



# Hyderabad CIRCUIT

E-mail: [hyderabad@icmai.in](mailto:hyderabad@icmai.in) Ph: 040-27635937, 27607893

A News Magazine from  
the Hyderabad Chapter of  
The Institute of Cost Accountants of India



## VAASTU SANTHI POOJA



## **The Chairman** *writes to you*

HYDERABAD CIRCUIT - JANUARY, 2021



*Dear Professional Colleagues,*

*Greetings!*

*We have conducted special pooja in our Renovated Buildings at Sanathnagar and in Himayath nagar on 27th December, 2020. CMA S.Papa Rao – CCM cum Chairman of SIRC and CMA Dr. K.Ch.A.V.S.N. Murthy- CCM graced this occasion with their presence.*

*The year 2020 ended with many uncertainties and unexpected changes like Coronavirus pandemic, Cancellation of Olympics and war like situations with China etc. I am hoping and wishing every day of this New Year to be filled with success, happiness and prosperity in all our lives.*

*I wish you and your family on the occasions of Makara Sankranthi, Republic Day and Vivekananda Jayanthi.*

*With best regards,*

**CMA M. Venkateshwarlu**  
*B.Sc., M.Com., FCMA*

## **From the Edit Room...**



*Dear Professional Colleagues,*

*"In our perfect ways. In the ways we are beautiful. In the ways we are human. We are here. Happy New Year's. Let's make it ours."  
–Beyoncé*

*Cheers to new beginnings!*

*It is a fresh start. A fresh start, to reinvigorate our enthusiasm for chasing our goals and dreams. Every moment is a fresh beginning. Let us work to ensure, we are structured for success & progress and flexible for creativity & fun.*

*With such pressure at the moment, optimism is all that we need to get through.*

*Apart from our regular articles involving of Finance Clips and CMA Updates this month articles features 'Adapting for Digital Survival', 'IT - Dimming Glamour' relating to IT and 'Brain and Behaviour in Covid-19'.*

*"A thousand salutes to this great nation of ours. May it become even more prosperous and achieve laurels"*

*Let us celebrate Republic Day with great fervor & zeal to commemorate adoption of Constitution of India that declared India as a Sovereign, Democratic Republic.*

*Before I bid adieu, I wish you and all your family members a Very Happy and Prosperous New Year and Makara Sankranthi. Looking forward to rebuilding a healthier post-COVID-19 world in 2021.*

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

*Until we meet again here.*

**Lavanya Kanduri**

*Editor – Members Circuit*

*Chairperson - Members Service Sub-committee*

*Treasurer HCCA*

## Table of Contents

5 Performance Track	7 Finance Clips	7 CMA Update
9 Open Page	15 Photo Gallery	

### MANAGING COMMITTEE 2020-21

**CHAIRMAN**  
CMA M. Venkateshwarlu  
email: mlaxmivenkat@gmail.com

**VICE-CHAIRMAN**  
CMA Khaja Jalal Uddin  
email: 33031uddin@icmaim.in

**SECRETARY**  
Hima Vidya S.  
email: himavidya@gmail.com

**TREASURER**  
CMA Lavanya Kanduri  
email: lavanyakanduri@yahoo.co.in

**MEMBER**  
CMA Lavanya K.V.N  
email: 31069lavanya@icmaim.in

**MEMBER**  
CMA Sirisha C  
email: sirishaacs@gmail.com

**MEMBER**  
CMA Kalyani P  
email: pemmaraju.kalyani.85@gmail.com

**MEMBER**  
CMA Chandra Sekhara Reddy Punugoti  
email: pcrandassociates123@gmail.com

**MEMBER**  
CMA K. Someswara Babu  
email: someshbabuacma@gmail.com

### EDITORIAL BOARD

**CHAIRPERSON** CMA Lavanya Kanduri

**Members** CMA Rajapeta Satyanarayana Yadav CMA Rama Narasimham Nimishakavi CMA Sai Harika Pavani

**MENTOR** CMA J.S. Anand, Past Chairman-HCCA

email: hyderabad@icmai.in

### ACTIVITIES SCORE BOARD

Month (2020-21)	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	Year-to-date
No. of Programs	3	4	2	3	9	7	10	3	6	0	0	0	47
CEP Hours	11	4	2	3	7	7	10	3	6	0	0	0	53



# Performance Track

## PROFESSIONAL DEVELOPMENT SUB-COMMITTEE MEETINGS

### 01.12.2020 Onshore and Offshore Market for Indian Rupee – The way forward

The Govt. of India has given permission to the reserve bank of India to do the trading in foreign currency that to through offshore market in a step toward liberalizing foreign-exchange trading. We had a very informative session with CMA ( Dr.) Siva Rama Prasad Puvvala on the topic “ Onshore marketing and Off - shore marketing” He explained about NDFs – The New Model Market, Price Discovery Mechanism ₹ Vs \$, Details of Stock Exchanges, Foreign Exchange, Foreign Exchange Market Rates, Factors Determining Foreign Exchange Rates, Forward Contracts in Foreign Exchange, Desperate Times Call for Desperate Measures, Onshore and Offshore Currency Trading, Trading Rupee Derivatives in the offshore Markets, How are Trades executed in the offshore market, Key Parameters of an NDF Trade, Shift of Currency Volumes from onshore to offshore etc.

### 06.12.2020 - E-Mail Etiquettes

E-mail etiquette refers to the code of conduct that one should follow when writing or responding to the emails. Ms. Komal Washawan articulated everything so nicely. She explained the importance and benefits of email etiquette, Dos and Don'ts of writing an email, Principles of writing emails etc

### 08.12.2020 - Quarterly Returns & Monthly Payment Scheme (QRMP)

We have conducted this programme in coordination with the staff of Hyderabad GST Commissionerate. CMA B. Manasa Reddy has provided very valuable information on "Quarterly Returns overview of QRMP Scheme, Eligibility for the Scheme, Exercising option for QRMP Scheme, Furnishing of details of outward supplies under section 37, Quarterly filing of Form GSTR – 3B, Monthly payment of Tax, Applicability of Interest & Late fee etc.

### 13.12.2020 Social Media Communication for CMAs

Social media plays a biggest role in our lives. Like every other thing, even social media has certain pros and cons. Shri Suresh Kochattil, Chief Operation officer of Janam TV discussed about positive effects, negative effects of social media, the do's and don'ts of social media etiquette etc.

## Practitioners' Forum Sub-Committee Meeting

**11.12.2020 Exposure Draft of the Concept Paper on Treatment of Finance Cost in Cost Statements.**



# Performance Track

The Technical Cell of our Institute has released Exposure Draft of the Concept Paper on Treatment of Finance Cost in Cost Statements seeking views of all stakeholders whether Interest & Finance Cost should be included in the Cost of Production or in the Cost of Sales. We have organized a discussion seminar on the exposure draft and submitted the compiled the views/suggestions to the technical cell. CMA A.V.N.S. Nageswara Rao, Past Chairman, SIRC - ICAI & Practising Cost Accountant, CMA M. Kameswara Rao - Past Chairman, Hyd Chapter of ICAI & Practising Cost Accountant, CMA C. Vajralingam – Practising Cost Accountant, CMA P. Chandra Sekhar Reddy, MC Member and some other Practising Cost Accountants expressed their views and suggestions

## **14.12.2020 Different Types of Agriculture Activities & Role of CMAs**

The Institute of Cost Accountants of India has constituted a Task Force to evolve ways and means of 'Strategic Agri Cost Management'. The Institute is desirous in extending support to the Govt. in terms of preparing concept papers on Agricultural costing. In this scenario, our chapter has conducted discussion seminar on the topic "Different Types of Agriculture Activities & Role of CMAs" and planned to form a permanent committee to carry forward the tasks.

## **Others**

### **27.12.2020 – Vaastu Santhi Pooja**

We have performed Vaastu Shanti Pooja for our renovated buildings at Sanathnagar and Himayatnagar to avoid adverse effects by nature and environment. CMA Dr. K. Ch. A.V.S.N. Murthy- CCM, CMA S. Papa Rao –CCM cum Chairman of SIRC of ICAI and our past president of ICAI, CMA B.V. Ramana Murty and our past Chairmen/Chairperson CMA J.S. Anand, CMA D.L.S. Sreshti, CMA Ch. Venkateshwarlu, CMA M. Kameswara Rao, CMA D. Surya Prakasam, CMA Dr R. Chandra Sekhar, CMA D. Munisekhar, CMA K.V.N. Lavanya graced this occasion with their presence.

## **Career Counseling Programmes**

16.12.2020 Sri Venkateswara Degree College, Dilsukhnagar, Hyderabad

02.12.2020 St. Joseph Degree College

12.12.2020 Tapasya College

We have conducted Career Counselling programmes through online. CMA Khaja Jalal Uddin has explained about CMA Course and Career Prospects after completing CMA.

# FINANCE CLIPS

## CMA RAJAPETA SATYANARAYANA

M.Com, FCMA

Email: yadav.satyantarayana@gmail.com



FINANCE CLIPS

- **Code of Conduct for CA Students:** ICAI has announced New Code of Conduct for CA Students and the same can be accessed on [www.icaai.org](http://www.icaai.org)
- **TDS circular for FY 2020-21:** CBDT has issued circular No.20/2020 dated 3-12-2020 indicating the rates of deduction of income-tax from the payment of income chargeable under the head "Salaries" during the financial year 2020-21 and explains certain related provisions of the Act and Income-tax Rules, 1962 and for details refer to [www.cbdt.gov.in](http://www.cbdt.gov.in)
- **Social services by CAs:** ICAI released on 8-12-2020 a Handbook on social activities by CAs amidst COVID-19 and the same can be downloaded from [www.icaai.org](http://www.icaai.org)
- **Orientation Course & IT Course for CA Students:** The Institute of Chartered Accountants of India has made an announcement that the date for undergoing Orientation Course and IT Training for CA Inter Students, through Virtual Mode, has been extended to 31st March 2021 and for details refer to [www.icaai.org](http://www.icaai.org)
- **MCS & Advanced IT Course of ICAI:** The Institute of Chartered Accountants of India has made an announcement that the date for undergoing MCS and Advanced IT Course for CA Final Students, through Virtual Mode, has been extended to 31st March 2021 and for details refer to [www.icaai.org](http://www.icaai.org)
- **Cost Audit:** The companies which are undergoing cost audit may cross verify the data especially (reconciliation of Indirect Taxes (annexure D-6) again before finalising the cost audit as many companies are still to complete the cost audits.
- **Applicability of CARO-2020:** MCA has announced that CARO 2020 will apply for financial years commencing from 1st April 2020 instead of financial years commencing on or after 1st April 2019. This Order shall not apply to the auditor's report on consolidated financial statements except clause (xxi) of paragraph 3 and for details refer to [www.mca.gov.in](http://www.mca.gov.in)
- **CSEET 2021 Exam:** ICSI has informed that the registration for the Company Secretary Executive Entrance Test (CSEET), May 2021 session shall commence from 16th December 2020. The last date for registration for the same shall be 15th April 2021 and for details refer to [www.icsi.org](http://www.icsi.org)
- **UDIN Updation:** A Onetime relaxation to update UDIN has been enabled. Kindly update the UDIN before 31st December, 2020 of audit report/certificates to avoid invalidation and for details refer to [www.cbdt.gov.in](http://www.cbdt.gov.in)
- **Change in the particulars of CA Firms:** ICAI has proposed changes to Form 18 for change in the particulars of CA Firms and for details refer to [www.icaai.org](http://www.icaai.org)
- **ICAI CSR training:** The CSR Committee of ICAI has announced the registration for the 3rd batch of Certificate Course on CSR through online mode across India for members of ICAI and for details refer to [www.icaai.org](http://www.icaai.org)
- **CAG Empanelment of CAs:** Online Applications are invited from CA firms/LLPs on the website [www.cag.gov.in](http://www.cag.gov.in) from 1 January 2021 to 15 February 2021 for CAG empanelment for the purpose of appointment as auditors of Government Companies/Corporations for the year 2021-22.
- **Mandatory validation of UDIN:** ICAI vide its instructions dated 19-12-2020, to members reiterated the guidelines of IT Department which say that the Tax Reports/Forms will be treated valid only if their UDINs have been validated by CBDT E-filing Portal. For doing so, CAs will have a buffer time of 15 days to update their UDIN at e-filing portal in addition to providing the same instantly and for details refer to [www.icaai.org](http://www.icaai.org)
- **Applicability of CARO 2020:** MCA vide order dated 17.12.2020 has changed the applicability date of Companies (Auditor's Report) Order, 2020 to the financial years commencing on or after the 1st April, 2021. So, Companies (Auditor's Report) Order, 2020 (CARO 2020) will be applicable from FY 2021-22. CARO 2016 will continue to be applicable for Financial Year 2020-21 and for details refer to [www.mca.gov.in](http://www.mca.gov.in)
- **E-Brochure on Vivad Se Vishwas Scheme:** IT Department has released E-Brochure on Vivad Se Vishwas Scheme and informed that -Avail Vivad Se Vishwas Scheme, 2020 to settle your income tax disputes. File declaration by 31st December, 2020. Make payment without additional amount by 31st March, 2021 and for details refer to [www.cbdt.gov.in](http://www.cbdt.gov.in)

# CMA UPDATE



C  
M  
A  
  
U  
P  
D  
A  
T  
E

**CMA R. SATYANARAYANA,**

M.Com, FCMA

Email: yadav.satyanarayana@gmail.com



## GENERAL

- **Card transactions in contactless mode:** Reserve Bank of India wherein Additional Factor of Authentication (AFA) requirement was relaxed for values up to ₹ 2,000/- per transaction for card transactions in contactless mode at Points of Sale (PoS) terminals. It has decided to increase the per transaction limit to ₹ 5,000/- and for details refer to [www.rbi.gov.in](http://www.rbi.gov.in)
- **Law declared by SC:** Law declared by the Supreme Court is binding on all the courts in the country vide decision in the CBI (Anti-Corruption Branch) Vs Sh. Jose Alexander (Karnataka High Court) in the Appeal Number: Criminal Revision Petition No. 1564/2016.
- **Eligibility for opening Senior Citizen Saving Scheme:** The Ministry of Communication –Department of Post clarified that Senior Citizen Savings Scheme 2019 specifies, “an individual who has attained the age of fifty-five years or more but less than sixty years, and who has retired on superannuation or otherwise on the date of opening of an account under this Scheme is eligible to open the account, subject to the condition that the account is opened by such individual within one month of the date of receipt of the retirement benefits and proof of date of disbursement of such retirement benefit(s) along with a certificate from the employer indicating the details of retirement on superannuation or otherwise, retirement benefits, employment held and period of such employment with the employer, is attached with the application form”
- **RTGS 24x7x365:** Reserve Bank had announced in the Statement on Developmental and Regulatory Policies dated October 09, 2020, that the Real Time Gross Settlement System (RTGS) will be available round the clock on all days of the year. Accordingly, RTGS 24x7x365 will be launched with effect from 00:30 hours on December 14, 2020. India will become one of the few countries in the world to operate its RTGS system round the clock throughout the year. This comes within a year of operationalising NEFT 24x7 by the Reserve Bank and for details refer to [www.rbi.gov.in](http://www.rbi.gov.in)
- **Jhatpat Processing of ITRs 1 & 4:** IT Department has introduced the concept of Jhatpat Processing of ITRs 1 & 4 filed for AY 2020-21 and for details refer to [www.incometaxindiaefiling.org](http://www.incometaxindiaefiling.org)

## LABOUR

- **ESIC decisions:** ESIC in its meeting dated 7th Dec, 2020 has decided (a) to directly run by itself all newly constructed hospitals and those that are approved in future unless the State Government insists to run the hospital (b) Keeping in view the increase in ESI coverage over the recent years and the absence of ESI's own medical infrastructure in several areas, the ESI Corporation has now decided that in areas where ESI infrastructure is not available within a radius of 10 kms, the beneficiary can avail medical consultation for OPD services directly from a hospital empaneled with ESIC or with Ayushman Bharat without the need for referral from an ESI dispensary or hospital (c) The ESI Corporation has also decided to extend the relaxed conditions and the enhanced benefit of 50% of the average per day earning upto a maximum of 90 days under the Atal Beemit Vyakti Kalyan Yojana to the insured workers who became unemployed due to COVID-19 induced lockdown for a further period of six months i.e. upto 30th June, 2021. The eligible workers can file their claims on the ESIC portal ([www.esic.in](http://www.esic.in)) with the mobile number, Aadhaar and bank details.
- **Interest credit under PF:** The EPFO will deposit a lumpsum of 8.5% interest in the Employees PF Account for the FY 2019-20 by Dec 2020 and for details refer to [www.epfo.gov.in](http://www.epfo.gov.in)

## INCOME TAX

- **Release of E-Book:** Hon'ble Justice Mr. Vineet Saran, Judge of the Hon'ble Supreme Court of India at the Inaugural ceremony of 23rd National Convention of the All India Federation of Tax Practitioners (AIFTP) released the publication of the AIFTP titled “Reassessment law, procedure & Practice – Practical guide”. The Conference was hosted virtually from Hyderabad.
- **Registration under Sec 12A:** Society or Trust not registered in India cannot be granted section 12A Registration and for details refer to Evangelical Missionary Society Vs CIT (Exemptions) (ITAT Cuttack) in the Appeal Number : ITA No. 305/CTK/2015
- **Feedback on Faceless Assessment:** As part of enhanced Taxpayer services & to further streamline the Faceless Assessment process, a dedicated email ID-[feedback.notice.neac@incometax.gov.in](mailto:feedback.notice.neac@incometax.gov.in) has been made functional by IT Dept, for taxpayers to register feedback pertaining to the Faceless Assessment Scheme, 2019 and for details refer to [www.cbd.gov.in](http://www.cbd.gov.in)

## GST

- **Unblocking of E-way Bill generation:** GSTN has released a manual on un-blocking of E-Way Bill (EWB) generation facility through an online application filed by the taxpayers in Form GST EWB – 05 and for details refer to [www.cbec.gov.in](http://www.cbec.gov.in)
- **Tax Invoice HSN:** Vide Notification No. 90/2020 –



Central Tax dated 1-12-2020 issued by CBIC tax Invoice to have 8 digit HSN code on specified products classifying under various tariff items and the same can be referred on [www.cbic.gov.in](http://www.cbic.gov.in)

- **Filing of Form 3B:** Government of India, Ministry of Finance (Department of Revenue), CBIC, vide Notification No. 82/2020 – Central Tax, dated 11th Nov., 2020, has added sub rule (6) to Rule 61 of the Central Goods and Services Tax Rules, 2017, to provide for staggered filing of Form GSTR-3B, for the tax periods from October, 2020 till March, 2021 and for details refer to [www.cbic.gov.in](http://www.cbic.gov.in)
- **GSTR-9 of FY 2019-20:** CBIC informs that the facility to file annual return in Form GSTR-9 for FY 2019-20 is now available. The Form is enabled for taxpayers whose table 8A computation has been completed. Computation of the table 8A of the said return for auto population from returns is under progress which is likely to be completed soon. One has to ensure that all applicable returns of the said year have been filed before attempting to file the said return and for details refer to [www.cbic.gov.in](http://www.cbic.gov.in)
- **GSTR-2A:** CBIC informs now Form GSTR-2A has auto-populated option based on ICEGATE data. PART-D has been added to the existing Part A, B & C and for details refer to [www.cbic.gov.in](http://www.cbic.gov.in)
- **GST Compliances:** Notification No. 91/2020 – Central Tax dated 14.12.2020 Seeks to extend due date of compliance by any authority and for actions in respect of anti-profiteering measures under GST which falls during the period from 20.03.2020 to 30.03.2021 till 31.03.2021 and for details refer to [www.cbic.gov.in](http://www.cbic.gov.in)
- **GST Amendment Rules Notified on 22-12-2020:** The impact of the Amended Rules Notified on 22-12-2020 are (a) GST Registration: The system based Registration applied will be granted by the Department within 7 days and ceiling is 30 days if the application is not Aadhaar linked. (b) Cancellation of Registration - The GST Officer can take action of canceling registration where the ITC availed is availed in excess of what is allowed or permissible under the Act and the rules made therein (c) Impact of showing Lower Liability in GSTR 3B: Where the liability on account of outward supply declared in GSTR 3B is less than that of what is declared in GSTR 1 in a month, the department may take action to cancellation of GSTIN of that taxpayer. understand that Taxable value and tax both should be in synchronization between GSTR 1 and GSTR 3B (d) Reduction in availability of ITC: The ITC entitlement has been reduced to 105% of the invoices appearing in GSTR2B from 110% at present under rule 36(4) (e) Reduction to use 100% ITC for tax payment: An unique new Rule 86B has been inserted wherein restriction has been put on the utilization of 100% ITC for payment of tax liability in a month. Maximum utilization of ITC to pay tax liability can be 99% only, the remaining 1% has to be paid from cash

ledger. However, this provision will apply only if the value of taxable supplies other than exempt supply and zero rated supply exceeds Rs. 50 lakhs in a month subject to certain exemptions in the application of these changed Rules and for details refer to [www.cbic.gov.in](http://www.cbic.gov.in)

## CUSTOMS

- **PAN based IEC:** Department of Commerce through Public Notice No.34/2015-2020 dated 24-12-2020 introduced provisions for Modifying PAN Based IEC -In case of change in constitution of a PAN based IEC by way of merger, acquisition, liquidation, inheritance etc. such that PAN of the new entity so formed is different from the earlier one, an IEC can be availed against the new PAN, if not existing already. Previous IEC(s) can also be operationally linked to the PAN/IEC of the new entity and for details refer to said public Notice.

## RBI

- **Recommendations of RBI Committee:** The RBI Internal Working Group committee suggested conversion of giant NBFCs into banks, and a hike in promoters' stake to twenty-six per cent from fifteen per cent. The cluster additionally planned a hike in minimum capital for fresh banks from Rs five hundred integer to Rs. One thousand crore and for details refer to [www.rbi.gov.in](http://www.rbi.gov.in)
- **RTGS System:** RBI has decided that RTGS shall be available for customer and inter-bank transactions round the clock, except for the interval between 'end-of-day' and 'start-of-day' processes, whose timings would be duly broadcasted through the RTGS system and for details refer to [www.rbi.gov.in](http://www.rbi.gov.in)
- **Payment System Operators:** RBI to reduce licensing uncertainties and enable PSOs to focus on their business as also to optimise utilisation of regulatory resources, it has decided to, hereafter, grant authorisation for all PSOs (both new and existing) on a perpetual basis, subject to the usual conditions vide its decision conveyed on 4th Dec 2020 and for details refer to [www.rbi.gov.in](http://www.rbi.gov.in)
- **Specific Accounts under Statue:** RBI indicated that Banks can open Specific Accounts under Statue without any restrictions vide circular dated 14-12-2020 and for details refer to [www.rbi.gov.in](http://www.rbi.gov.in)

## SEBI

- **Physical shares:** SEBI issued Operational guidelines for Transfer and Dematerialization of relodged physical shares vide circular dated 2-12-2020 and for details refer to [www.sebi.gov.in](http://www.sebi.gov.in)

## INSURANCE

- **License:** IRDA has notified on 2-12-2020 Guidelines for grant of fresh license/renewal of License to act as Insurance Surveyor and Loss Assessor and for details refer to [www.irda.gov.in](http://www.irda.gov.in)



**IBBI**

- **Delay in filing fees computation:** The Insolvency and Bankruptcy Board of India issues clarification on the computation of fee payable for delay in filings under regulation 40B of the IBBI Regulations 2016 and for details refer to [www.ibbi.gov.in](http://www.ibbi.gov.in)
- **Assignment as Liquidator:** Acceptance of Assignment has Liquidator after 31-12-2020 without holding a valid AFA violates IBC Code vide IBBI Order dated 7-12-2020 and for details refer to [www.ibbi.gov.in](http://www.ibbi.gov.in)
- **CRIP:** No liability on Corporate Debtor for an offence committed prior to commencement of CRIP; etc., and for details refer to [www.ibbi.gov.in](http://www.ibbi.gov.in)
- **Action against Director:** MCA has issued a circular disallowing the resolution professional from filing application for action against the directors or partners of the corporate debtor with respect to default arising during the suspended period.
- **EOI for Research study:** IBBI has invited EOI for Research Study on Individual Indebtedness and Insolvency and for details refer to [www.ibbi.gov.in](http://www.ibbi.gov.in)

**INSURANCE**

- **Research in Insurance:** Insurance Regulatory and Development Authority of India (IRDAI) sponsors proposals under IRDAI Research Grant Scheme, which provides opportunities for research in the field of Insurance and for details refer to [www.irda.gov.in](http://www.irda.gov.in)

**COMPANIESACT**

- **MCA Portal:** The Ministry of Corporate Affairs (MCA) has taken up to build a new MCA21 v3 system – upgraded version of MCA-21 portal to enable easy and secure access of MCA services. The new portal is expected to be equipped with latest features and technology. The core objectives of MCA21 v3 system are promoting automation, integration with external regulatory, and to aid 'ease of doing business and for details refer to [www.mca.gov.in](http://www.mca.gov.in)

**Integrated Information Form:** MCA informs that Integrated Incorporation form offers 10 services by 3 Central Government Ministries/ Departments – Ministry of Corporate Affairs, Ministry of Labour & Department of Revenue (Ministry of Finance), the State Governments of Maharashtra & Karnataka and various banks in a single form covering- Name, Certificate of Incorporation, DIN, TAN, PAN, ESIC, EPFO, Registration, Bank Account Number, PTEC & PTRC (State of Maharashtra, Karnataka) and GSTIN. Extension of Reservation of Names: MCA vide Companies (Incorporation) Third Amendment Rules, 2020 notified Rule 9A. Extension of reservation of name in certain cases. Under the rule Registrar shall extend the period of a name reserved under rule 9 up to 60 days on Payment of Fees and for details refer to [www.mca.gov.in](http://www.mca.gov.in)

## IT: Dimming Glamour?

Author: **RACHEL LAYNE**

Source: *Economic Times*

- *Compiled by CMA J.S. Anand*

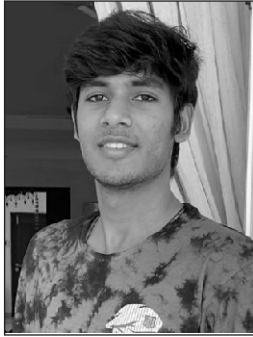
Over the past few decades, information technology jobs worked their way into the popular imagination as among the most stable, fast-rising and lucrative ways to make a living, bolstered in the 1990s by the dotcom boom. What astronauts were in the 1960s, rock star programmers were early this century.

The reality, it turns out, is a bit different when it comes to IT wages, according to new research. In all but the largest cities, wage growth in IT jobs has become relatively moderate following the dotcom boom, coming to resemble wage patterns seen in the broader STEM (science, technology, engineering and mathematics) labour market trends.

And in those geographic regions where competition is fiercest for IT talent, superstar performers no longer earn the same high premium they once did over their average-performing peers. In short, IT wages — while they are still high relative to many other occupations — have lost their 'exceptional' lustre. In fact, IT wage premiums today have more to do with where a job is being practised than with rewarding specific technical skills.

Beginning with the invention of the personal computer in the 1980s, IT wages commanded a premium over other STEM salaries. This trend continued with the expansion of the internet, especially in hi-tech clusters. To chart the rise and fall of IT salaries, the researchers examined 142 of the largest urban areas in the US between 2000 and 2018, a time of rapid change in IT, including two economic recessions.

# Brain and Behaviour in Covid- 19



Author:  
**Master DivyaKavadiya**  
 (12th standard student of  
 The Doon School  
 E-mail: divyakavadiya44@gmail.com)

Fear, stress, hostility, pressure and depression have become such prevalent words. These words mark the emotional transition from an optimistic and ambitious world setting to a one filled with constant surges of panic, helplessness and hopelessness; these words reflect the marring impact of Covid-19 on human psyche.

Ideally, emotions, at a fundamental level, are a very unique characteristic belonging to sentient organisms. And even among them, humans are capable of expressing their emotions most openly. While, at some level, it is a privilege, the presence of emotions influence our body in far deeper ways that we can imagine. In times like Covid-19, emotions become a double-edged sword capable of inflicting irreparable harm.

Human emotions, fundamentally, can be considered as consequences of hormonal and neuronal biochemistry. The intricate synchronization between the endocrine system and the nervous system enables the possibility of emotions to exist and influence human beings. While, emotions are not purely chemical manifestations, their genesis is attributed to the specific proportions of hormone or neurotransmitter in the body.

Emotions become a relevant topic in Covid-19 because it has been empirically proven that Covid-19 has caused an influx of negative emotions such as fear, panic, hostility et cetera. On the other hand, there is an apparent efflux of positive emotions such as happiness, joy, excitement et cetera.

More than the emotions themselves, the chemicals that produce them are of more significant importance in the way they affect human body. It will not be wrong to assume per se that higher reported stress levels, fear, anxiety, panic are symptomatic elements of an overwhelming production of cortisol and adrenaline beyond suitable limits. A chronic increase in cortisol levels has also demonstrated an increased probable occurrence of various medical conditions such as hypertension and cardiovascular diseases. These elements when synergistically put together demonstrate how neurotransmitters and hormones, which are regulated or produced by the brain, entail a significant impact on our behaviour. People with more cortisol levels are bound to be more stressed than ones with lesser cortisol levels which then inevitably reflects in their behaviour. This explains the subsurface connection between brain and behaviour.

Rather than just facilitating the production of the necessary chemicals, the brain also, most of the times, initiates it or is involved in the process structurally. Let us take fear for example, since it has become such an abundant emotion due to the advent of Covid-19.

Fear or the fear response commences in the amygdala (a region in brain responsible for detecting the emotional salience of the stimuli). So, whenever we perceive an imminent threat stimulus, the amygdala activates the area of the brain involved in the preparation of motor functions necessary for the flight or fight response; it also triggers the release of stress hormones such as adrenaline and cortisol. Consequentially, a series of these activities produce a biological impact on the body by increasing ventilation, blood pressure and heart rate. Fear, additionally, also initiates some cognitive adjustments such as shutting down the cerebral cortex (the area of the brain that harnesses reasoning and judgement). This leads to a decrease in rational and logical processing.

Fear is just one example; there are myriads of other chemicals that govern our emotions by maintaining an equilibrium of the appropriate chemical. So, one path of having a sustained well being is understanding the critical connection between brain, biology and behaviour. Therefore, partaking in activities that cause the release of happiness-inducing hormones and neurotransmitters in the right quantities is one of the ways we can ensure a consistently high levels of happiness and joy even during the times of this pandemic.

# ADAPTING FOR DIGITAL SURVIVAL

Source: Strategic Finance Magazine

- Compiled by CMA J.S. Anand



If your company is slow to react and adapt its strategy, business model, and operations to change, it may fare the same way as many such companies have—think Nokia, Kodak, Sony, Borders, and recently Toys “R” Us. In “Organizing Your Business for the Internet Evolution” in the July 2000 issue of Strategic Finance, I presented the case for just this kind of adaptation—the integration between brick-and-mortar businesses and their ecommerce activities. Rather than seeing these as two separate businesses, I argued a “likely outcome: the Amazons will look more like traditional retailers while the traditional retailers will establish substantial web operations and look more like Amazon.”

The digital revolution has changed the way we all do business, but it also changes how we live our lives on a daily basis, including how we buy our goods and spend our time. For financial executives, this influences the way their businesses operate and their daily activities in performing their own professional services. And for those financial executives who are slow to update their skills and knowledge or are slow to change company financial structure and systems, the coming changes will likely cause great harm to their careers and their companies’ success.

In 2000, my proposal was controversial, as brick-and-mortar companies were competing with ecommerce and often even separating their ecommerce activities from their in-store operations and competing with them. Yet as I projected, those that did reinvent themselves and integrate ecommerce throughout their operations have generally succeeded. Those that didn’t have struggled or failed.

From 2000 to 2016, on the other hand, Amazon’s sales grew from \$2 billion to \$136 billion. And in 2017, we saw the

beginnings of Amazon’s new bookstores, its \$13.7 billion acquisition of Whole Foods, and its new, large, and growing brick-and-mortar presence through both stores and massive distribution centers. In 2017 alone, Amazon captured 44% of all U.S. ecommerce sales. Since Amazon got in the game early two decades ago, we’ve seen increasing integration of ecommerce and brick-and-mortar throughout all industries and increasing dependence on digital activities to increase revenues. Both of these are now widely accepted as integral to growth.

The dramatic effect of the digital marketplace isn’t news, and it’s nowhere more evident than in the significant drop in the financial performance and stock prices of most retailers, the numbers of retail stores closing, and the drop of in-store sales in what many are calling the retail apocalypse of 2017, with a plethora of our favorite retail chains filing for bankruptcy. There have been extensive analyses of the causes.

## EARLY STAKES: AMAZON

Amazon is the biggest story. Sales continue to skyrocket as it invests heavily in new warehouses, delivery capacity, and additional staff. It has changed retail forever—disrupting many other industries where purchases online can be easier and less expensive for the consumer. So even as Amazon was buying Whole Foods and entering the supermarket industry, discussions pivoted to Amazon’s potential business moves into supermarket food delivery, prepared food delivery, and the pharmacy space.

Competitors are taking note. Though more than 50% of product searches begin at Amazon, Walmart is trying to make major inroads but is far behind. That’s one of the important lessons of Amazon’s two-decade head start. Catching up is really hard! Walmart has a vast network of stores, is improving its online sales rapidly, and is competing forcefully on both price and convenience. Walmart has focused on better blending of online and in-store customer experiences and sales through an omnichannel approach that seamlessly integrates all channels and minimizes the differences from a customer perspective. (See “Multichannel vs. Omnichannel.”)

New approaches to in-store pickup are significant. It has also begun a partnership with Google to offer customers the ability to purchase Walmart products through Google Assistant. Though it’s hard to predict which of these retailers will dominate, what is clear is that those that haven’t adapted to the change in the use of digital technologies and online sales will falter. Similarly, in other areas, such as manufacturing, real estate, and services, the lack of a

serious focus on innovation and digitization will lead to disaster.

As digital assistants and smart devices, homes, and cars continue to personalize, simplify, and enrich our life experiences through voice activation for media and entertainment as well as monitoring things like health and wellness, finances, home security, utility usage, and energy consumption, organizations' commitment to being responsive to consumer expectations and habits isn't enough. They now need to be ahead of that curve, innovating first.

#### **DIGITAL-TO-HOME: WARBY PARKER**

Warby Parker began with a novel online business model: encourage customers to try on eyeglasses virtually or at home and provide free shipping and returns for their Home Try-ons. It has since been opening more retail brick-and-mortar stores. Online start-ups Bonobos and Untuckit have done likewise, while Rent the Runway is one of the more prominent companies that permit shoppers to browse dresses online and rent them for a few days. Amazon has of course joined the fray with its Prime Wardrobe.

Conversely, those companies with a brick-and-mortar presence may retain an advantage if played right. Many retailers are combining their strengths in both brick-and-mortar and online sales through omnichannel approaches like emphasizing online purchases with the store pickups previously discussed. For example, more than 40% of online sales at Home Depot are picked up at its stores.

Like many other retailers, Disney is revamping its stores to accommodate customers' preferences for purchasing entertainment and experiences for their in-store activities rather than only products that they could just as easily purchase online. Disney is developing a closer tie-in with promotions to its theme parks, television holdings, and videos.

Since purchase transactions now can happen anywhere and any time, physical locations must augment that feature by building relationships, providing personal service, answering questions, and solving problems. For example, Pottery Barn believes that its brick-and-mortar presence will enable it to dominate the new online furniture and mattress stores that have no physical presence.

#### **ANTICIPATING NEEDS: BEST BUY**

Best Buy knew it needed to compete with Amazon on price and to go beyond the showrooming that was already commonplace in the industry. It created a place to try out the equipment and play with it with employee help and at the same price as Amazon. This new service, along with the in-home consultations on what to buy and how to install it, has increased sales.

These in-home consultations are free and provide opportunities for consumers to test devices like speakers and voice-activated devices and learn about, and possibly purchase, the latest technologies.

These innovations in Best Buy services have differentiated it from competitors and enabled it to succeed as its competitors have failed. Amazon Smart Home Services is now also providing similar services and continuing the march to integrated brick-and-mortar and online sales. Apple is also changing its retail stores to introduce more classes and meeting space to drive more foot traffic to its stores. CVS has begun next-day delivery of prescriptions as a way to counter any potential competition from Amazon or other online retailers.

Experimenting in showrooming is occurring in other retail chains as well. Nordstrom Local has opened with a 3,000-foot store instead of its typical 100,000-plus-square-foot store. There is no inventory for sale, just stylists to help put together outfits for purchase. As with other innovations, some of these experiments will succeed, and many will fail. But unless companies experiment with new business models and technologies, they will certainly fall far behind.

Whatever path it takes, every business must be digital. It isn't brick-and-mortar vs. ecommerce but a coherent integration of the two that's key.

#### **THE TECH DRIVING THE CHANGE**

These changes in society are driven by rapid and dramatic changes in technology. Interconnected digital technologies already in development include 3D printing, smartphones, data gathering and analytics, the Internet of Things, advanced robotics, artificial intelligence (AI), sophisticated sensors, and many others. These technologies can be used separately but can also be linked to integrate the physical and virtual worlds. They are being used increasingly in manufacturing, retail, and our daily personal lives. (See "Five Game-changing Technologies" for brief descriptions.)

Augmented reality and AI are changing the way companies do business. Augmented reality can blend physical shopping with digital shopping, personalizing based on both demographics and browsing or buying history. At cosmetics retailers like Sephora, for example, you can see online how various products will look on your face before purchasing. Virtual dressing rooms such as N-Show (already in stores) and FXMirror (to be used on your own computer; see p. 28)

are likewise enabling customers to view how the clothes look on them, with Amazon going a step further with its recent acquisition of the 3D-body-modeling tech firm, Body Labs. Furniture stores such as Pottery Barn and IKEA also already enable customers to see how furniture will look inside their home, and home improvement companies like Home Depot have tools that can show what your updated home exterior could look like.

**Virtual Dressing Room**

Augmented reality allows customers to try on clothes using FXMirror.



**Instant Body Recognition**  
Utilizing the latest in 3D imaging technology, FXMirror calculates the customer's body dimensions and is ready for use in seconds



**Intuitive User Experience**  
Intuitively browse and try on shop inventory using simple gestures or the tablet controller



**Responsive 3D Virtual Fitting**  
Immediately presents realistic 3D virtual fitting in sync with body movements



**Convenient Mix and Match**  
Layer items and try on multiple style combinations

IMAGE: FXMIRROR.NET

Augmented reality is also changing manufacturing operations by superimposing information that enables better monitoring of operations, training of personnel, and instructions for workers. This can significantly increase reliability, efficiency, and profitability. In retail, by pointing a smartphone in a store or at an ad, augmented reality can easily provide personalization that can benefit both the consumer and the store owner. It can tie into loyalty programs to access historical purchasing behavior, recommend potential purchases, and provide discounts, if desired.

AI is among the most developed of these new technologies. The use of AI and machine learning across all industries in manufacturing, retail, and back-office management is changing work processes and enabling a rapid increase in productivity. In daily life, AI applications can be seen in all of our digital technologies. Leading companies recognize that in many cases the costs seem high now, but development and installation costs will likely decrease rapidly, and the costs of being a laggard in this area may likely lead to being destroyed by competitors.

Self-driving cars are about to change our lives and our businesses. As the technology develops, it will increase consumer free time. Consider the decreased need for parking lots and personal automobiles or the reduction in almost all auto accidents and their associated costs that will result from the removal of the human-error factor.

The Internet of Things is also growing rapidly. Connected factories and smart equipment are already in wide use. And we're all very familiar with global positioning systems (GPS) and other technologies in our vehicles. In our homes, we have connected appliances and temperature controls. To better monitor and improve our health, we have fitness

trackers and connected hearing aids. The Internet of Things enables connectivity between a variety of devices to improve manufacturing processes and our personal lives alike. It can monitor machines and infrastructures. Chips can be almost anywhere to provide information to humans or to other devices and improve performance.

Many of us have already seen the use of 3D printing in our dentist's office, as dentists now commonly use a digital camera inserted in the patient's mouth and computer-aided design software to send an image to a 3D printer and create a crown while you wait. The use in medicine is increasing rapidly and already includes hearing aids and some organs. And 3D printing will continue to be applied throughout manufacturing and retail, facilitating mass customization. Adidas, Nike, and others are developing 3D-printed running shoes, with plans to have 3D printers in shoe stores globally to generate custom footwear for each customer. And the applications in other areas will continue to grow, including manufacture of furniture, clothing, and food—in many cases, reducing both the time and cost of delivery. Those companies that aren't already considering its use in their industry are probably behind already.

The takeaway from every one of these companies and technologies is this: Companies and their leaders should be examining how such developments would impact them and which actions they might take to capitalize on these new developments now. The slow adoption of ecommerce activities has destroyed many companies as they watched, took no actions, and concluded that ecommerce by companies like Amazon would have minimal impact on their businesses. This includes not only traditional retailers in books, toys, and clothing but retailers in food, entertainment, real estate, and others. Many of those businesses have failed or are now failing.

**IMPLICATIONS FOR FINANCE**

The demands that the developments of the digital marketplace present for corporate financial executives involve the availability of new digital features, personalized or customized products, and new analytics for improving operations and customer relationships. Real-time data and associated analytics afford financial executives the opportunities to provide senior leadership with valuable inputs that stand to improve relationships with customers and suppliers and increase operational efficiency and effectiveness.

This can also lead to the full digitization of a company's operations, including inventory management systems that connect all relevant parties: retailers, suppliers, distributors, and transporters, as well as the redesign of products and services to be fully integrated within the digital economy.

Financial executives play a critical role in these disruptive changes. Company business models, technologies, and operations must often change to adapt. Financial executives must be assertive to ensure their organizations' competitive survival, which means adapting to changes in financial services, treasury, and accounting functions.

Financial technology (FinTech) is growing rapidly and disrupting traditional financial services including asset management, investing, banking, financing, and mobile payments. As acceptance increases, distributed ledgers, blockchain-based platforms (like Ethereum, Bitcoin, and their related digital currencies), and digital payments (including mobile wallets) will have even more impact in the future. These and other technologies are reducing the costs of accounting services, improving access to data, and facilitating much better data analytics and decisions. The auditing function is also changing rapidly. Robotics, automation, and AI are changing the way audits are performed and analyses are produced as well as the costs involved and insights that can be provided to improve operations and decisions. Financial executives require the analytical and data-science skills that are needed to manage the corporate finance function effectively.

Blockchain can include money, music, titles, data, and so forth. It can include food traceability and transparent supply chains, medical records, and an endless list of other uses of collecting and storing data. Though most discussions have been around its use in financial services and the related cryptocurrencies such as Bitcoin, its applications are potentially far greater in business and society. Since data is easily accessible, transaction and coordination costs could decrease significantly.

FinTech will significantly impact accountants and financial professionals in almost every arena: auditors and tax professionals, management accountants and corporate finance executives, and the entire financial services industry. Commercial and investment bankers and investment advisors will find that many of their services will be replaced with new financial technologies. Though we are seeing the growth of “robo-advisors” to provide investment advice to the mass market, it won’t be long before companies like Amazon that have strong digital capabilities make an easy move into this industry.

These new technologies can increase speed and reduce costs and error rates; they’ll also likely reduce accounting and finance personnel in most organizations. Robotics is increasingly being used to automate various tasks in financial reporting, and forecasting is relying more on algorithms than finance personnel calculations. With robotics, cost often goes down while speed and accuracy increase. This provides the opportunity for finance personnel to be involved in more advanced and complex business decision making when they are freed from their previous repetitive tasks that are increasingly being completed by these new technologies. These are wonderful opportunities to be in more senior strategy and decision-making roles as their functions evolve.

Surveys have shown that though companies across industries are actively discussing the importance of digital technologies for their business operations, few are aggressively pursuing projects that will integrate these as quickly as needed. Having a plan isn’t enough. Effective implementation is critical, and the time to do it is now. And as

was the case with previous technology and business model changes, those that don’t move quickly and boldly will likely fail.

New technologies are changing the way we manufacture goods, operate our offices (see “WeWork Spaces”), and live at home. Technology is now the biggest differentiator of success. Digital technologies affect every business and every person—and the effects will only grow. If you—and your company—aren’t paying close attention to these developments and making immediate changes in the way you do business, you will likely be left behind. These aren’t separate technologies and societal changes that can be looked at discretely or incrementally but rather a series of shifts that need to be seamlessly integrated into changing businesses for not only success but survival. This isn’t science fiction, and it isn’t years away from development. Don’t dismiss these innovations as crazy ideas for the future. They are happening now.

### **What Should Management Accountants Do Now?**

The changes in the way people work and live, the disruptions in the sales of retail products and services, and the advances in digital technologies are changing organizational structures and systems dramatically. Innovations are coming faster and with more impact than ever. To improve the success of both your company and your own career in this new environment, you must:

Continually update your skills and competencies to be completely comfortable with these new technologies and societal changes.

Recognize that these changes are gaining speed and that they will impact every company. Too many business leaders have been complacent in their current personal and company leadership positions and have ignored the signs of change. Company graveyards are filled with those businesses that ignored leading indicators and trends.

Scan the environment for changes in the management accounting profession for new ways of doing business. Accounting, auditing, financial services, asset management, inventory management, quality control, banking, and all other aspects of the accounting and finance functions are changing dramatically because of the availability of new digital technologies like AI and blockchain.

Act now. Wait-and-see doesn’t usually work in this environment since many others are taking action now. This is true with your business, your work in accounting, and your skills and competencies. If you aren’t leading in your profession and your company isn’t leading in its industry, you’re falling behind.



### Career Counseling



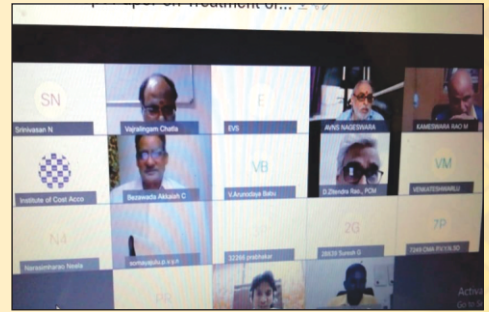
CMA Khaja Jalal Uddin, Vice Chairman, HCCA

### Onshore and Offshore Market for Indian Rupee – The way forward



CMA ( Dr.) Siva Rama Prasad Puvvala

### Different Types of Agriculture Activities & Role of CMAs



### "Quarterly Returns with Monthly Payment (QRMP)" Scheme



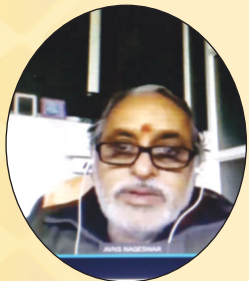
CMA B. Manasa  
Ramky Estates & Farms Ltd.

### "Social Media Communication for CMA's"



CMA Shri Suresh Kochattil  
Chief Operating Officer of Janam TV

### "Exposure Draft of the Concept Paper on Treatment of Finance Cost in Cost Statements"



CMA AVNS Nageswara Rao  
Practising Cost Accountant



CMA M. Kameswara Rao  
Practising Cost Accountant



CMA C. Vajralingam  
Practising Cost Accountant



CMA P. Chandra Sekhara Reddy  
Practising Cost Accountant

## Congratulation



CMA, IP & Liquidator **TSN Raja** is honoured with **"IPA PROFICIENCY AWARD"** for 2020 by the IPA Educational Society. Hearty congratulations



CMA **D. Surya Prakasam**, Former Chairman is honoured with **"IPA PROFICIENCY AWARD"** for 2019 by the IPA Educational Society. Hearty congratulations



## VAASTU SANTHI POOJA

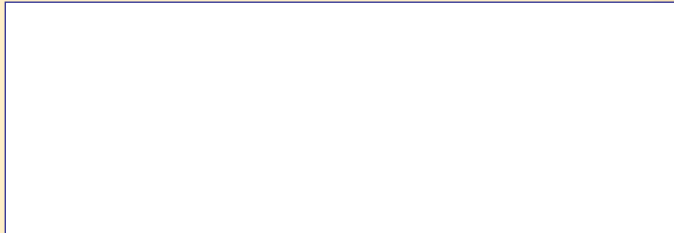


If undelivered please return to:

**HYDERABAD CHAPTER OF COST ACCOUNTANTS**

CMA BHAVAN, Street No. 5,  
Himayatnagar, Hyderabad - 500 029.  
Ph. 040-27635937, Telefax: 040-27607893  
Web: [cmahyderabadchapter.in](http://cmahyderabadchapter.in)  
Email: [hyderabad@icmai.in](mailto:hyderabad@icmai.in)

To **PRINTED MATTER - BOOK POST**



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

Editor: CMA Lavanya Kanduri, The Institute of Cost Accountants of India - Hyderabad Chapter, 1-2-56/44A, 5th Street, Himayatnagar, Hyderabad - 500 029.

Posting under registration No. HD / 1181 / 2019-21. Printed and Published by: Mrs. K. Kavitha, Superintendent on behalf of Hyderabad Chapter of Cost Accountants, 1-2-56/44A, 5th Street, Himayatnagar, Hyderabad-500 029 and printed at Gayatri Printing Press, 5-18, Durganagar, Dilukh Nagar, Hyderabad - 60 and published at Hyderabad Chapter of Cost Accountants, 1-2-56/44A, 5th Street, Himayatnagar, Hyderabad-29. Phones : 27635937/27611912.