The Institute of Chartered Accountants of India
(Setup by an Act of Parliament)

Kozhikode Branch of SIRC e-Newsletter

English Monthly | For private circulation only

Volume-II | Issue-3 | April, 2021 | Pages : 12

INDEX

2 *Message from Chairman*

3 *Independent Director – Important points*
- CA. Divya Abhishek

6 *KEN Data Analytics Series - #1*
- CA. Narasimhan Elangovan

9 *MCA Updates*

9 *Income tax Updates*

10 *Activities - April, 2021*

12 *Upcoming Programmes - May, 2021*

Editorial Board

Editor : CA. ARUN SUBRAMANIAN

Sub Editor : CA. SURYA NARAYANAN

Disclaimer:
The Kozhikode branch of SIRC of ICAI is not in any way responsible for the result of any action taken on the basis of the articles and advertisement, if any, published in the e-Newsletter. The views and opinions expressed or implied in the branch e-Newsletter are those of the authors and do not necessarily reflect those of Kozhikode Branch of SIRC of ICAI.

Message from Chairman

Dear members,

At the outset let me wish all members a Happy new financial year. We all know the current market situations and the economy situation. Even in time of this high challenges as rightly said The Show Must go on.. its our endevour to carry on .....

We started this years programme with the inauguration of the New committee and the handover programme at Taj gateway on 6th March 2021. Further we had the bank audit seminar one physical and one virtual seminar to get the members stay updated to latest rules and regulations on bank audit.

Due to surge in corona cases, we moved to the virtual mode of seminars in the month of April 2021. A series of seminars on latest topics was done in this month.

We are also planning to have 6 plus seminars in this may month too to make members achieve their cpe targets and to make members stay updated on the latest topics.

Further the much relief to many members was received by a welcome notification by CBDT to extend the due dates and allowing assesses to file their returns belatedly by may 2021 . Further late filing fees for gst returns are also waived off.

To my dear students..the exam dates are coming, the dates are rescheduled but don't lose your vigour...study well and clear your exams. A option to reapply for exams with late fees is proposed by ICAI. I request members to encourage students to register for the exams . Students shall make use of this golden opportunity and not to miss an attempt.

As you all well aware that our branch has been facilitating the members the " One Time Annual Fee for CPE Seminars" for the past several years and the same is also continuing this year too. I already communicated the same in my last communique and request all the members to avail this facility by paying well in advance to get the credit of CPE hours starting from the seminars to be conducted from the day one of Financial year i.e., 1st April, 2021 onwards Members, as the Covid 19 pandemic is not yet come to an end and aggravating day by day, requesting all to take appropriate care and follow the safety precautions such as wearing mask, using sanitizers and maintaining social distance strictly for the good health of your family and staff. Leading the branch is an opportunity which is accompanied with a lot of responsibilities. At the outset I would like to express herewith that nothing is possible without active participation & support of each and every members of kozhikode branch.

At last would like to conclude by saying these words of Swami vivekanada -

"You have to grow from the inside out, none can teach you, none can make you spiritual. There is no other teacher, but your own soul."

Independent Director – Important points

CA. Divya Abhishek,
B.com, FCA, ACS, LLB, Dip IFRS(UK), ADIT (UK)

A company acts through its board of directors. It is the duty and responsibility of the directors to ensure that proper systems and controls are in place for financial reporting and to monitor the efficacy of such systems and controls. While the extent of responsibility of an independent director may differ from that of an executive director, an independent director has the duty of care. This duty calls for exercise of independent judgment with reasonable care, diligence and skill which should be reasonably exercised by a prudent person with the knowledge, skill and experience which may reasonably be expected of a director in his position and any additional knowledge, skill and experience which he has.

In India, the gravity of Independent Directors was recognized with the introduction of corporate governance. The Companies act 2013 has specifically codified the roles and responsibilities of the ID through the provisions of Section 149 and Schedule IV read along with Companies (Appointment and Qualification of Directors) Rules. Further, in the case of listed companies Clause 49 of the Listing Agreement will be applicable.

Which Companies Need to Appoint Independent Director:

1. Every listed public company shall have at least one-third of a total number of directors as Independent Directors.
2. Unlisted public company having
   a. Paid-up share capital of Rs. 10 crores or more.
   b. Turnover of Rs. 100 crore or more.
   c. Aggregate outstanding loans, debentures, and deposits, exceeding Rs. 50 crores

   Should appoint at least 2 Independent Directors on board.

Exemption from appointment of Independent Director is specifically provided for an unlisted public company being

i. Joint venture
ii. Wholly owned subsidiary

iii. Dormant company

Eligibility Conditions for Appointment:

Any person who is interested in becoming an Independent director of a company is required to register themselves in the independent director databank maintained by Ministry of Corporate Affairs (MCA) in association with Indian Institute of Corporate Affairs (IICA). The Companies which are appointing such directors may select from this databank. The appointment of independent director must then be approved by the company in general meeting and the explanatory statement annexed to the notice of the general meeting.

The existing independent directors of companies must register into the databank on or before December 31,2020.

The application for inclusion of his name in the data bank may be for a period of one year or five years or for his life-time.

Once name has been included in the databank it is mandatory for such individual to pass an online proficiency self-assessment test conducted by the institute within a period of 1 year from the date of inclusion of his name in the data bank, failing which, his name shall stand removed from the databank of the institute.

Exemption is provided to directors from taking the online proficiency self- assessment test, when he has served as a director or key managerial personnel, for a total period of not less than 10 years, as on the date of inclusion of his name in the databank, in one or more of the following,:-

a. listed public company;
b. unlisted public company having a paid-up share capital of Rs 10 crores or more;
c. body corporate listed on a recognized stock exchange.

Responsibility with respect to Meetings on appointment for Independent director:

Once appointed, it is mandatory for the Independent director to declare his independence at the first meeting of the board and at the first meeting of every financial year subsequently or when there is a change in the circumstances which may affect his status as independence.

At least one meeting should be held in a financial year without the presence of non-independent directors wherein all Independent director's must strive to attend. The meeting can also be held through video conferencing mode after due compliance with the manner in which it is to be conducted. Schedule IV has laid out the mandatory agenda which needs to be adhered to during such meeting.

An Independent director is required to attend board meeting called at shorter notice. In the event where he is not able to attend the board meeting called at a shorter notice, the decision taken at such meetings shall be final only on ratification by an Independent director.

Term of Appointment of Independent director:

The Independent director shall be appointed for a maximum term of 5 years and can be re-appointed for another term of 5 years only by a special resolution. The term shall not be more than 2 consecutive terms. MCA circular no. 14/2014 dated 9th June, 2014 clarifies that Independent director can be Appointed for less than 5 consecutive years.

Any vacancy in the office of Independent director shall be filled in the very next Board Meeting or within 3 months of such vacancy, whichever is later.

Remuneration payable to Independent Director:

An Independent director can receive remuneration only by way of

a) Sitting fees for attending Board meetings (Maximum of Rs 1,00,000 per meeting)

b) Reimbursement of expenses relating to meeting attended and

c) Profit related commission as approved by members.

Companies Act 2020 has introduced provisions for allowing payment of adequate remuneration to Independent directors in case of inadequacy of profits by aligning the same with provisions for remuneration to executive directors in such cases i.e. Independent directors are now entitled to receive remuneration even if the company does not make profits.

Liability

The Act, 2013, has sought to balance the wide nature of the obligations, functions and duties imposed on an Independent director. Section 149 (12), restricts and limits the liability of Independent director's to the matters which are directly relatable to them.

The Ministry of Corporate Affairs through circular dated 2 March 2020 provides a clarification that both civil and criminal prosecution filed as well as internal adjudication proceedings initiated by the Registrar of Companies (Registrar) shall not be unnecessarily be initiated against Independent director's unless sufficient evidence exists against them.

Keeping the above provisions in mind, the Companies act 2013 has opened up opportunities for many professionals to enlist themselves on the independent director databank and have an equal opportunity of appointment to Companies in need of the same.

In a revised framework of the post-COVID market scenario, independent directors will need to revitalise their role to protect their company from the envisaged economic distress and challenges. An additional duty for these governance-guardians of the board is to ensure that their companies put in place adequate guidelines and policies to safeguard the company's stakeholders.

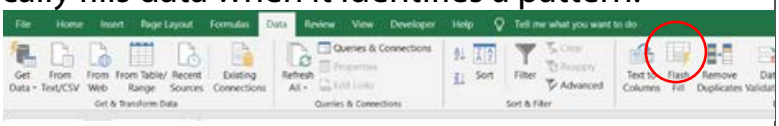
KEN Data Analytics Series - #1

CA. Narasimhan Elangovan
B.Com, FCA, CS, DISA, DipIFR(UK),
CISA(USA), LLB, CDPSE (USA)

We often know so many tools. The big question is when and how do I use the tool? Sharing small snippets on using Excel flash fill along with a few use cases.

I. What is Flash Fill in Excel?

Excel Flash Fill is a special tool that analyses the information you are entering and automatically fills data when it identifies a pattern.



The Flash Fill feature was introduced in Excel 2013 and is available in all later versions of Excel 2016, Excel 2019, and Excel for Office 365. Those of you who prefer working from a keyboard most of the time, can run Flash Fill with this key combination: **Ctrl + E**

II. How to use Flash Fill in Excel?

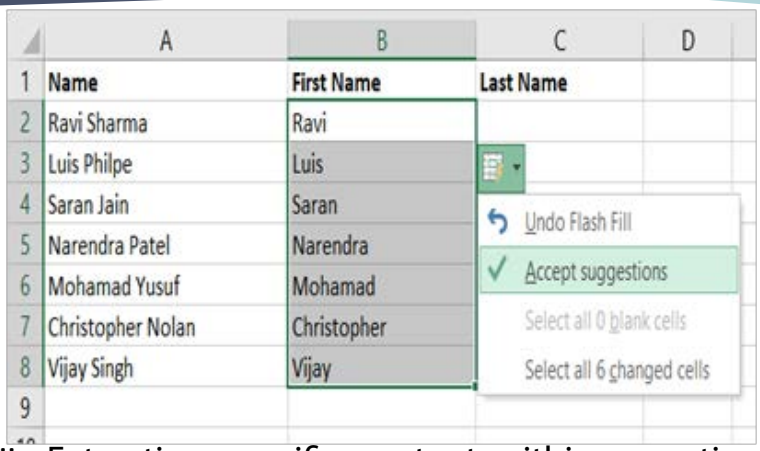
Usually Flash Fill starts automatically, and you only need to provide a pattern. Here's how:

1. Insert a new column next to the column with your data.
2. In the first cell of a newly added column, type the desired value.
3. Start typing in the next cell, and if Excel senses a pattern, it will show a preview of data to be auto-filled in the below cells.
4. Press the Enter key to accept the preview.
5. If the preview doesn't appear, press **Ctrl + E** or **Flash Fill** option from the Data Ribbon.

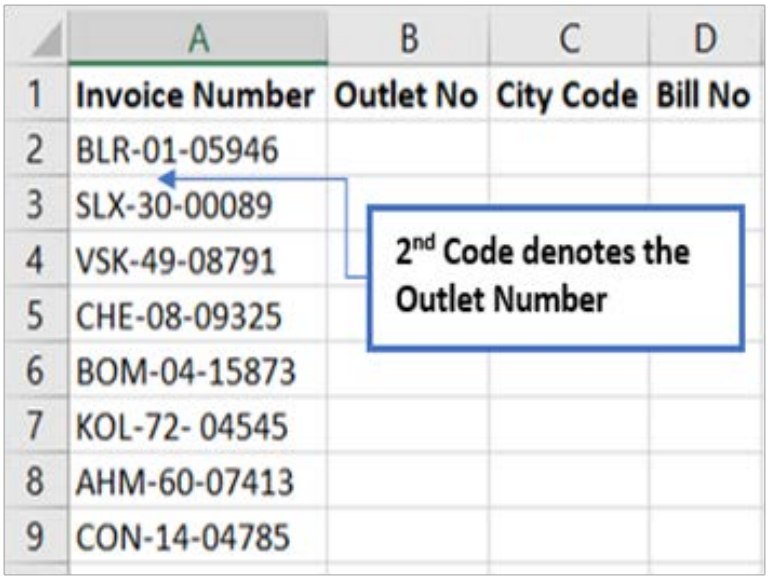
- ***A few use cases:***

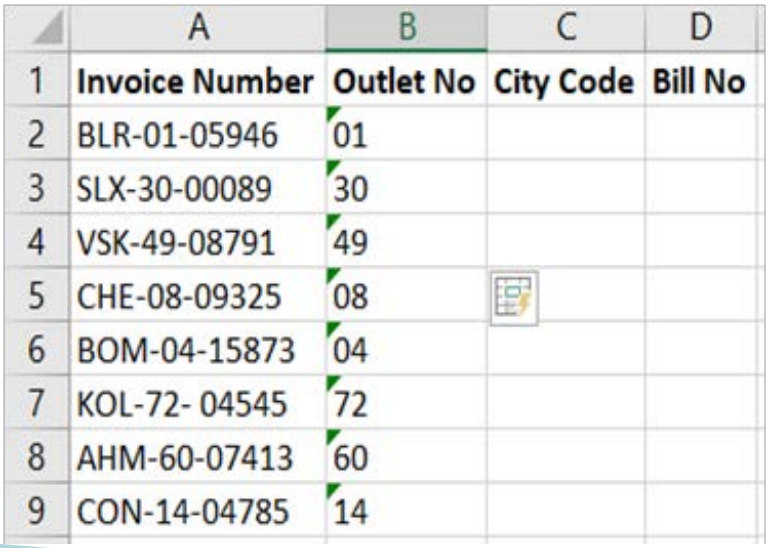
i. Splitting any Text into columns based on a pattern (Name, Space, Symbol etc.)

	A	B	C
1	Name	First Name	Last Name
2	Ravi Sharma		
3	Luis Philpe		
4	Saran Jain		
5	Narendra Patel		
6	Mohamad Yusuf		
7	Christopher Nolan		
8	Vijay Singh		

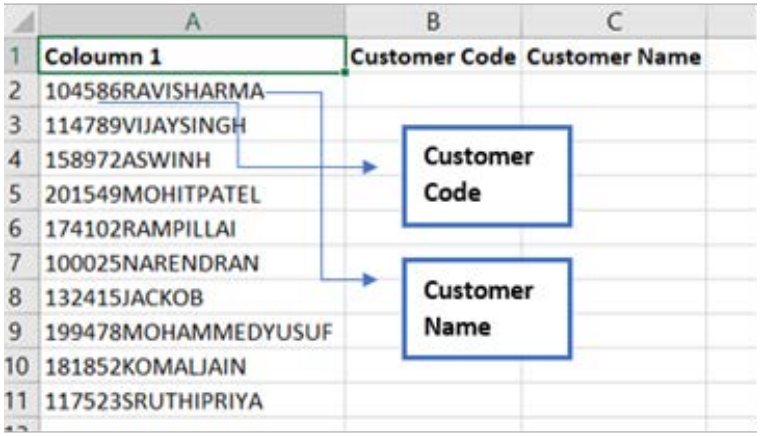


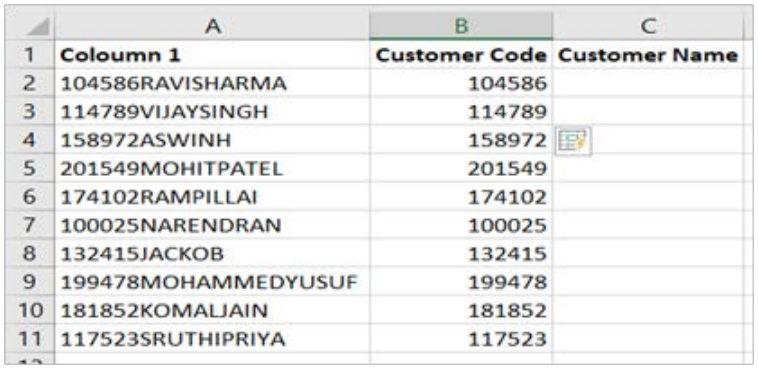
ii. Extracting specific content within a particular cell (Ex. Extracting PAN from GSTN, Invoice number from a cell containing number and text etc.)



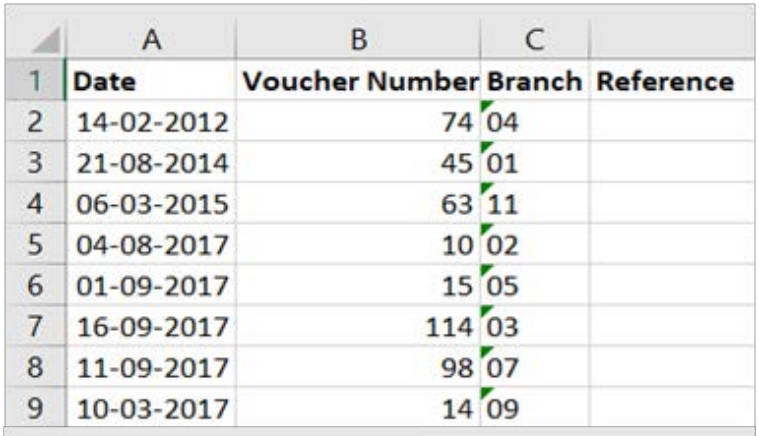


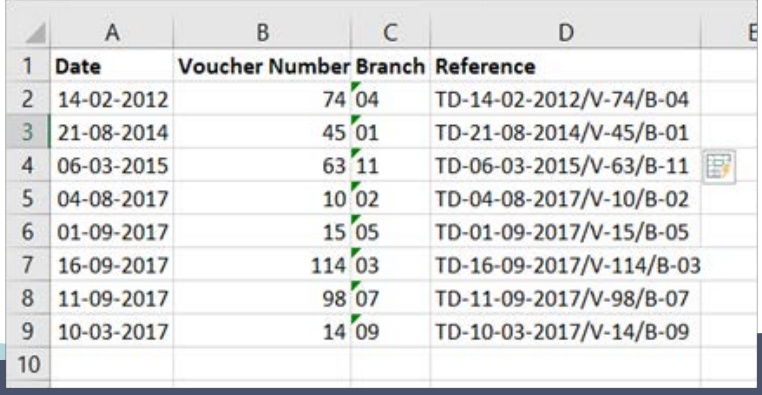
iii. Extracting specific data from the text which is not split into columns (Ex. In the case of bank audit, notepad file has all text in one column)





iv. Combining data from several cells (Instead of a complex concatenate formula)





v. Clean up Data (space, special characters can be removed)

	A	B	C	D
1	**Column 1**	**Cleaned Data**		
2	ravi sharma			
3	luis philpe.			
4	saran jain			
5	narendra patel.			
6	mohamad yusuf.			
7	christopher nolan			
8	vijay singh			
9				

Double Space in between names

Punctuation at end of names.

First Letters not capitalized

	A	B	C
1	**Column 1**	**Cleaned Data**	
2	ravi sharma	Ravi Sharma	
3	luis philpe.	Luis Philpe	
4	saran jain	Saran Jain	
5	narendra patel.	Narendra Patel	
6	mohamad yusuf.	Mohamad Yusuf	
7	christopher nolan	Christopher Nolan	
8	vijay singh	Vijay Singh	
9			

vi. Format text, numbers, dates, phone numbers etc.

	A	B	C	D
1	**Contact Number**	**New Format**		
2	4856975203			
3	7893468971			
4	4879620152			
5	2574896201			
6	9658401515			
7	6363520254			
8	7410258963			
9	3579518426			
10	9532465790			
11	8723991465			

Required format in: +91 XXXX-XXX-XXX

	A	B	C
1	**Contact Number**	**New Format**	
2	4856975203	+91 4856-975-203	
3	7893468971	+91 7893-468-971	
4	4879620152	+91 4879-620-152	
5	2574896201	+91 2574-896-201	
6	9658401515	+91 9658-401-515	
7	6363520254	+91 6363-520-254	
8	7410258963	+91 7410-258-963	
9	3579518426	+91 3579-518-426	
10	9532465790	+91 9532-465-790	
11	8723991465	+91 8723-991-465	

Sources and further Reading at:

- https://support.microsoft.com/en-us/office/using-flash-fill-in-excel-3f9bcf1e-db93-4890-94a0-1578341f73f7
- https://www.excel-easy.com/examples/flash-fill.html
- https://www.ablebits.com/office-add-ins-blog/2019/03/06/flash-fill-excel-examples/#what-is-Excel-flash-fill

Compiled by CA Narasimhan Elangovan with inputs from Nakul Pranav, team KEN & Co.

MCA Updates

1. The Ministry has issued General Circular Number 06/2021 and Number 07/2021 on 3rd May, 2021 allowing stakeholders to file various forms due for filing during 01/4/2021 to 31/05/2021 under the Companies Act, 2013/LLP Act, 2008 by 31st July, 2021 without payment of additional fees. The changes required in the MCA-21 System to implement this decision are being made and stakeholders would be informed in this regard in due course through a similar Notice. The stakeholders may, therefore, plan accordingly.
2. Gap Between two consecutive meetings of Board is extended by a period of 60days for the first two quarters of financial year 2021-22. Accordingly the gap may extend to 180 days during the quarter upto September 2021.
3. Clarification on spending of CSR Funds for setting up Makeshift hospitals and temporary COVID Care Facilities. In Continuation to this Ministry general circular No 10/2020 dated 23.3.2020 wherein it was clarified that spending of CSR funds for COVID-19 is an eligible CSR Activity.

Income Tax Updates

1. CBDT issues notification specifying format, procedure and guidelines for submission of Statement of Financial Transactions(SFT) for Interest income under Income Tax Act, 1961. Refer https://www.incometaxindiaefiling.gov.in/moreNewsUpdates.
2. The timeline to update UDIN of past uploads of audit report and certificates has been further extended up to 30th June, 2021. Kindly avail the benefit and avoid invalidation.
3. CBDT issues press release for extension of due dates for filing Income-Tax Returns under the Income-tax Act, 1961 for AY 2020-21 from 31st March 2021 to 31st May 2021.

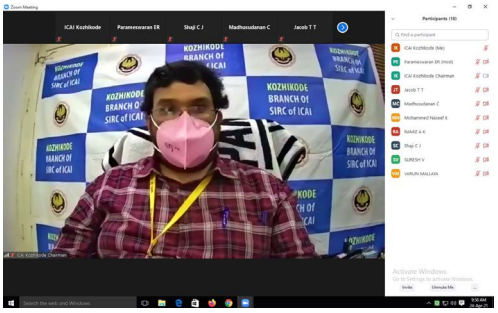
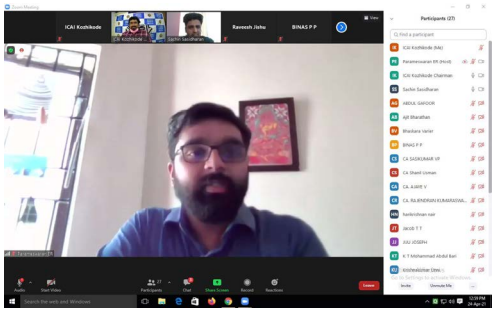
An excellent read on how to apply Analytics in your organisation. Lessons from **Tata Steel** / **McKinsey & Company**. Key Lessons: - Focus on business improvements, not technology improvements. - Develop analytics talent, instead of outsourcing it. - Scale analytics to make it a part of everyone's way of working.

CLICK HERE

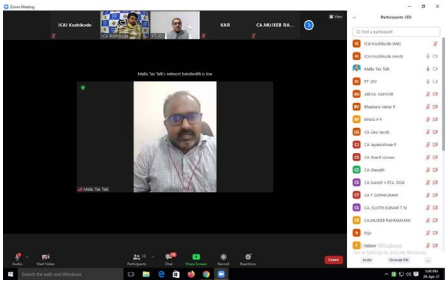
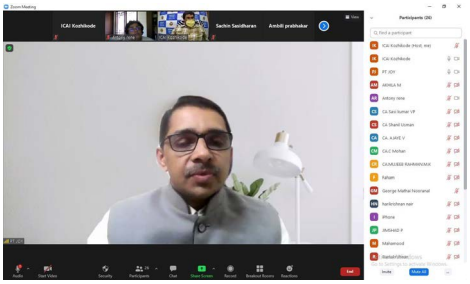
https://www.mckinsey.com/industries/metals-and-mining/how-we-help-clients/how-a-steel-plant-in-india-tapped-the-value-of-data-and-won-global-acclaim%23%20

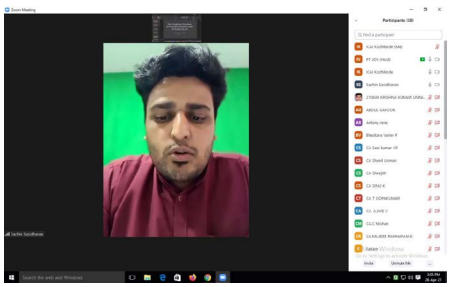
ACTIVITIES - APRIL, 2021

SICASA Kozhikode AGM on 10.04.2021

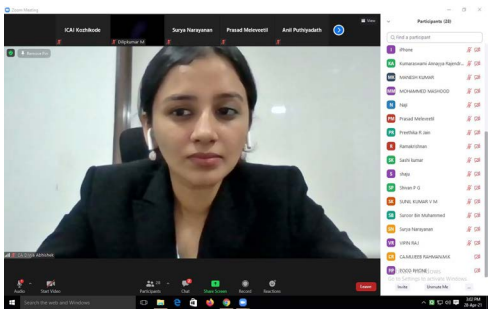
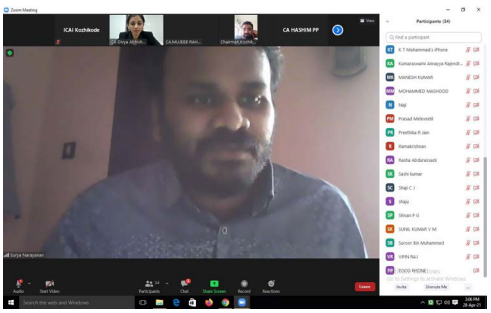



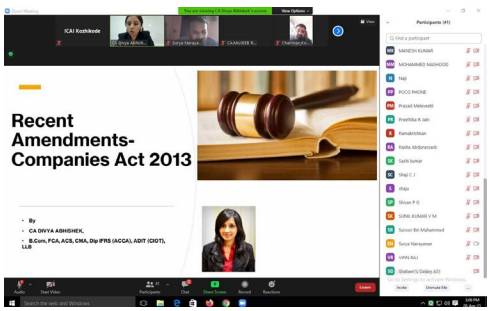
VCM on Finance Act 2021 – Budget amendments with emphasis on changes in the final Bill passed
Speaker : **Parameshwaran E R, Chennai - 24.04.2021**



VCM on New Compliance Procedures of Charitable Institutions Under Income Tax Act.
Speaker : **P T Joy, Ernakulam - 26.04.2021**



VCM on Recent amendments in Companies Act 2013. *Speaker* : CA. Divya Abhishek, - 26.04.2021

Upcoming Programmes - May, 2021

May

06 | 10:00 AM to 12:30 PM | Work from home and usage of Information Technology by CA firm.
Speaker : CA. Mitesh Katira, Mumbai.

08 | 10:00 AM to 1:30 PM | Faceless assessment and issues in reassessment.
Speaker : CA. Abhishek Murali, Chennai.

12 | 3:00 PM to 5:00 PM | Emerging professional opportunities and Networking guidelines.
(Joint Seminar with Palakkad & Kannur)
Speaker : CA. Dayaniwas Sharma, Hyderabad.

15 | 11:00 AM to 1:00 PM | Trademark compliances and Intellectual Property Rights overview.
Speaker : Adv. Navneeth P, Kozhikode.

19 | 3:00 PM to 6:00 PM | Labour Laws & insight into Shop and Establishment Act.
Speaker : Adv. Murali, Kozhikode.

22 | 10:00 AM to 12:30 PM | New Income Tax Return Forms.
Speaker : CA. Sathishan, Thrissur.

26 | 3:00 PM to 5:00 PM | Investor awareness by Rajat, Calicut
Joint seminar with CMA.

Contributions to e-newsletter

Contributions in the form of articles, poems, jokes, travelogues etc. are invited from members for consideration in the monthly e-Newsletter. Interested members may email their contribution to *icaikoznewsletter@gmail.com* along with name, membership number and mobile number.