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HYDERABAD

FEBRUARY - 2023

A News Magazine from the Hyderabad Chapter of

The Institute of Cost Accountants of India

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Interview ... CMA Gowri Kolluru

B.Com; ACMA; LLM (Corporate Laws)

CFO - Krishnapatnam Infra Tech Limited

by: Lavanya Kanduri

Behind every successful business decisions, there is always a CMA



The Chairman writes to you





Dear Professional Colleagues,

I begin my message, as is customary, with encouraging news about our country. In 2022, India's service exports will reach an all-time high of \$273.6 billion. The outlook is also promising. On an annual basis, retail inflation in India fell to 5.72 percent in December, down from 5.88 percent in November 2022. For the second month in a row, the figure has remained within the RBI's tolerance band of 2-6 percent. SS Rajamouli's 'RRR' makes India proud as it wins the most prestigious international awards. The foot-tapping song 'Naatu Naatu' won the Golden Globe Award for 2023. The film also won Best Foreign Language Film and Best Song for "Naatu Naatu" at the Critics' Choice Awards. The 95th Academy Awards nominations were announced, and India received three nominations. We hope that in the near future, our India will demonstrate its power in all fields.

The sudden demise of CMA P.A.P. Murthy- Past Chairman of Hyderabad Chapter and SIRC of The Institute of Cost Accountants of India is shocking. His passing away is a big loss to the CMAs' fraternity.

We have organised a professional development programme on "RECENT CHANGES IN GST" during January month. We have invited CMA Chittaranjan Chattopadhyay- Central Council Member, CMA K.CH.A.V.S.N. Murthy – CCM, CMA Vijay Kiran Agastya - Secretary, SIRC of ICAI, CMA D.V Rambabu - Practising Cost Accountant, CMA B. Mallikharjuna Gupta - SME, Speaker & Author on Indian GST, Founder. India-gst.in, CA CS Mula Phani Kiran - Practising Chartered Accountant

We have unfurled our national flag with utmost respect on January 26th, the anniversary of the adoption of the Indian Constitution.

I urge all final-passed students who have at least three years of relevant job experience but have not yet applied for associate membership to do so right now and take advantage of all the perks of membership. Both online and offline methods are available for submitting membership applications. The membership application link is https://eicmai.in/external/ChooseApplicationType.aspx for quick reference and use.

I'd like to politely remind the esteemed members of the practice that their present Certificate of Practice (CoP) is valid upto the end of March 2023, the current fiscal year. CoPholders may renew their CoPwell in advance to prevent the last-minute rush.

We have started group two classes on 23rd January, 2023 at CMA Bhavan, Himayatnagar. We are planning to organise Foundation, Interfirst year and final classes in the second week of the February 10th, 2023.

Our Institute has extended the last date for admissions upto February 7th 2023 for June examinations.

It is our responsibility to remember freedom fighters' sacrifices, actions, and thoughts. This month features two well-known birth days of our stalwarts. Smt. Sarojini Naidu was the first one (born on 13th Feb, 1879). She was one of the most prominent figures involved in the civil disobedience and quit India movements. She was subjected to repeated arresting by the British rulers.

The second great personality Bharat Ratna Awardee shri Murarji Desai (born on 29th February 1896) was a politician who served as the 4th Prime Minister of India between 1977 to 1979 and known for his administrative abilities and toughness. He is well-known around the world for his peace activism and for initiating peace talks with China and Pakistan. He was a Gandhian, a social worker, a builder of institutions, and a great reformer.

On the auspicious occasion of 'MAHASHIVARATRI', many many greetings to all of you.

With Warm Regards, CMA K. Someswara Babu Chairman





1 From the Edit Room...



Dear Professional Colleagues and Students,

If you look at what you have in life, you'll always have more. If you look at what you don't have in life, you'll never have enough.

-Oprah Winfrey

Success is a journey which continues even after the goal is achieved.

We must analyze what makes us happy, what gives us contentment, and what motivates us. No one can list out our needs better than us.

As is custom, I start my views with positive news about our nation. India's export services are at a record \$273.6 billion in 2022. The future seems bright as well. Retail inflation in India decreased from 5.88 percent in November 2022 to 5.72 percent in December.

India is pleased of SS Rajamouli's "RRR" as it takes home the top international accolades. The 2023 Golden Globe Award went to the upbeat song "Naatu Naatu." The movie also took home Critics' Choice Awards for Best Foreign Language Film and Best Song for "Naatu Naatu".

It is startling that CMA P.A.P. Murthy, a former chairman of The Institute of Cost Accountants of India's Hyderabad Chapter and SIRC, passed away so suddenly. The CMAs fraternity has suffered a great loss with his demise.

I welcome all the students of June 2023 batch. We hope that you are able to shape up your life and career for a challenging world out there.

This month articles comprise of 'Finance Clips', "CMA Update" by CMA R. Satyanarayana garu, Sustainability is not holding back innovation, it's accelerating it compiled by CMA Anand Satchit Jammalamadaka and the "Hey CMA - Be prepared for the Challenges" series by CMA D. Zitendra Rao garu. We also have a special newseries "Accomplished Cost and Mangament Accountant - Inspiring Journeys", an open talk with CMA Gowri, CFO - Krishnapatnam Infra Tech Limited.

Two well-known birthdays of our stalwarts fall in this month. Initially, Smt. Sarojini Naidu born on 13th Feb, 1879. She was a well-known participant in the civil disobedience and Quit India movements. She was often detained by the British authorities. The second outstanding character is Shri Murarji Desai, a politician and recipient of the Bharat Ratna Award. He was born on February 29, 1896. He was India's fourth prime minister from 1977 to 1979 and was renowned for his tenacity and managerial skills. He is well-known or his commitment in promoting peace and his negotiations with China and Pakistan.

Discover your hidden potential and the inner self as you meditate on the thought of reaching closer to Lord Shiva on the occasion of Maha Shivratri! May Lord Shiva and Goddess Parvathi favor you with great wellbeing, joy, and success. Happy Maha Shivratri to you and all your family members, Om Namah Shivay!

Keep writing to us with your suggestions and inputs that will help us improve to serve you better.

Until we meet again here.

Lavanya Kanduri
Chairperson Editorial Board
Secretary HCCA







Honouring guests of honour CMA Chittaranjan Chattopadhyay, CCM & CMA (Dr) K.Ch.A.V.S.N. Murthy, CCM with traditional shawl and memento during the programme "Recent Changes in GST".





Honouring special invitee CMA Vijay Kiran Agastya - Secretary, SIRC of ICAI with traditional shawl and memento during the programme "Recent Changes in GST".



Presentation of bouquet of flowers and traditional shawl to the distinguished speakers
CA MVS Phani Kiran-Practising Chartered Accountant, CMA D.V. Rambabu - Practising Cost Accountant,
CMA B. Mallikharjuna Gupta -SME, Speaker & Author on Indian GST, Founder.India.gst.in
during the programme "Recent Changes in GST"



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ACTIVITIES SCORE BOARD

Month (2020-21)	APR	MAY	JUN	JUL	AUG	SEP	ОСТ	NOV	DEC	JAN	FEB	MAR	Year- to-date
No. of Programs	2	1	1	6	1	-	2	2	2	1	-	-	18
CEP Hours	2	1	1	7	1	-	5	4	2	4	-	-	27



Performance Track

07.01.2023 - RECENT CHANGES IN GST

During the month of January, we organised a professional development session on "RECENT CHANGES IN GST." We have invited CMA Chittaranjan Chattopadhyay- Central Council Member, CMA K.CH.A.V.S.N. Murthy – CCM, CMA Vijay Kiran Agastya - Secretary, SIRC of ICAI, CMA D.V Rambabu - Practising Cost Accountant, CMA B. Mallikharjuna Gupta - SME, Speaker & Author on Indian GST, Founder. India-gst.in, CA CS Mula Phani Kiran - Practising Chartered Accountant

CMA Chittaranjan Chattopadhyay made a power point presentation and briefed about Departmental Activities Fortnightly Tax Bulletin, Courses, Workshops, Webinars/Webnits, Quiz, Taxation Helpdesk, Representation/Suggestion to the Government etc. CMA D.V Rambabu CMA B. Mallikharjuna Gupta, CA CS Mula Phani Kiran have detailed the session topic "RECENT CHANGES IN GST."

26.01.2023 - REPUBLIC DAY CELEBRATIONS

On January 26, on the occasion of the anniversary of the adoption of the Indian Constitution, we have respectfully unfurled our national flag.

The way of success is the way of continuous pursuit of knowledge.



Finance Clips

CMA RAJAPETA SATYANARAYANA

M.Com, FCMA

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- NPAG: The Exposure Draft of the International Non-Profit Accounting Guidance (INPAG)- Part 1 issued by the IFR4NPO, has been hosted on the website of the Institute of Chartered Accountants of India (www.icai.org) for public comments with last date as February 17, 2023 and for details refer to www.icai.org
- Empanelment of Stock Auditors: Applications are invited from experienced CA/CWA for empanelment of stock auditor for eligible accounts of Guwahati Zone. Interested parties can apply through website www.ucobank.co.in by 10th Feb 2023 to Zonal Manager Guwahti Zone.
- Transparency report for audit firms: In a first of its kind move aimed at improving audit quality the National Financial Reporting Authority (NFRA) proposed to introduce annual transparency reports requirement for audit firms vide TOI.
- E Lockers for Auditors: NFRA seeks E Lockers for Auditors to keep Digital documents safe vide Economic Times dated 11th Jan, 2023.
- Mandatory Joint Audit: The Government is going to introduce mandatory Jt Audit of companies in a phased manner starting with the public interest entities and large listed companies soon vide Financial Express dated 14th Jan, 2023.
- ICSI on CPE credits: The members are requested to complete their CPE Credits for the year 2022-23

- (April 1, 2022 to March 31, 2023) as per ICSI (Continuous Professional Education) Guidelines, 2019 latest by March 31, 2023 and for details refer to www.icsi.org
- Draft of NFRA: As a step towards enhancing the transparency about management and governance of audit firms and their internal policy framework to ensure high quality audits and preventing conflict of interest by maintaining independence, the National Financial Reporting Authority (NFRA) has published draft requirements regarding preparation and publication of Annual Transparency Report (ATR) by auditors/audit firms.
- ICSI on social audit standard: ICSI has issued Draft on Social Audit Standard and for details refer to www.icsi.org
- Annual transparency report: The National Financial Reporting Authority (NFRA) proposed to make it mandatory for audit firms to file an annual transparency report (ATR). The report will contain critical information about operational activities, management governance and ownership structures of the audit firms, the audit and accounting watchdog said on Monday. It said the ATR will also contain a description of policies and procedures put in place by the audit firm to deliver high-quality audits. Stakeholders can submit their feedback on the proposals by February 16.



CMA Update

CMA R. SATYANARAYANA, M.Com, FCMA Email: yadav.satyanarayana@gmail.com



GENERAL

- Recovery dues of deceased person: Central Excise cannot move against legal heirs of a deceased person to recover penalty vide decision given in the case of Commissioner of CGST And Central Excise Vs Ashirwad Foundries Private Limited And Anr (Calcutta High Court)
- NRE/NRO Account holders can operate through UPI: NPCI has instructed Members of the Unified Payment Interfacer (UPI) ecosystem to allow Non-Resident account types as Non-Resident External (NRE) /Non-Resident Ordinary (NRO) accounts having international mobile numbers to get onboarded and transact through UPI by 30th April 2023 vide Business Standard dated 10th Jan 2023.
- Property of heirless Female: Inherited property
 of an issueless and heirless female Hindu dying
 intestate goes back to the source vide decision
 given by the Supreme Court in the case of
 Arunachala Gounder v. Ponnusamy Citation:
 [2022] 134 taxmann.com 232 (SC)
- SSI exemption cannot be denied: CESTAT held that SSI Exemption cannot be denied for Trademark Registration in Family Member name, Jointly in Family Members Name or in the name of partners vide decision given in the case of Abhay Industries Vs C.C.E. & S.T.-Rajkot (CESTAT Ahmedabad) Appeal Number: Excise Appeal No. 10682 of 2013-DB
- India UK to Launch Young Professionals Scheme on 28-2-2023: India and the UK will launch the Young Professionals Scheme next month that will allow degree-holding Indian nationals in the age group 18-30 years to live and work in Britain for up to two years. The UK-India Young Professionals Scheme will offer 3,000 places annually to 18 to 30 years old degree-educated Indian nationals to come to the UK to live and work for up to two years. The programme will be reciprocal, also allowing UK professionals in the same position to participate in a

- professional exchange by living and working in India vide Business Standard dated 16-1-2023.
- Scrapping of old vehicles: All Government vehicles older than 15 years to be scrapped and deregistered from April 1, all vehicles owned by central and state governments, including buses owned by transport corporations and public sector undertakings, that are older than 15 years will be de-registered and scrapped, according to a notification by the Road Transport and Highways Ministry. The rule shall not apply to the special purpose vehicles used for operational purposes for the Defence of the country and for the maintenance of law and order and internal security. Announced in the Union Budget 2021-22, the policy provides for fitness tests after 20 years for personal vehicles, while commercial vehicles will require it after 15 years. Under the new policy w.e.f April 1, 2022, Centre has said states and UTs will provide up to 25 per cent tax rebate on road tax for vehicles that are purchased after scrapping old vehicles vide Money control dated 19-1-2023.
- Plan to increase international outreach: UGC never fails to woo national as well as international students. In 2022, for international students, UGC decided to make the admission process in Indian universities and institutions hectic-free. The commission allowed to create up to 25 percent supernumerary seats for foreign students in UG and PG programs. Also, the UGC withdraw the entrance process for admissions in India for international students.
- to enhance the accessibility of higher education in remote parts of the country and to bridge the digital divide, UGC in 2022 decided to provide 23,000 higher education courses free of cost to the students. These courses include artificial intelligence (AI), cyber security and early childhood care programs. This decision of UGC came as a part of the second anniversary of the National Education Policy 2020. "As part of its efforts in making higher education accessible to all, the UGC has been constantly working in making digital resources available to students in English as well as regional languages," said UGC Chairman M Jagadesh Kumar.



LABOUR

EPFO to offer link to opt for Higher pension: Implementing the recent Supreme Court order on higher provident fund pensions, the Employees' Provident Fund Organisation (EPFO) has made a provision in the member's portal so that retired workers can opt for higher pension. The EPFO has started taking registration requests from employees for application form for validation of joint options with the employers. The option, at the moment, will be available for employees who had retired before September 1, 2014. They should have also exercised joint option under para 11(3) of the Employees' Pension Scheme (EPS) prior to September 1, 2014. The employee should enter the Pension Payment Order, Aadhaar number, name, date of birth in the application form, which should be as per the EPFO records. "Member should have a valid mobile number linked as per UIDAI records." the direction adds vide The Hindu dated 20-1-2023.

GST

- PAN: PAN to be verified through separate onetime passwords The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes and shall also be verified through separate one-time passwords sent to the mobile number and email address linked to the Permanent Account Number and for details refer to Notification dated 1-12-2022 issued by CBIC on www.cbic.gov.in
- Automated Drop proceedings: Recently, a functionality of Automated Drop Proceedings of GSTINs suspended due to non-filing of returns has been implemented on the GST Portal. This functionality is for the taxpayers who have filed their pending 6 monthly or 2 Quarterly returns. Such taxpayers are advised to revoke the suspension once the due returns have been filed by clicking on "INITIATE DROP PROCEEDING" for which navigation is as follows: "Services > User Services > View Notices and Orders > Initiate Drop Proceeding".
- GST Council Meeting: In the 48th GST Council meeting dated 17-12-2022 has recommended to decriminalize certain offences u/s 132, increase in threshold of amount of tax for prosecution to Rs 2 crores and reduction in amount of compounding in GST and for details refer to www.cbic.gov.in

- PAN linked Mobile & email address to be captured: The GST Council's 48th meeting was held in Delhi on December 17, 2022 in which it was recommended that PAN-linked mobile number and e-mail address (fetched from CBDT database) to be captured and recorded in FORM GST REG-01 and OTP-based verification to be conducted at the time of registration on such PAN-linked mobile number and email address to restrict misuse of PAN of a person by unscrupulous elements without knowledge of the said PAN-holder. This has been Notified by CBIC vide Notification No. 26/2022 (Central Tax) dated December 26, 2022 and for details refer to www.cbic.gov.in
- Treatment of statutory dues in cases of IBC:
 CBIC has issued Clarification regarding the
 treatment of statutory dues under GST law in
 respect of the taxpayers for whom the
 proceedings have been finalized under
 Insolvency and Bankruptcy Code, 2016 vide
 Circular No. 187/19/2022-GST Dated 27th
 December, 2022.

INCOME TAX

- CapitaL gain: Supreme Court's (SC's) has decided in case of Mansukh Dyeing and Printing Mills that revaluation of capital assets of firm should be credited to partners' capital account after admission of partner is taxable as capital gain Notified vide I Detailed ruling dated 24th October 2022.
- Extension of time limit: The compliances to be made by the taxpayers such as investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purpose of claiming any exemption under the provisions contained in Section 54 to 54 GB of the Act, for which the last date of such compliance falls between 01st April, 2021 to 28th February, 2022 (both days inclusive), may be completed on or before 31st March 2023 vide CBDT Circular No. 1 of 2023 dated 06 January, 2023 and for details refer to www.incometax@gov.in
- TDS deducted and not deposited: Assessee is not responsible for TDS deducted and not deposited by deductor vide decision contained in the Ashok Kumar B Chowatia Vs JCIT(TDS) Madras High Court



- Supreme Court on Charitable purposes: The Apex Court in its judgment in the interpretation of Charitable activities gave judgment I respect of exemption referred in Sec 2(15) of the IT Act 1961 and for details refer to Case Details: Assistant Commissioner of Income-tax (Exemptions) v. Ahmedabad Urban Development Authority Citation: [2022] 143 taxmann.com 278 (SC)
- Filing of Form 10B: Provisions of section 12A(1)(b) requiring the assessee to furnish audit report has been amended w.e.f. 1.4.2020. Prior to the amendment, the audit report has to be filed along with the return of income. Requirement of furnishing audit report before the due date prescribed in section 44AB has been made mandatory w.e.f. 1.4.2020 only vide decision given in the case of The Dadabhai Kavasji Tata School Trust Vs ITO (ITAT Mumbai) Appeal Number: I.T.A. No. 1637/Mum/2022. RBI
- Renewal of Safe Deposit Lockers: RBI has extended deadline for Banks to renew safe deposit locker agreements upto 31st Dec, 2023 & Where operations in lockers have been frozen for non-execution of agreement by January 1, 2023, the same should be unfrozen with immediate effect and for details refer to www.rbi.gov.in
- Stake in Banks: The Reserve Bank of India (RBI) said any person looking to acquire more than 5 per cent stake in a bank will need prior approval from the regulator and for details refer to www.rbi.gov.in
- IRIS scan for some transactions: The government is likely to implement phased roll-out for mandatory joint audit of companies, starting with "public interest entities" and large listed companies soon. The proposal, aimed at tightening the audit framework and enhancing the credibility of audit reports, will be a part of the amendments to the Companies Act that are to be tabled in Parliament in the upcoming Budget session. he verification is not mandatory and is intended for cases where another government identification card used for tax purposes, the Permanent Account Number (PAN) card, is not shared with banks and for details refer to www.rbi.gov.in
- No cap on sovereign Green Bonds: The proceeds will be used to fund solar, wind and small hydro power projects, including other

"public sector projects which help in reducing the carbon intensity of the economy, the RBI said. The fully accessible route includes securities which do not have any restrictions on holdings by foreign investors vide Reuters dated 23-1-2023.

FEMA/DGFT

- Reporting in Single Master Form (SMF): RBI
 has issued a circular on 4th Jan 2023 and
 indicated Single Master Form in respect of
 Reporting of Foreign Investment in SMF om
 FIRMS portal and for details refer to
 www.rbi.gov.in
- Composition Fees: Directorate General of Foreign Trade (DGFT) simplifies Composition Fee for Export Obligation Extension under Advance Authorization Scheme in a Move to boost trade facilitation and ease of doing business vide Public Notice No. 52/2015-2020 Dated: 18th January, 2023 and for details refer to www.dgft.gov.in
- EPGC Norms: In a relief to exporters from hotel, healthcare, and educational sectors, the government announced a one-time relaxation for them with respect to maintaining the average export obligation under the Export Promotion Capital Goods (EPCG) scheme vide PTI dated 20-1-2023.

SEBI

- Suspense Escrow Demat Account: SEBI vide its circular No. SEBI/HO/MIRSD/PoD-1/0W/P/2022/64923 with Dated 30.12.2012 issued Guidelines respect to procedural aspects of Suspense Escrow Demat Account and directed listed entities to process all service requests in Demat form.
- IRRA Platform: Securities and Exchange Board of India (SEBI) on 30th December, 2022 has issued a circular vide notification no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022 /177 and has introduced Investor Risk Reduction Access (IRRA) platform in case of disruption of trading services provided by the Trading Member (TM) in the exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.



- Multiple contracts: It has been decided by SEBI that stock exchanges may be allowed to launch multiple contracts in same commodity vide circular dated 11th June 2023 and for details refer to www.sebi.gov.in
- SEBI allows Virtual Meetings: SEBI has given consent for virtual meeting for REITs, InVITs & Unit Holders vide Business Standard dated 14th Jan, 2023.
- NSE on XBRL: NSE seeks comments / feedback on the proposal to migrate from Portable Document Format (PDF) to eXtensible Business Reporting Language (XBRL) format for submitting corporate announcements pertaining to all notices of shareholders meeting & Corporate Debt Restructuring Copyright as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) read alongwith SEBI Circular dated September 09, 2015, as amended from time to time and such applicable laws and for details refer to the Circulars dated 10th Jan, 2023 & 11th Jan, 2023 on www.nse.gov.in
- **T+1:** India is set to be the world's fastest stock market in terms of settlement of equity trades. From January 27, 2023 all the blue-chip and large-cap stocks in India (constituting 80 per cent of market capitalization) will be settled on T+1 cycle. Simply put, if anybody bought a stock on Monday, it would be in their account on Tuesday. Globally, it takes at least two days to settle trades vide Business Lines dated 24-1-2023.
- Transfer of Funds to Brokers: Soon, you may not be required to transfer money to your broker for buying stocks. The amount, for which you intend to buy the stock, can remain blocked in your own account and debited in the favour of the clearing corporation (CC) of the stock exchange once the trade is executed. This way the role of brokers will be limited to providing a risk management platform along with trade execution. Market regulator SEBI has proposed such a move saying it is to ensure there is no malpractice in handling of client money by brokers and also for the clients to keep earning interest even when their money is blocked for trading and for details refer to www.sebi.gov.in • PE Funds for Mutual Fund House: Capital markets regulator Sebi on Friday proposed allowing Private Equity (PE)

funds to sponsor a mutual fund house as they can bring in strategic guidance and talent to fuel growth of the industry vide Business Standard dated 13-1-2023.

IBBI

 IP penalized: IBBI has penalized IP for not providing correct information to Board about ineligible resolution applicant vide decision vide IBBI's Order No. IBBI/DC/143/2023 10th January 2023.

COMPANIES ACT

- Extension of due date for filing 45 e-Forms: Keeping in view the transition of Company forms from V2 to V3 Portal and its non-availability for filing during the period starting from 07.01.2023 to 22.01.2023, the MCA has allowed additional time of 15 days, without levying additional fees, in cases where the due date for filing of the 45 e forms (excluding PAS-3) falls during the period between 07.01.2023 to 22.01.2023. PAS-3 is excluded as the same is available for filing in the V2 Portal till 19th January, 2023, hence, doesn't require any relaxation and for details refer to www.mca.gov.in
- Penalty for default in filing Annual Return: MCA has levied Penalty of Rs 1744200 on HOTEL HOLY CREST BODHGAYA PRIVATE LIMITED HOTEL HOLY CREST BODHGAYA PRIVATE LIMITED for violation of section 137 of the Companies Act, 2013 in not filing Annual Return and for details refer to www.mca.gov.in
- Startups: The government has increased the fee payable to empanelled facilitators who help startups apply for patents, trademarks or designs. The facilitator shall not charge anything from the startup or the entrepreneur, and this fee shall be paid directly to the facilitator by the Centre through the office of the Controller General of Patents, Designs and Trade Marks CGPDTM vide Business Line dated 19-1-2023
- New Norms for address: As per the new Forms, require a company to provide the specific longitude and latitude of the address, proof of address including a conveyance or lease deed or rent agreement, copies of utility bill and a photograph of the registered office along with the board resolution vide Financial Express dated 23rd Jan, 2023.



Hey CMA - Be prepared for the Challenges - Series 15 of 27

CMA CA Dendukuri Zitendra Rao Cost and Management Accountant in Practice



- > H I thank the almighty for enabling us to experience the calender 2023 with smile on our face and with no sense of fear that we experienced for the last 2 calender years. Hopefully the normal rhythm will gradually occupy our day to day life. The carona trauma has made all of us to be alert at environment and the related issues.
- > As CMAs we all have a concern at the cost of ENVIRONMENT. This was evidenced for years with the focussed approach at Pollution Control Costs as a separate cost element. In the 28 para regime - we all use to report specifically the Pollution Control Costs. As a stakeholder in the Nation Building and with Tripple Bottom Line approach of "People - Profit and Planet" - we all need to spare an hour per week towards **ENVIRONMENT** issues and enable our Out of Box Thinking approach to evolve new ideas. In the journey – we all can Join the Net Zero movement and strengthen the hands of our Rulers.
- During just concluded Sankranthi season I met a farmer in my native village. He observed that in the present paddy cultivation practices he requires nearly 35 litres of diesel and 3 litres of petrol per acre. I got stuck with a query "Can we revert to traditional practices to minimise the Fossil fuel consumption? My drive is to enable agriculture to contribute in a big way towards the net zero target. I asked a group of CMAs to extend their thought process in this area. The observations of 5 of my CMA friends gave in a possible solution that can avoid the usage of this Fossil Fuel.
- One CMA suggested that It is always better to revert to traditional farming when the land holding is small. Another CMA observed that there is threat to traditional cultivation, due to scarcity of Labour and heavy Labour cost. One CMA brought in a view of comparing cost effective measures of traditional farming to that of lower productivity aspects. A seasoned CMA also contributed to the discussion stating that till late 70s the court yard of every farmer use to have cattle, goats, hens and the natural manure is available. Thus the pesticide consumption was always lower. It is also been observed that with increased demand for food_-

- the cultivable land increased leading to deforestation which affected the natural life of Cattle/Goats.
- One Farmer friend was bringing to the forefront the necessity for machanisation in agriculture compared to traditional practices in the context of Climatic conditions. My farmer friend added that the unpredicted rains can impact the planning and thus he is forced to adopt to Machanised Cultivation practices instead of traditional practices. The reason in simple terms is Time factor.
- When I am about to close the possibilities of avoiding the usage of Fossil fuels – a CMA who is also a CFO with roots in agricultural family gave an idea of "Cultivation machinery to use chargeable battery" where the batteries can be recharged using solar power". Well - keeping aside the techno economic and social feasibility aspects this sort of exercise is to be attempted by our CMA community by spreading their analytical and creative thought process to the boundaries to the social needs.
- > I also opine that the time has to come to relook at Ind As 41 in the context of "Net Zero" slogan of Honourable Prime Minister. Farmers using Bulls (biological assets) instead fossil fuels are to be encouraged with "carbon credits" which the Corporates can buy in order to offset the inevitable emissions their entity involves. They can also own biological asset in the Financial Statements with relevant tax benefits and be supportive to the social cause or for the welfare of farmer.
- I now turn my attention to an interesting aspect of differentiation of expenditure with cost. In one annual Report there was a special resolution in terms of Sec.197 and Sec.198 of the Companies Act 2013 – seeking the approval of members for payment of commission to whole time directors as a % of NET PROFIT. Para 5.3 read with Para 4.7 of Cost Accounting Standard 7 gives me a feel that clarity with reference to "COMMISSION" being paid as a % of profits is missing. The standard (Para 5.3) addresses such payments as Remuneration - but Commission is an incentive and is always subjective. In the inclusive list of Employee Cost (Para 4.7) the word "COMMISSION" can perhaps be included. One may also view the Commission as an appropriation of profits and can even exclude the said expenditure from the definition of Cost.



- In another interesting write up in another annual Report – I had to appreciate my Secretarial friends for the wordings used in the Directors' Report in regard to Cost Audit. For some reason or other the company could not complete the appointment of Cost auditor and naturally the notice to AGM is not carrying any resolution on ratification of remuneration to the cost auditor. The Directors' Report gives explanation "Based on the Size and Operations of the company; the Board is looking for a suitable qualified professional to conduct the audit of cost records of the company. The members shall be informed regarding the appointment and remuneration to the cost auditor at the earliest." I am not to guestion either the wisdom or the intention of the Board but I was finding it to be interesting. Hence it consumed few bytes in this write up.
- In my 2 decade journey on Cost management I had an interesting encounter with the Board. The Management wants to give their explanation to the Board for my observation as Cost Auditor. My observation was "the Value Added made available for distribution to various stakeholders has gone down when compared to earlier Financial Year" The Management response was "The Value Added amounts reported are for the company as a whole. However if we workout the same for the operations under cost audit the value added is significantly increased". This takes my memory to 28 para regime where in we use to work out the Value Added statement for each of the segments. I am of the view that by taking the responsibility of the products not covered under cost audit - we are inviting unwanted responsibility.
- ➤ In yet another interesting situation the financials were qualified by the statutroy auditor. However the comments of Statutory auditor in CARO are routine complying to the wordings of Sec.148(1). Consequently the Board has offered explanation to the Members and the Shareholders have noted the same. The matter ends there from the statutory audit perspective. Here comes the challenge to the Cost auditor. What can be the recourse to the cost auditor if the underlying financials are qualified by the statutory auditor. Though the aspect is to addressed according to the situation in specific an advisory is required in this regard from our Institute.
- ➤ That's all for now friends. सर्वे अवन्तु सुखिनः (May All be Happy).

Tax Compliance Calendar

Compiled by : CMA Lavanya Kanduri

Chairperson & Dean Manson Center of Excellence School of Business Management Source : eztax.in



FEBRUARY 2023

- 2 Budget 2023 Impact Review
- 7 TDS Payment for Jan
- 10 Professional Tax (PT) for employees for Jan 2023
- 11 GSTR 1 (Monthly) for Jan
- 13 GSTR 1 IFF (Optional) (Jan 2023) for QRMP
- 15 Provident Fund (PF), ESI Payment for January
- 20 GSTR 3B for Jan for Monthly
- 25 GST Challan Payment if no sufficient ITC for Jan (for all Quarterly Filers)

IN THE END WE CHANCES WE DIDN'T TAKE.



Sustainability isn't holding back innovation, it's accelerating it

by: Joni Rautavuori, Chief Executive Officer, Tharsus Group

Source: https://www.weforum.org/

Compiled by - CMA Anand Satchit Jammalamadaka



For the most part, industries have struggled to respond to expectations to adjust business models to reduce the harm being done to the planet.

Businesses are changing and reviewing how tech can help reduce their impact on the planet without compromising on the quality or flexibility of services.

The businesses that adapt most appropriately to the multi-layered challenges we face, will be the ones that will earn the right to survive.

Faced with the most severe supply chain crisis in

decades, compounding factors such as inflation and the energy crisis are putting businesses at existential risk. Simultaneously, the drive toward greater productivity from policy and boardroom level – ongoing from the first industrial revolution – is now intersecting with demand for increased flexibility from employees and customers. Habits formed during the COVID-19 pandemic mean customers now expect the same level of flexibility from manufacturers as they do from shopping online.

Balancing flexibility with productivity is a delicate pursuit that many have tried and failed at. Place too great an emphasis on productivity and you risk



losing out to innovative thinking. If you over-index on flexibility, you risk failing to provide proficient profits.

The rare act of managing to juggle these competing demands has been a fruitful source of competitive advantage for some of today's most successful companies. Amazon Web Services and Tesla have gained significant value over the last few years, helping their businesses to take off in a very literal sense.

But, as if striking this balance was not hard enough, a new factor has now been thrown in: sustainability. Prompted by the undeniable urgency of climate change and unprecedented pressure from consumers, there is now an expectation for companies to adjust business models to reduce the harm being done to the planet.

For the most part, industries have struggled to respond. According to PwC, just 22% of business leaders have made net zero commitments. But all that is starting to change as organisations begin to realise that sustainability and competitive advantage are not mutually exclusive.

Innovation as catalyst for change

We can draw clear lines between the current challenges that businesses face and the disruption to the supply of the finite, unsustainable resources they depend on. The natural inclination for businesses might be to prioritise alleviating immediate economic pressures, rather than action to become more sustainable. But businesses are increasingly changing their mindset and reviewing how technology can help to meet their challenges; trying to reduce their impact on the planet without

compromising on the quality or flexibility of their services.

In some cases, short-term challenges – such as major disruptions to supply chains and inflation – are actually proving to be the catalyst for change, despite the threat they pose to financial stability. The business need to source new materials due to the war in Ukraine, for example, created an opportunity to develop shorter supply chains, with stronger climate credentials.

Another example is reshoring. A recent study by the Chartered Institute of Procurement & Supply (CIPS) showed 40% of organisations in the UK switched at least one international supplier to a domestic alternative in the last year. Reducing the distance raw materials and key components need to travel can cut emissions, while providing greater visibility into supply chain practices.

For the first time, the unique circumstances facing industries today are forcing businesses to view the pursuit of net zero in tandem with productivity and flexibility demands. As such, sustainability is increasingly being viewed as much about efficiency as it is climate change.

Viewed through the sustainability lens

Part of this is an acknowledgment that old operating models and global supply chains are unworkable in a competitive landscape where consumers are calling for greater sustainability. Just as health concerns gripped consumers in the 1970s and '80s, sustainability is a driving force behind today's consumer choices. The businesses that fail to demonstrate these credentials are likely to become unpalatable to customers and will suffer financially



as a result.

Sustainability is also changing buying attitudes in the B2B space. Whether it is choosing a renewable energy provider, migrating to EV vehicles or even changing the coffee order, every business decision is being viewed through a green lens. This view needs to encompass every area of operations, not just direct emissions from production facilities but also logistics, partner networks and the IT estate, whether cloud based or otherwise.

System-level change is needed to create the necessary impact the world needs, which also requires a major shift in mindset. Rather than viewing automation in terms of fixed, isolated processes we need to see the whole structure and pull together flexible automation and data from multiple processes. When used correctly, data and technology can create transformational impact for the entire value chain, balancing the three key areas of sustainability, productivity and flexibility, and delivering competitive advantage. Informed use of technology and data will be important for companies responding to new challenges in real time, helping them make better, faster decisions on how to manage and utilise their resources.

One of the starkest illustrations of unsustainable activity is Earth Overshoot Day, which marks the date when humanity has exhausted nature's resources that can be sustainably delivered for the year. After this point, the world is in deficit – using more resources than can be replaced and creating more emissions than can be trapped or expelled from the atmosphere. Since 1971, this day has arrived earlier and earlier, and in 2022 it fell on July 28. Businesses need to similarly understand the impact of their processes to create equilibrium between commercial and environmental drivers so

that their own "Overshoot Days" fall as late as possible.

The businesses that adapt most appropriately to the multi-layered challenges we face, will be the ones that will earn the right to survive and create long-term, transformative change. Much as it did for 19th century hand-loom weavers facing a wave of industrialisation, today's businesses risk being made redundant if they fail to adapt to changing times. Balance across sustainability, flexibility and productivity will be crucial, addressing one alone cannot deliver success.

Hope, but never expect.

Look forward, but never wait.



Interview



CMA Gowri Kolluru

B.Com; ACMA; LLM (Corporate Laws)

CFO - Krishnapatnam Infra Tech Limited

by: Lavanya Kanduri

CMA Gowri leads the team and is neoteric in her approach. She spearheads all strategic initiatives across practices and comes with more than two and half decades of experience in the areas of Budgeting, Accounting, Taxation, Project Finance, Costing and Legal.

Navayuga Group is a multi-dimensional corporate entity with an extremely diversified portfolio that includes mammoth public infrastructure and remains the Indian leader in piling works. Krishnapatnam Infra-Tech Ltd was launched as a landmark project and planned in great detail as a state-of-the-art industrial infrastructure to support the development of a unique live-work-play-learn environment in SEZ.

Gowri garu, you are engaged in this sector from past many years providing strategic solutions to owners and organizations across various activities as their trusted advisor.

Swift growth is a nice problem to have—but a hard one to manage well. In this interview, Mrs Gowri talks about the special challenges leaders face when their companies are on a roll. She offers insights drawn from her own experiences during her heady ride so far.

Ma'am, it is indeed a great pleasure to have you share with us your expertise and insights. May I, Lavanya Kanduri, Secretary of Hyderabad Chapter of Cost Accountants (HCCA), take this opportunity to ask you few questions to help our readers to understand your role in the field, while sharing your knowledge and also your passion about cost accounting.

CMA Lavanya Kanduri: Leadership isn't easy in this kind of whirling environment. What has your approach been?

CMA Gowri:

- Dynamic in Public Sector
- Calm & composed in Private Sector.

CMA Lavanya Kanduri: How did you get into CMA?

CMA Gowri: Born into a family with a legal background, I strongly wanted to pursue Law under the able guidance of my father and distinguished

Professor of Law, Sri. KSN Murthy but became a CMA instead, on his advice. My strong aspiration to pursue Law under him was also fulfilled later when I completed Post Graduation in Law (LLM) with specialisation in Company Law.

CMA Lavanya Kanduri: How has CMA helped you in your career?

CMA Gowri: CMA paved the way for my entry into a reputed Public Sector Undertaking, Electronics Corporation of India Limited (ECIL), Hyderabad. I worked for 17 years in ECIL in various divisions of Finance and Accounts in different capacities and gained rich experience in Budgeting, Accounting, Audit and Taxation. CMA with Law helped me in analysing and interpreting various issues and applying appropriate remedial measures which hugely benefited the organization. This practical approach motivated me to pursue another passion contributing articles in various professional Journals and authoring a book on "General Contracts".

During my tenure in ECIL, I realised that my qualifications helped me handle Corporate Income Tax independently, and also helped me achieve the unique opportunity of representing ECIL before the 'Committee on Disputes' chaired by the Principal Secretary, Ministry of Legal Affairs and Members of Central Board of Direct Taxes.







After serving ECIL in various capacities, I was destined to enter the Private Sector Enterprise. I joined as Vice President (Accounts) in Krishnapatnam Port Company Limited (KPCL), Navayuga Group where I got the chance to work in the areas of Project Finance and Indirect Taxation. Here, I also got the rare opportunity to design and implement a costing system for KPCL which is the largest Private Sector Port on the East Coast. I believe that all this was possible because of the strong foundation I had as a CMA.

Apart from being the CFO, I am also responsible for handling the corporate legal matters of Navayuga Group. This has given me access to new areas of learning- legal aspects of techno-commercial transactions, particularly dealing with Arbitration cases which is the order of the day. For this, I am grateful to our Chairman, Shri CV Rao garu for giving me this opportunity and guidance to explore Corporate and Business Laws.

CMA Lavanya Kanduri: Growth usually is accompanied by some awkward stumbles. What sort of mistakes have you made as you grow in your career?

CMA Gowri: My decision to quit the Public sector, where I had the opportunity to become Director (Finance)- a presidential appointment, could possibly seem as a mistake to some. In hindsight, I don't regret this decision as I am getting constant guidance from our Chairman who is a Domain Expert and a Pioneer in infrastructure development and because of whom I got chance to explore new avenues for learning. At the time of joining in KPCL in 2012, the project was on the verge of Restructuring and I had the opportunity to independently handle Phase 2 of the project costing around Rs. 4000 cr. I never had exposure to banking and Project Finance until then but took it as an opportunity and successfully completed COD in 2013.

CMA Lavanya Kanduri: What were the strategies you have made to tackle them?

CMA Gowri: I love challenges. The first step to solve any challenge is not to panic but to have the patience to understand the challenge. Once you understand the root cause of the challenge, you will automatically be able to come up with a unique solution. The next step is to give your hundred percent and work towards implementing the solution.

CMA Lavanya Kanduri: How do you manage deadline duress?

CMA Gowri : Through proper planning, timely action, with a constant focus on timelines.



CMA Lavanya Kanduri: Have you ever had to make a tough decision? What did you do 'Do You Believe That Transparency Plays an Important Role' In your responsibility.

CMA Gowri: I faced this many times. I am a strong believer in transparent feedback. Being transparent helps me to delegate right job to the right person. The ability to transparently share information to my team members and knowing that information can be trusted ultimately improves the overall team productivity.

CMA Lavanya Kanduri: What do you think were the factors that remained supportive as compared to your competitors?

CMA Gowri: Straight forward approach and openness always helped me. I strongly believe that each individual's approach to an issue is unique and hence the question of competition and comparison does not arise.





CMA Lavanya Kanduri: How do you develop yourself outside of the work environment?

CMA Gowri: I am fascinated with the Baghavatam story of bhakt Prahlada who became a king and ruled without getting attached to materialistic pleasures. Like a bird flying with two wings, life is concerned with the integration of both worldly and spiritual aspects. At a surface level, our spiritual and material lives can appear to pull us in opposite directions and be in conflict with each other, but when material phenomena are seen from a spiritual perspective, we will realise that they exist to support the spiritual purpose of life.

Continuously putting into practice this realisation is in fact helping me to focus more on my work and attaining peace.

CMA Lavanya Kanduri: On a lighter note, how often do you use social media?

CMA Gowri: Quite often. It helps me to stay connected with family and friends. It is a platform for sharing my thoughts with a larger audience. It is a great place for philomaths, if used effectively.

CMA Lavanya Kanduri: Any specific thoughts you would like to share with our members?

CMA Gowri: Work sincerely without any expectation of reward. What you deserve will come to you, for sure. Always have the courage to introspect honestly. Any effort to seek validation from others is a mere waste of energy.

CMA Lavanya Kanduri: Your suggestions for our new members and students, please.

CMA Gowri: Be a constant learner. Enjoy working sincerely without any expectation for reward.

This is very exhilarating. Thank you so much for joining us!

OBITUARY







We are very sad to inform you all that the sudden demise of CMA PAP Murthy garu, Past Chairman of Hyderabad Chapter & SIRC and Former Central Council Member of The Cost Accountants of India on 21st January, 2023. During the year 1991-92 the chapter was adjudged as the best Chapter in the category of Big Chapters by SIRC under his leadership. House Magazine' CIRCUIT' was first released during his tenure. He became third SIRC Chairman during 1984-85 from Hyderabad and he later became CCM during 2001. The Chapter bagged Best Chapter Award for the year 1993 at National Cost Convention during his tenure.







Distinguished Guests & speakers during the programme "Recent Changes in GST"





Welcoming guests of honour CMA Chittaranjan Chattopadhyay, CCM & CMA (Dr) K.Ch.A.V.S.N. Murthy, CCM to the dais with saplings during the programme "Recent Changes in GST".

If undelivered please return to:

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Views expressed by contributors are their own and The Institute of Cost Accountants of India - Hyderabad Chapter does not accept any responsibility.

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