Journal articles (see myncrcl.com>>support>>ncrcl knowledge base>>articles)
6. Study Circle documents uploaded (see myncrcl.com>>support>>ncrcl knowledge base>>Internal sessions)
7. Vision Logo & Poster finalised (see myncrcl.com >> announcements)

For regular updates see 'Announcements' page under myncrcl.com

Creative Corner

The Secret of the Psalm

Life of every soul, beginning like a bud is crude,
As bright delights and dark dines, each day concludes.

The color of the petals from root to fruit, are in the hands of
The Almighty,

The way of life we lead are in ours- A gift of Deity.
Blooming of petals is noiseless on a gleeful day,
The pleasant fragrance, gusts all through the bay.

The flower is fresh amidst all groves
And thinks life is off all efforts as it grows.

Life is never a bed of rose,
If we think so, we are at the close.
It is rapturous, at times rigorous and is a big drama,
Do not sink deep even when in trauma.

Life with a goal is the "***Cream of the Cake***"
Never step back even when it aches.

Goals in life are never apart,
If the '*Aspiration*' within would never depart.
Desire on too many, are superfluous
Our minds shouldn't be hopping hither and thither though joyous.
"Fruit of the goal is as sweet as a fairy floss".

Overcoming the hardship, dedicated and devoted but not in grief,

The melody sounds pleasant brushing aside the gossip and belief.

Success of ours, not in the lines of our palm,
Withstanding the heat and rain is '***The Secret of the Psalm***'.

R.Mathangi
ICWAI Trainee

You've got to get up every morning with a smile on your face, and show the world all the love in your heart... You're gonna find, yes you will, that you're beautiful as you feel.

Carole King

Know Your Colleagues

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No	Questions	Your Answers
1.	The meaning of your name.	God's Name.
2.	Nick name.	LN.
3.	Your dream job.	In search of a dream job!
4.	Your first impression of NCRCL® .	Good place to begin my professional career.
5.	What personal/emotional characteristic of yours do you want to change?	Laziness and temper.
6.	Money or job satisfaction?	Job Satisfaction.
7.	Your stress buster.	Solitude.
8.	Do you have a small circle of close friends, rather than a large number of friends?	Small circle of close friends.
9.	What do you most like about a person?	Straight forwardness.
10.	What do you most hate in a person?	Back Stabbing.
11.	Team work Vs Individual work – your comments.	Individual worker for the team's cause.
12.	Do you make efforts to get others to laugh and smile?	Trying my best.
13.	Your heart rules your head or your head rules your heart?	Depends on a case to case basis.
14.	Special talent.	Efforts are on to identify the same.
15.	Hobbies.	Listening to music, playing cricket, chatting with friends.

Knowledge Snippet



What is special about the following sequence of numbers?

8,5,4,9,1,7,6,10,3,2,0

Send in your answers to the editor at bangalore@ncrcl.com

ANSWER TO LAST MONTH'S KNOWLEDGE SNIPPET QUESTION:
Fathometer is used to measure?

ANSWER: Depth of water



The right answer was given by Subba Rao & Mahesh

!!! Congratulations !!!

NCRCL®

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Birthday Greetings



Mahesh - 3rd Feb



Rekha Murali - 19th Feb



Namith - 21st Feb



Just for Laughs!



"Somebody broke into your computer, but it looks like the work of an inexperienced hacker."

Go Green!

Clean air filters: Check air conditioning filters monthly to either clean or replace them. This will help the unit run more efficiently. Better yet: buy a permanent filter that can be washed and re-used. This will save you money over the long run and keep all those disposable filters out of landfills. If your unit is outdoors, check to make sure the coils are not obstructed by debris, plants or shrubs

Go Green