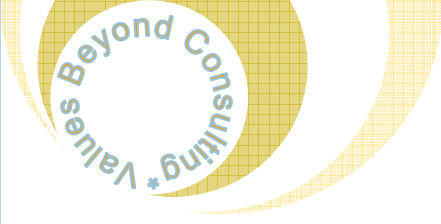


Consultants' CORNER



Faith Draws Grace

Neither art, nor science, nor erudition is necessary to approach God or realise Him. What is wanted is a pure heart with love and devotion to God, a heart resolutely determined to apply itself to Him alone, for His sake alone and to love Him alone. The foundation of spiritual life is absolute faith in God. This will draw soon great grace from God.

—Swami Sivananda

Reporting



R.S.Murali

Special Announcement in page 8

Starting this issue a new section "Green Corner" has been introduced. See page 5 for details.

When one goes through the media, whether TV, newspapers or journals, one always gets an idea that the world is not doing well. As it is often said, when a dog bites you, it is not news but when you bite a dog, it is one. We saw the exaggerated coverage of the Mumbai attacks, and the recent Satyam episode where most of the writers are portraying themselves as saints. In one of the recent articles in a reputed journal, a writer has filled in three pages without any knowledge of finance and accounting about the Satyam scam. All these go to show that there is no quality check even in matters relating to public consumption in reporting.

Let's move on to inside from outside. Is there proper internal reporting in organizations including ours? In one sense, we are much better as I get my daily work updates latest by the next morning; and the information is available for anyone to follow-up in my absence. Currently the focus is on deadlines and milestones; but this is just a tip of the iceberg. We need to look at performance and quality parameters on an ongoing basis. For this we need to put up quality systems in place. At the Chennai office, we had a preliminary round on implementing ISO at NCRCL®. Of course there are miles to go. And I am sure in 2009 we will implement ISO in both the offices.

Reporting as a concept has definitely been extremely beneficial to NCRCL®. I can confidently say that about 40% of NCRCL®'s turnover comes from helping our clients by designing and implementing reporting systems. A hallmark in this regard is the Star Cement LLC, where a daily profitability reporting of all the units has been achieved; thanks to the MIS that NCRCL® has implemented. It is necessary that the talents at NCRCL® upgrade themselves on the latest aspects of reporting systems. IFRS itself is basically a reporting system based on the internationally accepted accounting standards. Similarly XBRL is a software tagging convention for uniform reporting of financial statements. NCRCL® has begun its journey in both these areas of IFRS and XBRL.

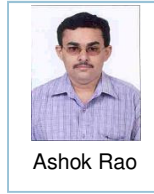
Performance of any organization is a joint effort – effort of several people. At NCRCL®, it is a family affair where the younger one can always take the help of the elder one without the elder one feeling burdened. The core team would work on IFRS and XBRL, apart from the routine work; while the support team could work on the ISO. In the first two weeks of February 2009, a blueprint for these efforts will be available.

Planning alone is not sufficient; the only mechanism by which we will know the progress of all these initiatives is r..e..p..o..r..t..i..n..g!

Inside this issue:

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Project Management (5)



Ashok Rao

Recap: **What is a project? What is project management? The project management knowledge areas. Project phases, project life cycle. Project stakeholders. Key general management skills.**

Project management processes

Project management cannot be conceptualized as such. It should be seen as a number of interlinked processes. It is the component processes and the interactions between them which constitute project management. This month let us try to understand what are project processes, process groups and process interactions.

Project processes

A process is a series of activities bringing about a result. Project processes can be broadly divided into two categories:

- Project management processes – those processes concerned with describing and organizing the work of the project. These processes are discussed in more details in the paragraphs below.
- Product oriented processes – those processes concerned with producing the project product (*remember the definition of a project: “.....unique product or service”*). These processes are defined by the project life cycle.

Process groups

Project management processes can be organized into five groups as shown in Figure 1. The process groups are interlinked in as much as the result or outcome of one becomes the input for the other.

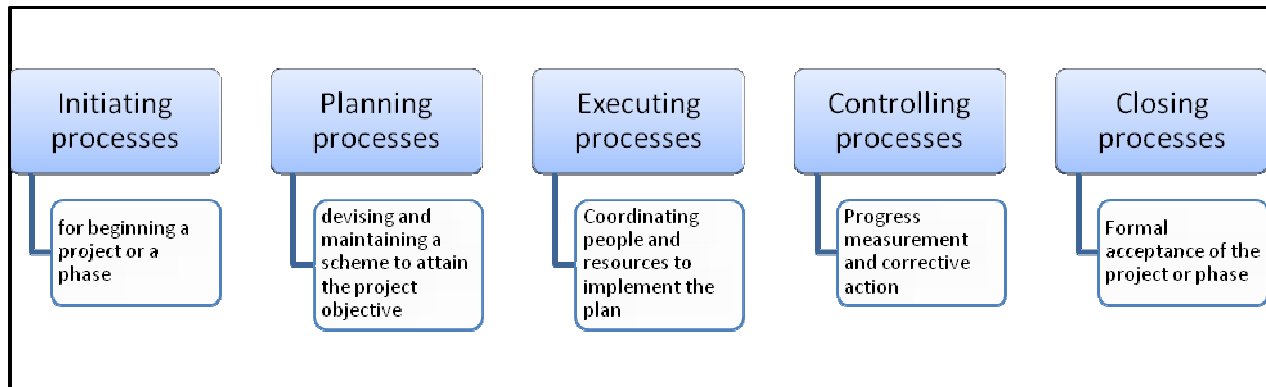


Figure 1: Process groups

Process groups should not be confused with project phases discussed earlier (*see project management (3) – Nov 08 CC*). Each process group has a number of individual processes. All the project processes are active to varying degrees in all the project phases. Just like there may be overlaps between project phases, there are also overlaps between project processes. Each process within a process group is characterized by its:

- **Inputs** – documents or documentable items that need to be acted upon
- **Tools and techniques** – mechanisms that will be applied to the inputs to create the outputs
- **Outputs** – documents or documentable items that are a result of the process

In practice, some of the processes within a group may not be applicable or merged with other processes in particular projects. The project manager's task will require him to answer the following questions at various points during the project life cycle:

Contd on next page

1. Which project processes are required for the project on hand?
2. What should be the interaction between different project processes within the process group and amongst groups?
3. What should be the level of interaction between the project processes and the project phases?
4. The inputs, tools & techniques and outputs for individual processes?
5. What compromises need to be made (scope, cost etc.) to align the project processes to the overall project objective?



Note: Though efforts are being made to keep the discussion as simple as possible, it is inevitable that as we go deeper, the discussion will become more technical & certain complexities are unavoidable. Readers are advised to refer and revise the concepts discussed till now. The discussions in future will be done assuming that readers are familiar with the basic terms and concepts of project management.

-to be contd

INCOME TAX



Income Tax is a very important direct tax. It is an important & most significant source of revenue of the government. The government needs money to maintain law & order in the country, safeguard the security of the country from foreign powers & promote the welfare of the people. Since our Government is wedded to socialistic pattern of society, it is the foremost duty of the government to bring out such welfare & development programmes which will bridge the gap between the rich & the poor. All this requires mobilization of funds from various sources. These sources may be direct or indirect. Income tax, being a direct tax, is an important tool to achieve balanced socio-economic growth by providing concessions & incentives in income tax for various developmental purposes.

Who is liable to pay Income Tax?

Every person, whose taxable income for the previous financial year exceeds the minimum taxable limits, is liable to pay to the central Government income tax during the current financial year on the income of the previous financial year at the rates in force during the current financial year.

Rates of Direct taxes

Income Tax for Assessment Year 2009-2010

1. Every individual other than individual referred to in item (2) & (3) below:

<u>Income</u>	<u>Income Tax</u>
Up to Rs 1,50,000	Nil
From Rs 1,50,001 to Rs 3,00,000	10% *(Total income minus Rs 1,50,000)
From Rs 3,00,001 to Rs 5,00,000	Rs 15,000 + 20% *(Total income minus Rs 3,00,000)
Rs 5,00,001 & Above	Rs 55,000 + 30% *(Total income minus Rs 5,00,000)

2. Every individual who is a woman & below the age of 65 years:

<u>Income</u>	<u>Income Tax</u>
Up to Rs 1,80,000	Nil
From Rs 1,80,001 to Rs 3,00,000	10% *(Total income minus Rs 1,80,000)
From Rs 3,00,001 to Rs 5,00,000	Rs 12,000 + 20% *(Total income minus Rs 3,00,000)
Rs 5,00,001 & Above	Rs 52,000 + 30% *(Total income minus Rs 5,00,000)

3. Every individual who is of the age of 65 years or more:

<u>Income</u>	<u>Income Tax</u>
Up to Rs 2,25,000	Nil
From Rs 2,25,001 to Rs 3,00,000	10% *(Total income minus Rs 2,25,000)
From Rs 3,00,001 to Rs 5,00,000	Rs 7500 + 20% *(Total income minus Rs 3,00,000)
Rs 5,00,000 & Above	Rs 47,500 + 30% *(Total income minus Rs 5,00,000)

Note:

- In the case of every individual or Hindu undivided Family or Association of persons having income exceeding Rs 10 Lakhs the IT shall be increased by a surcharge of 10%.
- IT & surcharge shall be increased by 2% Educational cess & 1% secondary & higher Education cess.

4. Partnership Firms: IT @ 30% on the whole of Total income

5. Domestic Companies: IT @ 30% on the whole of Total income

Note:

- In the case of partnership Firms & Domestic companies having total income exceeding Rs 1 crore the IT shall be increased by a surcharge of 10%.
- IT & Surcharge shall be increased by 2% Educational cess & 1% secondary & higher Educational cess.

WEALTH TAX:

Wealth tax is not a very important or high revenue tax. Wealth tax is a socialistic tax. It is not on income but payable only because a person is wealthy. Wealth tax is payable on net wealth on 'valuation date' (31st March of every year).

Net wealth = Value of assets plus deemed assets less exempted assets, less debt owed

Rates of tax for the assessment year 2008-2009 & 2009-2010:

Individual/Hindu Undivided Family/Company

- a. Where the net wealth does not exceed Rs 15,00,000 - Nil
- b. Where the net Wealth exceeds Rs 15,00,000 – 1% of the net wealth exceeding Rs 15,00,000 plus Educational cess @ 2% & secondary & higher Education cess @ 1% on Wealth Tax.

Words confused and misused

Correspondence – Correspondent:

Persons who communicate with one another by means of letters are *correspondents*. The letters that are exchanged constitute their *correspondence*.

Couple – Two:

Couple means two things of the same kind joined or linked together. It is properly applied to a married or betrothed pair. For want of an adequate substitute, *couple* is used loosely in the sense of two or of two or three as in "a couple of cars," "a couple of days," "a couple of miles." It is better to say "two cars," "two or three days."

Decided – Decisive:

Decided is often misused for *decisive*. *Decided* means clear and definite beyond mistake. It applies both to persons and things, as "a decided person, opinion, air, preference, a version, success." *Decisive* means final or

conclusive. It applies ordinarily to things, as "a decisive answer, judgment, decree, statement." Thus a decided victory is one about which there can be no question, and a decisive victory is one that ends the contest or settles matter.

Deliverance – Delivery:

These closely related nouns must be distinguished according to context. The delivery of goods means the transfer of possession, often involving transportation. The delivery of a ball means the act of throwing or the manner in which this is done. *Deliverance* means primarily rescue or release from a state considered to be dangerous, evil, or otherwise undesirable as "deliverance from prison or pain."

Despite of – In spite of:

The incorrect form *despite of* is doubtless due to confusion with *in spite of*. Correct forms are: "In spite of his protestations he finally went"; "Despite his previous record he was elected."

-to be contd

Consultants' tool box

The power of A3 thinking

How many times have we heard RSM say “All that a consultant needs is a sheet of paper and a pencil”? Maybe too often for us to take it seriously. This snippet is just to take this thought a little further. Most of our projects involve applying our experience and intellect to solve client problems. In our endeavour to do this, we constantly have to grapple with multiple variables which have a bearing on each of the possible solutions.

One good way to bring clarity in our thinking is to put down all our thoughts on a sheet of A3 paper. Once this is done start refining what you have put down. You will end up with multiple versions of the A3 sheet. But you will see that the 3rd or 4th version is very close to the solution you will end up suggesting.

The A3 sheet may contain just about anything. The first few times you start using it, it will probably be a messy affair. We first used it in designing processes for Janalakshmi calling it the ‘Big picture’ (for more on the big picture, see Mohanty’s article in Dec 08 CC). We are now finding ourselves using it more and more for other assignments also to the extent that when confronted with a technical problem our thinking actually starts happening in A3 size!!

Why A3? No particular reason. Just that A3 gives you the space to put down things clearly. Also in case you decide to digitize it later and print it, it is possible.

Try this out and give feedback on how it works for you. Some of us may also want to extend it to some of our personal problems. Who knows? It may just make things a bit simpler.

Ashok Rao

Green Corner

Enough has been talked about and written on the global environment crisis and the effects that it has been having on businesses. One thing is clear: the businesses that are going to survive are the ones which conduct their operations in a clean, green and environmentally responsible manner. Businesses are also realizing that working in an environmentally sensitive and responsible manner may also prove beneficial in the long run.

This brings us to the question – what can we as individuals and as team at NCRCL® do in this regard? Here we need to acknowledge the efforts of some of our own team members (RSM, Guhan, Rekha, Subba Rao ...) who have tried to induce a sense of green consciousness in all of us. It may appear that we may be too small a group to make any substantial efforts in this regard. But as a group of knowledgeable professionals we must realize that it is criminal to sit back and relax. It is precisely to facilitate discussion on these lines that ‘Green Corner’ has been started.

Green Corner will contain facts and figures, tip of the month, techniques, appeals, success stories, issues for discussion etc. relevant to the topic.

Readers are requested to forward relevant material to the editors.

e-Waste disposal at NCRCL^(R) Bangalore

As a result of shifting of premises a lot of e-waste had to be disposed at NCRCL® Bangalore. The easier option was to dump it along with other waste. Instead, authorized recyclers of e-waste were contacted and the entire stock (about 50 kilos) was given to them for recycling.

Now, that is Corporate Social Responsibility as we see it here in NCRCL®.

Creative Corner



The above sketch is by Akshita Rajesh, an articulated trainee with immense inborn talent in drawing and painting. She excels in all types of paint mediums, but her specialty lies in pencil sketches.

Readers' Corner

The transformation of "Know your colleagues" from the December issue is excellent and it seems to exhibit more things about the person and the personality. It is apt to see the MD's KYC as the beginning of the transformation.

Mr. N.C Ravikrishnan

Events and Happenings in NCRCL®

Study Circle in Chennai

- 1) "Kavidai Neram" Presented by R. S. Murali on 09.01.2009
- 2) "Types of Business Entities" The concept of LLPs in India, Presented by Kishore.D on 16.01.2009
- 3) "Banking" by Jacqueline Asha on 30.01.2009



R S Murali, our Managing Director, was the chief speaker in an Executive Interaction Program at the Sona School of Management, Salem on 23rd January 2009. The topic was "Going beyond Current Financial Crisis". His talk was deeply appreciated by both the students and the faculty. It was felt that he gave a real and different insight into the present financial crisis and its impact, which had the students discussing the topic long after the program. The students conveyed their thanks and gratitude for the lively and interactive session.



NCRCL® participated in the Golden Jubilee Convention of the Indian Institution of Industrial Engineering, held at Vishakapatnam from 16th to 18th January 2009. Around 200 delegates attended the convention on "Global Energy Challenges – Strategies for Sustainable Development" in which 56 papers covering various aspects of energy were presented. As a part of the Golden Jubilee celebrations, 13 Industrial Engineers aged above seventy years and present at the function were felicitated which included Shri P. B. Jeevan Rao, our Senior Consultant. Brochures and a list of major assignments undertaken by NCRCL® were distributed.

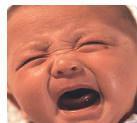


NCRCL® Bangalore office shifted into its new premises at Race Course Road on 15.01.09



NCRCL® wishes the best of luck to our new family member

Babuajan



Congratulations to Roopashree on being blessed with a baby Girl on 05.01.2009

Know Your Colleagues



Name: N. C. Ravikrishnan
 Qualification: B.Com, B.L., C.A (Inter)
 Designation: Director
 Date of Birth: 01.07.1970
 Email: nc_ravi@rediffmail.com, ravinc@ncrcl.com
 Phone: 0424-2212628, 9443127197, 9790981066

S. No.	Questions	Your Answers
1.	The meaning of your name.	Ravi - The Sun, Krishna – God, Bliss, Dark, attraction My name can mean 'The Sun God', "The dark Sun", "The Sun of Bliss"
2.	Nick name.	Erode Ravi
3.	Your dream job.	Good consultant
4.	Your first impression of NCRCL® .	Best firm for learning
5.	What personal/emotional characteristic of yours do you want to change?	Tension about nothing
6.	Money or job satisfaction.	Job satisfaction
7.	Your Stress buster.	Music, Movies, Talking with my wife
8.	Do you have a small circle of close friends, rather than a large number of friends?	I have a small circle of close friends
9.	What do you most like about a person?	Behavior, Humanity, Straight- forwardness
10.	What do you most hate in a person?	Selfishness, ego
11.	Team work vs Individual work – your comments.	Team work always works (My View-Individual work is the fountain head of ego)
12.	Do you make efforts to get others to laugh and smile?	Mostly (depends on the situation)
13.	Your heart rules your head or your head rules your heart.	Either way
14.	Special talent.	Nothing special-all are satisfactory
15.	Hobbies.	Listening to music, reading biographies, philosophy, life magazines, watching movies, spending time with family

Smart Corner

Under what brand name has Mr. Jagdish Khattar, former MD of Maruti set up a state-of-the-art network of integrated outlets for multi-brand auto sales, services and related solutions across the country?

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

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ANSWER FOR LAST MONTH'S SMART CORNER QUESTION:

On 27th November, 2008 both the NSE and BSE were closed for trading even though it was not an official holiday.

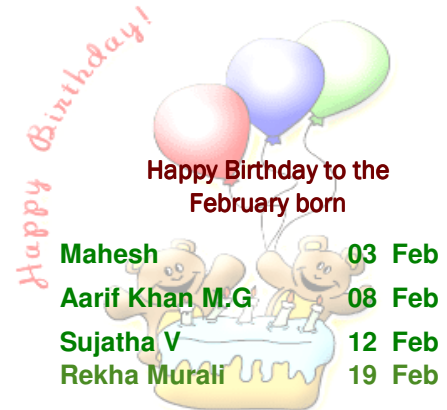
What was the reason?

ANSWER: This is due to the Mumbai attacks on 26/11.



The right answer given by
Ramachandran R
!!! Congratulations !!!

Birthday Wishes



Humor Corner



"Unfortunately, we're not equipped to tell you where your next meal is coming from."

Announcement

The time has come for enhancing our CC. The upgradation will take place from the April issue onwards.

Readers are requested to give their suggestion on the following :

1. Readers can design the front page and send it to the editors, it will be circulated to all readers for their views. Based on the suggestion, the best design will be selected and incorporated.
2. Layout for inside pages.
3. Arrangement of articles.
4. The type of articles to be published.
5. The type of articles not to be published.
6. Any other suggestions.

Please send in your suggestions to the editor at bangalore@ncrcl.com