



WIRC BULLETIN

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For Members only

November 2011

From the Desk of Chairman



Dear Professional colleagues,

I hope you all had a wonderful, safe and relaxing Festive Season last month. "Deepawali" the festival of lights signifies the victory of righteousness over the evil. I am sure that occasions like this inspire us to build new things, run faster, eat healthier, dream bigger and live on a new level altogether.

WIRC has organized Campus on 14th and 15th October and companies like TCS, Cipla, Highbar Technologies Ltd. etc. participated in the campus and selected our students for their companies. Since the world economy is in turmoil and its impact is being witnessed by all countries around globe, the response was little below what was expected looking to the campus results in the previous years. We are trying to continue the placement facilitation to the companies who could not participate in the scheduled campus interviews, to facilitate our students to explore more and more opportunities available.

With a view to improve students' performance in the examination, WIRC has initiated with empanelment of academicians and professionals as resource persons/subject experts for development of Academic Publications. These subject wise exam oriented publication will help students to prepare for the exam with in depth subject knowledge and analysis. Invitation for applications for empanelment of resource persons is published in this bulletin.

We are deeply grieved to learn about the sad demise of CMA Amitava Bhattacharyya (Past President, ICWAI) and CMA S. B. Parikh (Past Chairman - WIRC, ICWAI). It certainly is a great loss to the society of Cost and Management Accountants. Both distinguished members will always be remembered for their valuable contributions made to our profession and will remain as eminent role models for all of us. May Almighty God grant them eternal rest and May their soul rest in peace!

It is once more an appeal to all respected members to e-mail your valuable suggestions with respect to functioning of the administrative office and improvement in the professional development activities in the region.

Thanks and With Warm Regards,

CMA Vijay P. Joshi

VACANCIES AT WIRC OF ICWAI (2 Positions)

1. **Assistant Director - Accounts & Administration.**
2. **Assistant Director - Students Coaching & Member Programmes.**

Preference will be given to candidates having experience in Event Management.

Apply with the remuneration expected (CTC).

Contact Details:

Hon. Secretary, WIRC-ICWAI

4th Floor, Rohit Chambers,

Janmabhoomi Marg, Fort, Mumbai 400 001.

Tel.: 022- 2287 3476 • Fax : 022-2287 0763

E.mail: admin@icwai-wirc.org

Website: www.icwai-wirc.org

CARR MEETING

Discussion Meeting on Exposure Draft of Guidance Note on Maintenance of Cost Accounting Records was held at WIRC office on 5th November 2011.

ICWAI has compiled Guidance Notes on Maintenance of Cost Records (Exposure Draft). A meeting was convened by WIRC to discuss the said draft and to offer the views / suggestions there on. The meeting was attended by senior members of the profession and a detailed deliberation took place on the Exposure Draft. All suggestions and recommendations of the participants will be consolidated by and forwarded to ICWAI as suggestions by WIRC for their consideration.

The meeting was attended by CMAs Sanjay Bhargave-CCM and Chairman P. D. Committee ICWAI, Amit Apte-CCM ICWAI, Aruna Soman-CCM ICWAI, Vijay Joshi-Chairman WIRC, Shrenik Shah-Vice Chairman WIRC, Ashish Thatte-Secretary WIRC, Neeraj Joshi-Treasurer WIRC, V. V. Deodhar-Past President ICWAI, V. C. Kothari-Past CCM, Past Chairmen of WIRC S. R. Ray, Y. R. Doshi, N. S. Acharya, V. J. Talati, and practising members Ramesh Joshi, Krishna Hegde, Kishore Bhatia, J. J. Paleja, Shekhar Joshi, S. G. Narasimhan, Haresh Shah, Rohit Vora, Rashesh V. Chokshi.

Felicitation Function organized by WIRC for Successful Students from Mumbai who passed June 2011 exam – Saturday, 5th Nov. 2011 at Sydenham College



Felicitation Function – CMA P. S. Nadkarni, Past President ICWAI & Chief Guest lighting the lamp.



Felicitation Function – CMA Vijay Joshi felicitating CMA P. S. Nadkarni, Past President ICWAI & Chief Guest



Felicitation Function – CMA P. S. Nadkarni, Past President ICWAI & Chief Guest giving away prize to students.



Felicitation Function – View of Students



Discussion Meeting on Exposure Draft of Guidance Note on Maintenance of Cost Accounting Records held at WIRC office on 5th November 2011 in progress.

REPORT ON CEP

On 8th October 2011, WIRC organized a CEP on "Introduction to XBRL" at Students & Members Facilitation Centre, at Thane. CMA Prerana Tiwari was the faculty for the programme.

Large number of members attended the programme.

WIRC-ICWAI Students Felicitation

WIRC had arranged Students Felicitation Programme on Saturday, 5th November 2011 at Sydenham College Auditorium, Churchgate, Mumbai for all the Students from Mumbai who have successfully completed Foundation, Intermediate & Final Examination held in June 2011.

CMA P.S. Nadkarni, Past President ICWAI was the Chief Guest.

CMA Neeraj Joshi, Chairman Students Members and Chapter Co-ordination Committee welcomed the Chief Guest, Students and their parents & introduced the Chief Guest to the audience. CMA Vijay Joshi, Chairman felicitated Chief Guest by offering a bouquet.

CMAs Sanjay Bhargave and Amit Apte, CCMs were also present on the occasion.

Prizes were distributed to the students at the hands of the dignitaries. CMA Shrenik Shah, Vice Chairman WIRC proposed vote of thanks. CMA Akshay Shah compered the function.

Around 100 students and parents were present for the programme.

One Day Seminar on NEW MECHANISM OF COST AUDIT & COST RECORDS

PUNE

23rd November 2011

Venue :

**The Hotel President,
Prabhat Road, Pune 411 004.**

THANE

26th November 2011

Venue :

**Tip Top Plaza, (Studio 99), L.B.S. Marg,
Near Check Naka, Thane (W) 400 602.**

Time : 9.00 am to 5.30 pm

Keynote Address : CMA Dhananjay V. Joshi, Past President, ICWAI

Delegate Fees (including Service Tax) :

Company Sponsored : Rs. 2,800/- per participant

Practising CMA : Rs. 2,200/- per participant

(Four CEP Credit Hours will be provided)

About the Seminar

The Government of India is continuously encouraging Indian Industry to be Cost Competitive to face the Global Competition. With this objective rationalised, simplified and corporate friendly legislations are being introduced.

The Ministry of Corporate Affairs has issued Notifications on The Companies (Cost Accounting Records) Rules 2011, The Companies (Cost Audit Report) Rules 2011 which supersede the Cost Accounting Records Rules for 36 industries and Cost Audit Report Rules 2001. MCA has also issued orders consequential to the new notifications.

These new rules and orders have totally transformed the Cost Audit Mechanism. The new Cost Audit Report Rules provide for Cost Accounting Policy, Product Group Details, Product Group wise Abridged Cost Statement, Performance Appraisal Report and so on.

The new Cost Accounting Records Rules provide for maintenance of Cost Accounting Records on the basis of Cost Accounting Standards issued by the ICWAI and the Generally Accepted Cost Accounting Principles. The Compliance Report has been introduced for the First time, which is mandatory in case of almost all companies with turnover exceeding Rs. 20 Crores.

The deliberations at the seminar will help the participants to understand the new concepts, clear the doubts and comply with the requirements of new rule and orders.

Course Contents

1. The Companies (Cost Accounting Records) Rules 2011.
2. The Companies (Cost Audit Report) Rules 2011.
3. Cost Accounting Standards (CAS) issued by The ICWAI
4. Generally Accepted Cost Accounting Principles (GACAP)
5. MCA Cost Audit Branch Order dated 2nd May, 2011 regarding Mandatory Cost Audit for 8 industries.
6. MCA Cost Audit Branch Order dated 30th June, 2011 regarding Mandatory Cost Audit for 8 more industries.
7. MCA Cost Audit branch General Circular dated 11th April 2011 regarding appointment of Cost Auditor by Companies.
8. Any further developments till the time of this seminar.

Programme

09.00 to 10.00	....	Registration & High Tea
10.00 to 10.45	....	Inauguration
10.45 to 11.00	....	Tea Break
11.00 to 01.00	....	Session 1
01.00 to 01.45	....	Lunch
01.45 to 03.30	....	Session II
03.30 to 03.45	....	Tea Break
03.45 to 05.15	....	Session III
05.15 to 05.30	....	Panel Discussion

Speakers

CMA Sanjay Bhargave	....	<i>CCM-ICWAI</i>
CMA Amit Apte	....	<i>CCM-ICWAI</i>
CMA Vijay P Joshi	....	<i>Chairman, WIRC</i>
CMA Ashok Nawal	....	<i>Past Chairman, WIRC</i>
CMA (Dr.) N.M. Vechalekar	....	<i>Past Chairman, WIRC</i>
CMA Ashish Thatte	....	<i>Hon. Secretary, WIRC</i>
CMA Neeraj Joshi	....	<i>Treasurer, WIRC</i>
CMA N.K. Nimkar	....	<i>Past Chairman, Pune Chapter</i>
CMA Milind Date	....	<i>Secretary, Pune Chapter</i>
CMA Harshad Deshpande	....	<i>Treasurer, Pune Chapter</i>
CMA Shekhar Joshi	....	<i>Practising Cost Accountant</i>
CMA Rohit Vora	....	<i>Practising Cost Accountant</i>

For Pune Seminar

Payment to be made in Cash or
by Cheque / DD drawn in favour of
'Pune Chapter of Cost Accountants'

For Details & Registration Contact :

PUNE CHAPTER OF COST ACCOUNTANTS

Laxminagar Commercial Complex,
Phase-II, Laxminagar, Parvati,
Shahu College Road,
Opp. Gajanan Maharaj Temple,
Pune 411 009.

Tel.: 020-2442 7976 Telefax : 020-2442 5135
E-mail : pune@icwai.org

For Thane Seminar

Payment to be made in Cash or
by Cheque / DD drawn in favour of
'WIRC-ICWAI'

For Details & Registration Contact :

WIRC of ICWAI, Rohit Chambers, 4th Floor,
Janmabhoomi Marg, Fort, Mumbai 400 001.
Tel. 022 - 2287 3476 / 2204 3406 / 2204 3416
Fax: 022 - 2287 0763

E.mail:seminar@icwai-wirc.org
Website: www.icwai-wirc.org

Thane Students and Members Facilitation Centre
Bldg. No. 8, Ground Floor, Damani Hsg. Soc. Ltd.,
Damani Estate, Naupada, Thane (W) 400 602.
Tel. 022-2545 0763

Limited Seats. First Come First Serve Basis.

A DEFINING DECADE IN THE MAKING

CMA A. B. Nawal (*Regional Council Member*)



The title to this piece may look presumptuous and opinionated - presumptuous because it is futuristic in nature and opinionated because it is not supported by any empirical data to warrant some far-reaching predictions. Be that as it may, let us look at what is in store in the decade that has just now started unravelling itself. However, before doing the crystal-gazing it may be in order to place on record some caveats. Every decade, year or for that matter any period in time looks a defining one with or without compelling reasons. However, for the sheer pace and nature of change the immediate future looks much more impactful than any before. Looking back, there was an element of certainty about even the uncertainties. But no more. The shape and size of events taking place these days leave one breathless and amazed.

Gone are the days of a bipolar world in which the US and the USSR laid down the rules of the geo-political games. Just as everyone was settling down to a world ruled by a single super power, fault lines have started emerging in its ability to lord over the world. The very phrase world view had become a euphemism for American opinion. Over the years America had become a land of opportunists just because it indeed was a land of opportunities. The recent economic meltdown there has hurt its ability to sustain the self-acquired burden of the world. The Jasmine Revolution in the Middle East would turn out to be watershed event in the process of unravelling of the American role on the world stage. One by one the kingdoms, sheikhdoms and the fiefdoms of the Middle East are crumbling. All these autocrats or despots owed their allegiance to American support for their very survival. The US has been put in a piquant situation when it is being called upon to support either the ruler or the ruled. Political convenience favoured the former but allegiance to democracy demanded that it supported the latter. Come to think of it, here is an event not planned or prepared for by the US. Imagine a major revolution taking place without a CIA hand! In all these the ability of America to dictate terms in the new world order is bound to diminish. That is bound to be a major earth-shaking event in the new decade.

In the past whenever anyone in India spoke of globalisation it was always from an 'inside-out' perspective - more in the nature of we taking the option of integrating ourselves with the world. Even if we had not taken that option this integration would any case have taken place. It would have been impossible for us to be insulated by the volatile world events like what is happening in the Middle East. Volatile oil prices and fast changing technologies would have made us look to the outside world and change ourselves. As if that is not enough the climate-change phenomena and the resultant adjustments that we are called upon to make would have exerted enormous pressure on us to be part of the world stage. The recent

global economic slowdown serves as a grave reminder to us about the need and necessity of getting integrated with the rest of the world. The one prediction on which few people differ is the inevitability of China becoming the numero uno economy of the world. The moot question here is whether the country would continue to be an oxymoron with 'controlled capitalism'.

It is not only in the global macro terrain that we will see changes in this decade. Closer home the changes which will come to visit us in the current decade will be much more far reaching than any in the past. Let us look at some of the important ones.

The decade beginning with 1991 came to be known as the shining example of what economic reforms can do for a country like India. The reforms may have started out of compulsion and today it is a testimony to the world as to what free economy and unbridled entrepreneurial spirit can do to a country. However, after the initial success of the economic reforms there has been quite a lull when politics hijacked economics. However, a wave of second generation reforms are about to be ushered in with the introduction Goods and Services Tax, the new Tax Code and the mandating of IFRS for large organisations. Current political opposition notwithstanding, these are bound to be implemented whoever will be in the Government. The process may be slow but the outcome is a certainty.

Though people may shy away from articulating the consequences of terrorism in the sub continent, one cannot wish away the impact it will have on the politics and economy of this country. For the coming decade this may be the single most important factor which will affect the country's future. The success and failure of any Government in the country will depend on how it handles this one factor. With the ever changing geo-politics and the growth in ideological fanaticism, the chances of fringe elements taking centre stage in India is far more real today. By definition democracy is a breeding ground for fanatical ideologies in the name of nationalism or religion.

It may look natural that a country's standard of corruption is measured by the number of scandals and scams which come out of the cupboards kept in the corridors of power. Strangely however, it may not be true. Everyone in India knew and at the same time did nothing about it when it came to corruption. With more and more skeletons tumbling out and more and more names dragged into the mud, it is quite natural to assume that ours is a corrupt society. We already know about it. But what is new is that here there is chance to do something about it by bringing the culprits to book. All those who are getting booked for corrupt on are those who have done the crime in the past. What is now important is that at least the names are coming out, albeit not fast enough. There are systemic deficiencies which need to be addressed. If one were to go by the

signals emanating all round the chances are that this decade will see something tangible done on this score.

Unlike any time in the past the demographic profile of the country is set to change totally during the coming years. The population of the young and the impatient are about to take charge and take change they will. Age may no longer be mistaken for wisdom any more nor will the youth be patient to pardon the aged for that reason. The demand pull from the youth will create its own pressure points in all spheres of activities - be it politics or the so called morality. Youth power will decide whether Baisakhi is more important to celebrate or Valentine's Day! In fact India is in a crucial phase. There will be more people in the earning group than in the non-earning group. History shows that a country grows more in the demographic dividend phase. This will call for imaginative state planning for providing employment opportunities and the ability of the Government to channelise the productive energies of the youth of the country. This by far will be the most formidable challenge to the Government of the day in the coming decade.

A discussion on Politics in India could be a vulnerable issue especially if it is to be interspersed with predictions. Ideologies had never been the weakness of any party in India. An expressed hope that there would be change in this direction any time soon could be termed as utopian. But one cannot run away from reality. Inclusive growth today may be a slogan than a conviction. In an era when 'vote-bank' politics and 'vote-for-freebies' rule the roost, it may even look unattainable. Economic reforms undeniably did achieve growth, though modest. That is not enough anymore. More people will need to be taken above the poverty line and more will need to be empowered. Again it should not be confined to a slogan. The empowerment of the youth and the deprived sections through affirmative action will decide the future of the nation. Much of which will be in evidence in the coming decade. While it is an opportunity, it will also prove to be a challenge to those in power. Before leaving the topic of Politics one cannot but be aware of one universal truth. Capitalism and more so crony capitalism bring in a big chasm

between the 'haves' and the 'have-nots'. If recent indications are anything to go by there is enough evidence in the country where obscene display of wealth does not meet with enough criticism. The romance with Communism begins here. Despite the experience to the contrary, it would be easy for those who have been deprived to fall prey to some form of socialistic posturing. The Communists, even if they lose the coming state elections, can take heart in the fact that things could change in their favour and much of it will be in evidence by the time this decade runs out.

Expectations of a better standard of living with decent civic amenities, robust infrastructure, caring healthcare, etc. may be too obvious to state. Moreover it will also be recurring themes for any Government for any period in time. Even those who do not subscribe to the view that the Naxal movement is essentially a manifestation of lopsided development of better part of India would readily agree that these would definitely alleviate the suffering of the masses in the undeveloped regions and also at the same time alienate them from the Naxals. Incidentally containment of the Naxal movement would be top of the Agenda for both Central and State Governments and would indeed be a major challenge in the decade ahead.

The list of Challenges and Opportunities in the coming decade could be endless. Many of them could be common to any developing economy and it could even look daunting. However, in the case of India hope stems from the fact that few people had expected an invitation to India to the high table with the comity of nations as a shining example of development even a decade earlier. The unthinkable has happened and we are proud of it. That should give us the hope and confidence in the coming decade to do even better. While signing off one cannot but rue the fact that at the beginning of this decade there are very few idols still left standing. All those who stood tall at the beginning the previous decade are now mired in corruption and corporate governance issues. The list includes politicians, industrialists, bureaucrats, artistes, et al. Let us hope that this does not happen when we take a review at the end of this decade.

OBITUARY

CMA Amitava Bhattacharyya, Past President of the Institute (1983-84) passed away on 23rd October 2011.



CMA S. B. Parikh, Past Chairman of WIRC-ICWAI (1993-94) passed away on 3rd November 2011.

"May their souls rest in eternal peace."

CONDOLENCE MEETING

A condolence meeting was convened at WIRC Office to pay homage to Late Amitava Bhattacharyya, Past President ICWAI and Late S. B. Parikh, Past Chairman WIRC on 4th November 2011.

CMAs Ashish Thatte, Hon. Secretary WIRC and Neeraj Joshi, Treasurer WIRC alongwith members, students & staff members were present.

CAMPUS INTERVIEW

WIRC organized the 7th Campus Interview for Final students who passed in June 2011 Examination, on Saturday, 15th October 2011 at SGSJK's Aruna Manharlal Shah Institute of Management & Research, Ghatkopar (W), Mumbai. More than 125 students from all over Western Region participated in Campus. CMAs Vijay Joshi, Chairman WIRC, Shrenik Shah, Vice Chairman, WIRC, Ashish Thatte, Secretary WIRC, Neeraj Joshi, Treasurer WIRC, Amit Apte, CCM and Ashwin Dalwadi, Co-opted Member EXCOM were present for the occasion. WIRC conducted special programmes on "Personality & Communication Skills Development" on 8th October & 14th October 2011 to help students to prepare for Campus Interview. Prof. Neha Mathur was the faculty for the programme.

CAMPUS SELECTION DETAILS

Total Companies participated : 5 & Total Number of Students Attended : 125

NAME OF THE COMPANY	SELECTED	SHORT-LISTED	TOTAL	SALARY OFFERED (In Lakhs)
CIPLALTD	0	20	20	3.3 - 3.5
HIGHBAR TECHNOLOGIES LIMITED	8	0	8	4.00
RASHMI HOUSING PVT. LTD.	0	7	7	4.2
TATA CONSULTANCY SERVICES	3	14	17	4.76
ZAMIL STEEL BUILDINGS INDIA PVT. LTD.	0	15	15	5-6

In addition to this, Coal India Ltd. have shortlisted about 25 candidates and called them to New Delhi for interview.

REQUIRE

A COST ACCOUNTANT

A Public Limited listed company manufacturing raw material for rubber industry requires an Associate Member of The Institute of Cost and Works Accountants of India having 2-3 years post qualification experience for its Corporate Office in Mumbai. Freshers who have obtained an Associate Membership of the institute can also apply.

Salary will be commensurate with experience.

Interested candidates may apply giving complete bio data and salary expected within next 15 days to:

HR DEPARTMENT

Gujarat Reclaim & Rubber Products Ltd,
510, A Wing, Kohinoor City Commercial - I,
Kirod Road, Off L.B. Shastri Marg, Kurla (West), Mumbai 400 070.

Bio data can also be sent to jobs@grrpl.com mentioning 'Cost Accountant' in the subject line.

Success is not an outcome of knowledge alone

– K R Bhargava

(K R Bhargava retired as Chief Commissioner of Customs and can be reached at kuldiprbhargava@hotmail.com)

Muhammad bin Tughlaq was Sultan of Delhi. He was a learned person who had deep knowledge in Philosophy, Logic, Mathematics and Medicine. He was well versed in many languages including Arabic, Turkish and even Sanskrit. He was known as "Man of Ideas". He ruled Delhi from 1325 to 1351. He was not only a scholar but a warrior, thinker, man of visions and innovations, a policy maker, initiator of activities but termed as "wisest fool", eccentric etc. by the historians whose innovations and policies failed to deliver and added to the miseries of his people. Why did he fail? Before we go into details, let us read the following.

A Sultan With Great Vision, Surprising Insight

Muhammad-bin-Tughlaq who succeeded Ghazi was a brilliant man, with great vision and surprising insight. Muhammad-bin-Tughlaq was never satisfied with stereotypical, tried-and-tested answers to posers. His was a highly original mind, comparable to that of an inventor's or scientist's. He was the first sultan to have the vision to see India as a whole country, and not just as a sort of cake for every ambitious aspirant to carve a kingdom out of. He wanted to turn it into one strong single unit, both politically and administratively. At the time of his ascension, there was much political confusion in Central Asia. Muhammad figured that the ruler of a powerful Hindustan could be the potential leader of Central Asia.

Maintained Relations with Neighbouring Countries

Muhammad's political insight also included diplomacy - he was a keen believer in keeping good relations with the world in general. He sent envoys to China, Khurasan, Egypt and many such places. The rulers before Muhammad had never shown any such inclination, and to be fair to them, they did not have the time to indulge in all of this. Muhammad changed all of that. Missions poured into India from China, Iran, Iraq and Syria, heralding a new era in cultural and bilateral exchange.

The sultan shocked the nobility with his radical beliefs - such as, all offices must be open to talent. In pursuance of this philosophy, he disregarded such things as caste, race and nobility and put the lowest-born people on the loftiest of levels in the hierarchy. He was also one of the few sultans of Delhi to patronize Hindus and the Hindustani language. Of course, this did not win him any friends from the Turks and Afghans, and the resentment was to surface soon. He had to earn the epithet of Pagla Tughlaq (the mad Tughlaq).

• Laid Down Taxation Policies

Very early in his reign, Muhammad Tughlaq began to show an interest in the matters of taxation. He ordered the compilation of the revenue and expenditure of all the provinces of his kingdom. This meant that the governors of the provinces were required to send to Delhi all relevant accounts and any other information required for the records. The result was that the revenue department in Delhi came to know the exact income and expense of each province. Consequently the whole revenue system worked pretty smoothly.

With his very next idea, the sultan displayed the lack of balanced judgement that he soon came to be associated with. The Doab region between the Ganga and the Yamuna river was, and still is, a very fertile plain. So Muhammad quite fairly concluded that since the farmers of this region were rich, they could afford to pay more tax than those of less fertile regions. The idea itself was sound, the execution was not.

Taxes were increased as much as twentyfold and, what's more, the sultan also insisted in reviving old forgotten taxes and levying those too in this

region. Worse, the measure was adopted at a time when the area was in the grip of a severe famine. Consequently, thousands perished and the peasantry started fleeing their homes.

• Most Discontent Decisions of Sultan

When the state woke up to the situation relief work was taken up, however even then the need to recall the taxes was not realized. Instead, Muhammad became quite enraged at the peasants leaving their homes and used force to get them back. This incident, unfortunately, left a lasting and bitter taste in the mouth of the people of the Doab. Ultimately, it was to prove detrimental to the future of the Tughlaqs.

Another one of Muhammad's ideas was to bring more land into cultivation to help the peasants. A large tract of land, about 60msq, was chosen and cultivated. Two years and 7,000,000 rupees later, the experiment was declared a failure. No one had realized that the chosen land was infertile.

After this Muhammad, much to the revenue department's relief and the alarm of others, turned his attention elsewhere. He did things like transferring his capital from Delhi to Daulatabad (in andhra Pradesh) so that he could control the Deccan better and keep his capital safe from invasions. The idea of shifting the capital in itself was not fundamentally bad. However the choice of Deogir (Daulatabad) was unfortunate. A more centrally located place would have been a far better idea as the sultan himself realized later.

• Shifting of the Capital to Daulatabad was a Failure

However, as things stood, the entire army, the royal household (in itself a circus), ministries, scholars, poets, musicians and so on were ordered to march out and settle in Daulatabad. The king went all out and did his best for his new capital. However the people of Delhi were understandably hesitant to go traipsing all over India to settle in a new place. The sultan lost his always-precarious equilibrium and ordered everyone to move it - not even the cats and dogs were spared. By the time, they reached Daulatabad, Muhammad had changed his mercurial mind once again and decided that the idea wouldn't work. He realized that while this capital was tucked in deep enough to be safe from invasions, it was also too far away to protect northern India. So he ordered a return march in which very few survived.

The consequences for Delhi were grave. Not only she had lost her people; she had also lost her former prosperity and grandeur. The sultan tried his best to make amends and invited many scholars and artistes to settle in the city. However, clearly the impact of this incident was far-reaching - when Ibn Batuta, the famous traveler, came to Delhi in 1334 (Muhammad's reign was from 1325-1351) he found certain parts of the city still deserted.

The consequences for Muhammad weren't all that happy either. There was widespread resentment against the sultan and the bitterness rankled on for years to come.

He brought major change in coinage system and introduced new varieties of coins during his rule. He had more than one Mint in the country. Other than silver and gold coins, he introduced brass coins and these had value equal to the silver coins. People started counterfeiting these coins on large scale and subsequently these had to be withdrawn. Exchequer suffered huge losses.

When, he finally died in 1351, one wry contemporary observer (Badauni) quipped,.....".and so the king was freed from his people and they from him". In other words, he could not buy the confidence of his people.

Muhammad-bin-Tughlaq started building the fifth city of Delhi, Jahanpanah or the refuge of the world. His intention was to combine the four previous cities of Delhi (Dilli, Siri, Tughlaqabad and Jahanpanah) in one boundary wall. However, he soon realized that the expense involved would be prohibitive and gave up the idea. Parts of Jahanpanah today lie forgotten near the busy roads of south Delhi's Panchsheel Park.

From the foregoing, we can note that Muhammad was a brilliant person, a person with vision, thought out of box but acted in haste without assessing risks in the new adventures and without providing for unforeseen eventualities that may emerge while on the way. He was in a great hurry to realize the dreams but did not deem fit to do due diligence before acting. Those who attempted to resist his hasty moves; they were severely punished. In brief, he lacked the ability to see his plans through to their logical conclusion.

Looking to his education qualification and his character as a man of visions with a burning desire to improve governance and enhance his influence both in terms of territorial and diplomatic ambitions, he should be described as a desired leader but as he failed to score because of action in haste and without paying heed to the dissenting voices, he need to be classified as a leader who should be rejected. There was deficit in his leadership. John Maxwell, American Expert on Leadership, has given 21 irrefutable Laws of Leadership and Tughlaq violated many of those Laws. Let us see which are those Laws?

1. Law of Trust: - Trust is foundation of leadership. Leaders need to win trust of their people. In other words, people should have trust in the leadership and they should believe that leader can deliver. By virtue of failures and wastage of national resources, Tughlaq was termed as "Wiseest Fool" or Eccentric". If a leader continuously fails to deliver results; people will abandon him. He must note that in the initial stages, it is important to deliver results to win confidence of people. So in the beginning, leader need not aim to climb Mount Everest. Even small victories are good. He needs to create a good amount of Positive Balance by adding small small victories to his credit. Occasionally, people will pardon him for his failure because to err is human but they will not excuse for repeated failures.
2. Law of Victories:-Leaders find ways to win; alternative to victories is unacceptable to them. They apply their mind intelligently, creatively and correctly and use their resources properly to score victory. Muhammad did not have many victories to his credit. Some people say," Everything is fair in love and war". This may not be correct. Ethics play important role in course of navigation. Adoption of unethical and irrational ways leads to loss of trust and public confidence.
3. Law of Inner Circle: - As per this law, successful leaders select best people for their inner circle who help in realizing their vision efficiently and effectively. This is because no one can be expert in all fields of knowledge. You need talent at all levels and in all areas of human activities. Moreover when organization grows, one can't handle all the challenges alone. Therefore, they create effective leaders to share their burden. Successful leaders do not select 'incompetent yes men' or show favouritism in selection of people for their inner circle. More importantly, they listen to these talented and creative people and take their advice seriously and do not get agitated if these people do not toe to their ideology or strategic thinking. Though Muhammad encouraged meritocracy and appointed talented people in the administration without consideration of caste, religion, social status, race etc but he did not like dissenting voices and punished those who opposed him.
4. Law of Navigation:-Leaders move strategically towards their goal. They are expected to guide, enable and help their people to successfully navigate to the destination. Before embarking upon the mission, they need to consult their team members and develop and follow winning strategies. They scan their environment, carry out SWOT analysis and develop Risk Management Strategies to meet the emerging challenges successfully. Being impatient and always in haste, Muhammad Bin Tughlaq failed to follow these principles.
5. Law of connection:-Leaders lead people. If leaders do not have followers with them; they cannot said to be leaders. For this, they need to connect to them. The connection has to be permanent; so that they remain always connected to people. It is said," Leaders touch a heart before they ask for hand". It seems; Tughlaq was not connected to people. In trying times, he took anti people decisions possibly before understanding their difficulties and their needs. There seems largely unidirectional flow of information from king to executives with hardly any participation of senior executives in decision making.
6. Law of Timings: It is well know that even for good healthy seeds to germinate, you need to have good soil and you need to wait for right season. In absence of these two fundamental requirements, even good seeds will go waste. Decision to impose tax on wealthy farmers of Doab region was good but ill timed because of famine. Moreover, rate of tax was unreasonably high and this led to public annoyance. And further even in those conditions, he withdrew past exemptions and re-imposed taxes on these farmers. He lacked total sense of proportion and never tried to think from the other side.
7. Law of priorities: - Muhammad should have supported the Doab farmers in difficult days of famine (touch their heart) and waited for normal conditions to impose the new levy. This should have been his first priority. But he did not do so; he placed the cart before the horse. He imposed heavy dose of taxes at a time when farmers were suffering a famine. He thus had violated the law of priorities.
8. Law of Explosive Growth: - Look at an old big Banyan Tree and see how it gets support for its huge structure. During the course of growth, it has produced parallel trunks to support the structure physically and physiologically. These parallel trunks silently support the main trunk. Leaders too need to create and nurture leaders in the organization to support various functions. It seems Muhammad was alone in his ambitious projects as a leader; others were just followers; in fact, forced followers.
9. The Law of Buy-in:-If someone gets posted or appointed to a Leadership position or inherits a throne, it does not mean people in the organization/ state will follow him or will give hundred percent support to him. They should not also believe that by showing stick/ gun they can get support from the people/team. Leaders have to take the support of the people/ team members; for this, they need to make sacrifice. They have to become worthy of it because of their good deeds. By virtue of these good deeds, they become acceptable so that people can buy-in. If people do not Buy-in the leader; they obviously will not buy their vision or ideas or plans. Because of his impatient and autocratic nature and hasty and ill conceived decisions, people did not Buy-in Muhammad and that is why on his death Badauin quipped---So the king was freed from his people and they from him.
10. Law of Magnetism:-Leaders need to be like magnets. They need to attract people. And they must find out "what makes people to get attracted towards them". If they can find out good answers to "what" and start acting accordingly, they can get people support. Lallu Prasad Yadav could attract masses just by showing them a "Helicopter"

In brief, being knowledgeable is one thing but being a successful leader is another thing. For being successful as a leader, you need to learn and follow the aforesaid Laws of Leadership. Ignoring or violating these laws will lead to failures. ■

CHAPTER NEWS

BARODA

A condolence meeting of the members of Baroda Chapter was convened on 4th November 2011 to pay homage to Shri S. B. Parikh. The following resolution was passed.

" We, the Members of Managing Committee of Baroda Chapter of Cost Accountants, deeply regret the passing away of Shri Suryakant B Parikh- A Senior Practising Cost Accountant; one of the Founder Members of Baroda Chapter of Cost Accountants and Past Chairman, WIRC of ICWAI. It is an irreparable loss to the Profession and to the Chapter. We extend our heartfelt condolence to Shri S B Parikh's Family. May his soul rest in peace.

NAVI MUMBAI

Report on the "Cost Accounting Standards and its relevance" held on 16th October 2011

Pratyush Chattopadhyay, Chairman of the Professional Development Committee of the Chapter, welcomed the members and Speaker CMA Harsh Bhatia - a Practising Cost Accountant. After introducing the speaker, he explained the importance of Cost Accounting Standards in today's scenario.

CMA Harsh Bhatia explained the genesis of the Cost Accounting Standards and the importance of the same from Entrepreneur as well as Government's point of view. The speaker took the audience through the finer points of various Cost Accounting Standards. The importance of the Cost Accounting Standards was discussed at length through different real life examples of various Industries.

Active participation of the audience made the meet more interesting and thought provocative.

PUNE

Pune Chapter's Solapur Unit

Solapur Unit of Pune Chapter organized a program on 12th Sept 2011 to felicitate Chapter's students who passed the ICWAI examinations held in June 2011. Dr. Girish Kumathekar, Chairman of M.I.M. Solapur, was the Chief Guest for this function. Special invitees were CMA Pramod Dube, Chairman-PCCA & CMA N K Nimkar, Past Chairman-PCCA. CMA R. V. Kshirsagar welcomed the Chief Guest, special invitees, parents, students & faculties. CMA Murli Iyengar introduced the Chief Guest and the special invitees. CMA N D Dontul, felicitated them.

The Chief Guest and special invitees felicitated the students who passed the ICWAI Examinations held in June 2011.

Dr. Kumathekar explained the importance of good English-knowledge and presentation. He told the students that the key for success is hard work.

CMA Pramod Dube explained the various opportunities

available in Costing Profession. CMA Nimkar explained how to do study & prepare for examinations to achieve success. CMA Dontul proposed vote of thanks.

Annual Students Day

Chapter organised Annual Student's Day function on 16th October 2011 at Tilak Smarak Mandir to felicitate the students who excelled in ICWAI Examinations held in Dec.2010 and June 2011.

Dr. Mahesh M Andar, Principal, Ness Wadia College of Commerce, Pune was the Chief Guest for the function. Other dignitaries on the dais were CMAs. Dhananjay V Joshi, Past President, ICWAI, Sanjay Bhargave, CCM, Amit Apte, CCM, Neeraj D Joshi, Treasurer, WIRC, Ashok Nawal, RCM, Dr. N M Vechalekar, Past Chairman of WIRC, Pramod Dube, Chairman-PCCA, Madhuvanti Sathe, Vice Chairman-PCCA, Anant Dhavale, Chairman Student's Co-ordination Committee, PCCA.

A large number of Students attended this program. The parents of prize winner students, faculties of the Chapter & Managing Committee Members of Pune Chapter were present for this program.

CMA Pramod Dube in his welcome speech gave a brief introduction about ICWAI and the Chapter to the audience. He reviewed the various activities conducted by Pune Chapter. CMA Sanjay Bhargave highlighted the latest developments in the area of Cost Audit, Cost Accounting Records and XBRL & spoke about the importance of Cost Audit in the current scenario of Globalisation and Inflation. CMA Amit Apte congratulated the students and spoke about the Time Management and its importance in professional life. CMA Dhananjay V Joshi congratulated the students for their achievements and conveyed the expectations of the profession from them. Dr. M M Andar in his address appreciated the success of the students and explained various developments taking place in the field of Commerce Education & Profession. CMA Ashok Nawal while addressing the students congratulated them for their success. He referred to the students who could not succeed & told them not to lose the heart and hope. With extra efforts he observed that these students will be successful.

On this occasion merit rank holders of June 2010 examination were felicitated with cash prizes and students who passed in the December 2010 and June 2011 examination were also felicitated with various cash prizes. Total 170 students were awarded the prizes.

Prize distribution ceremony was followed by a spectacular Student's Cultural program which consisted mimicry and dance items. Mr. Amey Tikle, ICWA Final Year Student took the lead and guided the students in organizing the program.

The anchoring of the program was done by Mr. Pankaj Goyal & Ms. Revati Gupta, ICWA Final year students of the Chapter.



Dr. Mahesh M Andar, Principal, Ness Wadia College of Commerce, Pune inaugurating the Student's Day Programme organised by Pune Chapter.



Volunteers, Students participating in Cultural Programme during Student's Day, organised by Pune Chapter.



CMA Murli Iyengar, Practicing Cost Accountant interacting with students during felicitation function of Students of Solapur Unit of Pune Chapter.



CMA Neeraj Joshi, Treasurer WIRC addressing the Students during Personality & Communication Skills Development Programme organized by WIRC on the eve of Campus Interview.



CMA Vijay Joshi, Chairman WIRC welcoming Prof. Neha Mathur during Personality & Communication Skills Development Programme organized by WIRC on the eve of Campus Interview.



Prof. Neha Mathur interacting with the students during Personality and Communication Skills Development Programme organized by WIRC on the eve of Campus Interview.



CMA Vijay Joshi, Chairman WIRC welcoming Students & Company representatives during Campus Interview organized by WIRC. Also seen CMA Neeraj Joshi, Treasurer WIRC & CMA Ashish Thatte, Hon. Secretary WIRC.



Representatives from Tata Consultancy Services giving a presentation to Students during Campus Interview organized by WIRC.

Empanelment of Resource Persons

WIRC invites application from academicians, professionals for empanelment as resource persons/subject expert for the development of Academic Publications.

The Subjects are as follows

Foundation

Organization and Management Fundamentals
Accounting
Economics and Business Fundamentals
Business Mathematics and Statistics Fundamentals

Intermediate

Group I
Financial Accounting
Commercial & Industrial Law & Auditing
Applied Direct Taxation

Group II
Cost & Management Accounting
Operation Management & Information Systems
Applied Indirect Taxation

Final

Group III
Capital Market Analysis & Corporate Laws
Financial Management & International Finance
Management Accounting -Strategic Management
Indirect & Direct - Tax Management

Group IV
Management Accounting-Enterprise Performance Management
Advanced Financial Accounting & Reporting
Cost Audit & Operational Audit
Business Valuation Management

Requirements:

Good Communication Skills
Experience in Teaching
Willingness to work on any Publication

Members interested can mail Profile mentioning subject of interest, to Chairman WIRC at admin@icwai-wirc.org before 30th November 2011.

Empanelment of CMAs

WIRC invites applications from CMAs for project in Socio-Economic sphere.

Requirements :

- 1) Dedication to projects undertaken by WIRC
- 2) Previous experience not essential but desirable
- 3) Willingness to travel throughout the Region.

Members interested can mail their Profile to Chairman WIRC at

admin@icwai-wirc.org

before **5th December 2011.**

Essay Competition

Articles on following subjects are invited from Students/Members.

- 1) Cost Audit as tools for Performance Measurement
- 2) Suggestions to Ministry of Finance for Budget.
- 3) ERP Systems and Costing Mechanism

PRIZES

	Members	Students
1st Prize	₹. 5,000/-	₹. 2,000/-
2nd Prize	₹. 3,000/-	₹. 1,000/-
3rd Prize	₹. 2,000/-	₹. 500/-

Please mail to : admin@icwai-wirc.org

Last Date of Submission : 5th December 2011

Note: Decision of the Committee will be binding on the participants.



If undelivered please return to:

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To