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From the Chairman

Dear Professional Colleagues,

It is indeed my great honour and privilege to be elected as the Chairman of ICAI KOZHIKODE BRANCH. This being my first communication to you as Chairman of the Branch, I would like to place on record my sincere appreciation for the confidence reposed upon me. Like my predecessors, I would work diligently for the Profession and hope to bring greater laurels to the Branch.

I have been part of the KOZHIKODE BRANCH Committee for the past 6 years and today with all the experience it is with passion that I take on this role to serve this wonderful institution along with the newly elected Managing Committee. Each year we see the bar being raised and the entire team endeavours to maintain the quality and standards of the Chapter while doing our best to take it one notch up.

The incoming committee will ensure to organize high-quality events and programs to achieve the chapter objectives. We request your presence in all these events.

February 2020 was a month of great satisfaction and pride for the entire Managing Committee as Kozhikode Branch of SIRC got awards at Regional levels. Kozhikode Branch was selected as the Best branch of SIRC in the Medium category Branches. We sincerely dedicate this proud moment to all the members of our branch, whose immense faith and support has brought this laurels. March is a month of Bank Branch Audit and we from Branch will bring our best programs with renowned speakers. These seminars will update Members about the latest guidelines, notifications, circulars and other important information that will enable them to perform their bank audit assignments effectively. During the course of the year, we will continue to organise similar knowledge based seminars which will go far in giving a professional boost to members.

Let me congratulate **Hon' President ICAI CA Nihar Jambusaria** & **Hon' Vice President CA. (Dr.) Debashis Mitra** for assuming charge for the year 2021-22 and leading and guiding respected members all over the country.Further I Would like to congratulate the new SIRC office Bearers Led By Chairman CA. Jalapati.

It has been a year of challenges and of rewarding moments. Though a year of transition in terms of digitalisation, we made excellent progress on many fronts. Amongst industry professionals, we are among the few who have been keeping in sync with industry trend. Looking forward for your active cooperation and support in achieving our vision and praying that God will shower his blessings and help us during this difficult time. We would strive to achieve all round progress of members & students through various activities organized by the Branch all round the year.

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Detection of Fraud during Statutory Bank Audit

CA. Nitant P. Trilokekar,
Mumbai

Frauds in Banking Sector

Bank Audit in India is a risk-revenue mixed assignment. Bank Branch allotment is widespread and with decent fees. Yet it is fraught with risk. Work of about 30 staff in a Bank branch done over the full year has to be signed in three to four days. Then the auditor holds his breath for a year hoping no fraud surfaces. This is downright embarrassing for him as well as the whole profession. Perhaps increased discussion on Frauds in Banking sector will increase alertness of all Bank Auditors raising the quality bar of Bank branch audits. This article is one such attempt. Frauds in the economy involve Banks directly or indirectly. Some of those which shake up the confidence of people are:

- Money Laundering
- Debit/Credit card fraud
- Fake Demat accounts
- Frauds emanating from bribery for loans
- Know Your Customer (KYC) Violations (Benami Accounts)

All of the above cannot be covered in the limited space of this booklet but we can start off on some topics. Money is the trading commodity of any Bank. With so much cash floating in the Bank, like cash balances in Bank safes as well as in 'near cash' like drafts and payorders, staff, or customers or persons walking in branches may sometimes feel tempted to pick up what is not theirs. Computers have added complexity to the detection and tracing of perpetrator of the crime since handwriting is minimal in computerized environment. As computerisation becomes widespread, the frauds are also computer based in response to the environment.

The Banking frauds can be classified from the angle of the perpetrator as:

1. Insider
2. Outsider

When the employees of the Bank commit the fraud, they are the 'Insider' category. Many laypersons have this strong view that frauds in Banking sector are impossible without involvement of insider. However this is not always the case.

Fraud by outsider is without the involvement of any insider is also possible. The intention is just to exploit weakness of the Banking system for self-gain.

From the angle of technology classification they can be classified as:

1. Manual frauds converted to computer based
2. New category of frauds – back door of technology exploited.

I. Approach to fraud detection

When the appointment is that of statutory audit, it would be unjustified to recommend an approach that diverts you from your primary objective of statutory audit. The tactic is to notice frauds during your planned work for statutory audit or at least notice the RED FLAGS and walk the extra mile. When you notice something out of the ordinary, it is a red flag. Red flag does not always mean fraud. It is just an alert to you for further investigation. For example, if the Credit Manager was on long leave, who did the authorizations and was it under direction of the Regional/ Head office?

An acronym has been developed for fraud detection.

Although the suggested approach may initially seem formidable, over time it will be second nature and auditors will not even be aware that they are doing this unconsciously. Some cases discussed here will demonstrate how the above approach can be implemented.

Cases of fraud discussed here are based on real cases. Some have had huge publicity while some may be reported much earlier. As this article is targeted in a publication dedicated for auditors, it will be value added to also discuss specific approaches to detect each case in the limited time of audit. Each

Find the RED flags

When you notice anything out of the ordinary like heavy cheque purchase and even return of cheques of same person it is a red flag.

Review RED flagged transactions

Review of red flagged transactions is to confirm it is not a one time and legitimate one. It can be one time yet non legitimate.

Analyse them for abnormality

The study should specifically answer what is abnormal about them from point of security, risk, violation of statute or management policy and procedure. (please include Accounting standards)

Understanding may be shared with Management

It will be in good stead to discuss with the Branch Manager to ensure there is no misunderstanding on your part. If you feel he is likely to stall you then this step may be skipped.

Document your findings

Try to keep with you all evidence possible like Screen shots, relevant copies of policy or statute which is violated, even photocopies/scans etc. of instruments to support your argument.

Statutorily report them

Reporting such Frauds needs to be in writing and not at an informal level. Resist the argument to present it under a separate letter with a single copy only to one person. In a statutory audit it should find a way in the official report only. Each case is independent from the other. Audit tips are given in each case to minimize the detection time. CBS (Core Banking Software) environment is assumed which is a reality as well as a little bit of computer usage by the auditor restricted to spreadsheet though audit tools are also available but normally not permitted.

I. Case 1

Fraud title - New Scheme exploitation
Perpetrator - Category Outsider
Technology complexity - Non CBS
Objective - Self-gain

Any new scheme announced by either the Government or any Bank defines opportunity for the exploiter. He bases the opportunity on the hastiness of the scheme launch. It is announced by the Minister or Prime Minister or Bank Chairman in a public meeting and all scurry to define features and perhaps documentation. Let us take the example of housing loan. In India, Housing loan was given for decades only by the Institution Housing Finance Development Corporation (HDFC). When the Bank's started giving finance for housing, amongst various features they specified the margin. Each Bank vied with each other for loans by specifying lower margin. One such Bank announced what others announced i.e. 20%. In other words the Bank would finance 80% of value of the house. Knowing this, one prospect walked in with a proposal for a house of Rs. 10 crores. It was for a new house purchase under construction. He proved to the Banks for his source of margin of 2 crores as well as ability to repay installments.

Warning signs ignored: A person rolling in crores would reflect his wealth in his personality. He would travel in large cars and if housing finance was needed, he would apply to his own Banker and not walk into a Bank as a new customer.

The Fraud: after payment of just one installment was that the Builder's agreement was false although the stamps paid as fees were genuine. The copy of return of Income was also false. Also false was the document of his source of Rs. 2 crores.

Audit tips: New customer formality (KYC) was missing. When the customer is new or walk in, more care should be taken. No-one comes without any previous Banker from whom a credit opinion should be asked in confidence usually. Additionally, a visit by

the banker to the borrower premises either home or office would be sufficient to confirm the financial status of the Borrower. Auditor can peruse the inspection report in the file. Visit to the builder would also have confirmed the price as well as the viability of the building construction (project). A borrower who is to move into a house of Rs. 10 crores (a price of that time of case) will rarely move from a very small house unless the increase in source of income is transparent and shared with the Bank.

II. CASE 2

Fraud title - Dormant account fraud
Perpetrator Category - Insider
Technology complexity - CBS (relative low complexity)
Objective - Self-gain

This is a case of ***old wine in new bottle***. This fraud was prevalent in the pre-computerisation period not just CBS stage. In this fraud, accounts which are classified as 'dormant' *and* have sizable balance in them are defrauded. Accounts normally go through two stages of non-operation. The first stage is 'non operative' accounts where no operation other than system related vouchers such as interest or charges are passed in the account for a period of six month. Three to seven years after that depending on the Bank's policy and RBI direction, such accounts are classified as 'dormant'. Although the majorities do not have balance other than nominal, some have sizable balance in them. These accounts though rare, exist. The account holder may have moved to new premises, or got transferred or plumb forgot the existence of the account. Banks and most software systems are sensitive to these accounts. Once they are classified as non-operative or dormant, operations in the account other than system generated entries are not permitted. Entries are permitted under authorization of the Branch Manager only or senior officer in case of large branches. This is also to ensure interview of account holder by the accountant to understand the reasons for low action of the account.

The fraud is done by either transfer of funds to own account or dummy account or straight withdrawal. The difficult situation was just mentioned that the account needs to be converted from non-operative to operative and this is to be done only under authorization of Branch Manager. Does that mean that without active involvement of the Branch Manager? This is not always implying so. So***, how does the staff get the password of the Manager?*** He need not get so. By design or my accident the power of his own password may be erroneously given to the level of a manager due to which the account may be made 'live'. Another bypass of control is when any person has authority to the database. Information Technology maintenance persons have access to the database or a poor security control will permit easy access. When the application controls are by passed, it is easy to transfer the balances to another account without leaving an audit trail. The perpetuator will also have his personal account in one of the branches which is a natural feature. Such frauds are difficult to discover until complaint from the real account holder is received. Prevention is better than cure. Restricted access to database is a better alternative.

Audit tips: The study of audit trail would be helpful to check those accounts made live from dormant. However the reality of presentation of audit trail hits us when we inspect one. It is lengthy and all small events are shown with old value to new value. This source is no longer reliable to point out red flag transactions. **One suggested short cut is isolate all accounts made live this year**. You can do this by accessing list of accounts which were dormant last year as well as end of this year. Insert this data in spreadsheet, use vlook up to identify those whose status was dormant last year but are not in the dormant list this year. These are red flag transactions. Examine these accounts especially the voucher just after conversion of status of the accounts from non-operative/dormant to 'live'. This will feed you to a trail in case there is a fraud of this type. If the software application has a report of date of conversion to 'live' status then the spreadsheet alternative need

not be taken.

III. Case 3

Fraud title - Window dressing
Perpetrator Category - Bank Officials
Technology complexity - CBS (Low)
Objective - Suppress true NPA (non performing account) status

Unlike other frauds, this one does not have the direct nexus to personal gratification. It is done for the 'collective' gain of the Branch. The aim is to suppress NPA status of few accounts so that lower Provisions are needed. Internally, the Region to which the Branch belongs will thus have lower statistics. With this 'larger' objective in mind such dubious tactics are employed. If not detected, the auditor is placed later in a precarious position of such window dressing when detected later. The modus operandi used is to manipulate status of the NPA accounts to Performing status whether or not specialized software application is used to determine NPA status. Just before the year end, you will notice the loan account closed and another loan given to the same party for amount equivalent to the outstanding of the old account. Since the old account is closed, even if the status of NPA was accorded to it anytime during the year this account is of no consequence either to the NPA software or anyone as this account ceases to exist at the end of the year. Analysis of such an account is thus easily skipped under the *misunderstanding* of 100% recovery when in reality, it is not.

Audit tips : The auditor has various alternatives to seek and verify such account in a minimum period of time. The audit action here is, Select target accounts – examine them – conclude on window dressing. Initially we shall see the section of selection.

1. Selection of target accounts.

Ask for list of loan accounts closed between February and March. If such a list is not forthcoming then alternative action is mentioned below. If such a report is obtained from the system it is comfortable to get list of broad target accounts. Examine the closure entry and if it is equal to the last / average installment then this is not in your select list at this stage. Accounts closed either by transfer to any other account (smart manipulators do not use this option) or by payment of amounts **sizably more than one installment** usually nearing three installments or above are in your select target.

a. In case the ready report of list of accounts closed in specified period is unavailable you can still obtain it using the CBS and without involving programmers at the Data Centre of the Bank (getting their involvement is next to impossible). A jotting list is *sin qua non* of any Indian Banking system since the manual days. This lists the balance of a particular department say Loans or Savings on a particular day. In manual days this was done every Friday to tally with the manually maintained General Ledger. Such Jotting can be printed at any frequency today. Assuming you have numerous loan accounts such a list of mere account number, name and amount will run into dozens of pages. For just two month analysis you need to print jotting for end of February and March end. Then you need to compare old closed accounts and new loan accounts.
b. New accounts are easy to identify since account numbers higher than the last one of February are the new accounts.
c. Closed account identification however is time consuming for a higher load if done manually. Again, you can insert this data in excel and identify accounts existing in February but not in March. These are target accounts. As amounts are also mentioned, you can take the ABC analysis route to identify those which have been closed with more than one installment. In addition, newly opened accounts in March with same name are also to be selected.
d. A note of caution that mere closure of old account and opening of new immediately need not ALWAYS mean window dressing. It has to be examined case to case. For example two housing loans are sometimes not permitted based on income assessment. For this, one is closed

and a new one is opened.

e. Two months are suggested here because the Banks normally struggle to get the account in order around January even though the NPA date is the date on which the account has dropped to NPA status. If the auditor feels the Bank ensures this half early then same exercise can be repeated for August September.

2. <u>Analyse the accounts & Conclude on window dressing</u>

How the account is closed and the amount of closure is red flags.

a. Accounts are rarely blatantly transferred to new loan accounts. Yet this has to be ruled out. Such accounts need to be analysed if a new loan is given and earlier loan account merged as per the sanctioning authority. It should sound logical to the auditor.

b. Cash/Cheques used for settlement are to show legitimate closure of account. If this is a case of window dressing then the borrower seeks a temporary source for a few days about a week to fifteen days after which a new loan account is granted. This is definitely window dressing.

c. Names of new accounts sometimes may not be the same as the old one. This is to throw the auditor off track. You are aware that a person can have many proprietorship accounts. If a new loan is taken in another proprietorship account it will not show up as a red flag. Banks need to identify the name of the proprietor in the Loan account since the proprietary firm does not have independent legal status. If the name of the proprietor is not mentioned then the PAN number of the borrower will be the same and the documents of the new loan will show who the proprietor is.

d. If the names are changed to that of family member then also the surnames would be the same in areas where surnames are prevalent.

e. In case the borrower manipulates through private limited companies then here too, the hard work of finding common directors can be resorted to using DIN numbers.

IV. <u>Case 4</u>

Fraud title - Money Laundering/Benami/KYC
Perpetrator Category - Outsider
Technology complexity- High–fake documents
Objective - Suppress identity and evade tax

Tax evasion in India is a sore feature. While the Government has taken steps and enactments, the translation into action at ground zero remains to be patrolled by many of us. KYC being a non-financial nature it is not given due attention by the Bank auditor. A fake KYC has potential to germinate into large frauds without recourse to the perpetrator. Digital technology has eased the copy and manipulation of documents. Editing software permits manipulation of names and addresses to create an edifice of falsehood. Education certificates, address proofs, income-tax returns, proof of residence and other documents can easily be manipulated. Unless there is some third party or an objective/direct source of confirmation the web of lies will expose the Bank to astronomical levels. These levels are either borrowings from the same Bank or transactions done through the Bank for the economic benefits of the perpetuator like Demat Accounts (Benami).

<u>Audit tips</u> : Whenever wholesale account opening is encountered by any Bank, it needs to be supported by sufficient staff and Standard Operating Procedure (SOP) for KYC Compliance. KYC of depositors and Borrowers need not be accorded differential priority as yesterday's depositor may be tomorrow's borrower. Yet the golden rule is that KYC of non-depositors needs to be more strictly done. System of KYC needs to be examined and also whether it is being followed. Under the garb of convenience, some Banks send their representatives to the house or place of business of potential clients. Their visit also confirms the address of the account holder and as photograph it taken by the Bank official there is no question of fake photo submission. Even if there is no personal visit, accounts need to be opened by the personal visit by the account holders including

Directors of companies at least once. This is a guaranteed implemented procedure if the Bank is shooting the photographs on their camera only and not accepting submitted photos.

When Income Tax PAN Number is available, the Bank can verify on-line through say CIBIL where all other details can also be corroborated.

V. Case 5

Fraud title - Accommodation Bills
Perpetrator Category - Outsider
Technology complexity - High – fake documents
Objective - Use cheap Banking finance for non-sanctioned transactions

Banking finance encourages contribution to the country's Gross Domestic Product. Bank finance is encouraged to be given at low rates to contributors to the economy. Borrowers get encouraged wrongly to use cheaper finance for other non-official activities. We normally see this for vendor bill purchase. Whenever goods are purchased either for manufacture or trade, the borrower needs more credit period than that offered by the vendor for reasons of cash flow or manufacturing/sale cycle. The bank steps in by providing finance specifically for the documented transaction. The borrower has to prove all aspects of the transaction. Proofs are provided by documents. The bank should be able to conclude that order is placed on the vendor, goods are dispatched, goods are received, insured in transit etc. Thus, purchase order, sale invoice, lorry receipt (LR) or bill of lading, good received note, insurance policy etc. proves that this transaction existed. At the time of sanction the bank must have approved a list of vendors approved for bills discounted. In genuine cases such documents are normal and easy to produce. If the transactions do not exist yet Bills are discounted then such bills are termed as 'Accommodation Bills'. But the documents need to be submitted as a formality. As mentioned before, technology of today offers easy way out for reproduction of documents.

Audit tips: Some stark signs are as follows:

1. Bills are of round amounts. The net amount of actual transactions rarely is in round figures. If all the bills are in round figures then it is a red flag. You need to be cautious to realise ***that all red flags are not fraud***.
2. Supporting documents are neat and clean. Take the example of Invoice. If it is not folded to fit into an envelope does it mean that a 10 X 12 inch envelope was used? This may be so in overseas trade though even there it is rare. Then the Lorry (Truck/surface transport) receipt. It may be clean in case of Vendor bill purchased. But in case Debtor bill purchased where the borrower claims to have delivered goods to his customer, he has to submit accepted lorry receipt (LR). This lorry receipt has travelled with the truck from the factory to the customertaking days and lot of handling. This soils the paper to a large extent. So if this LR is clean, your red flag should be fluttering! Even here were have noted the office staff to rub the receipt on used carbon paper to show grease and dust with the aim to avoid such notice by the auditor or the Banker where accommodation is taken without his knowledge.
3. Single vendor: Unless the Bank has sanctioned Bill Purchase/ discount of only one approved vendor you will agree that few concerns have a single vendor. Such a vendor is likely to be an 'accommodating' friend. So if all the bills are drawn by one party only, your red flag starts fluttering. If you note the sanction of facility is to more than one vendor then you are heading for an investigation. Normally, the Banker himself would question only one vendor unless it is a monopoly item or some other technical reason. To avoid pre-sanction objections and hard questions he would add a list just to divert attention but after sanction use his accommodating friend only.

VI. Case 6

Fraud title - Fraudulent Overdraft against Fixed Deposits Receipts (FDR)
Perpetrator Category - Outsider
Technology complexity - High – fake documents
Objective - Siphoning money

Giving money against fixed deposit is the safest form of Bank Lending. This is oft quoted by Bankers. The logic is simple. The money offered as security is already with the Bank in the form of fixed deposit. Lending against this is done with a margin of 20%. Also, the rate of interest charged is 2% over the fixed deposit. In case the borrower does not pay, when the fixed deposit matures, the money is appropriated against the outstanding. Furthermore, such advances against the Bank's own FDR are outside the purview of Non-performing Asset (NPA) classification. This makes scrutiny of such account easy to miss. Normally the FDRs are of the borrower i.e. name on the FDR is the same as that of the borrower. In few genuine cases it is not the same. When the partners submit their personal FDR for the funds to be borrowed by the firm or when parents submit the FDRs in their name as security to finance business of their children "to enforce discipline". When the FDR does not bear the same name as that of the borrower, it is termed as 3rd party receipt.

The Fraud : The Bank assumes security of the FDR exists when in reality it does not. FDRs are genuine but the aspect of their submission as security is not. In such cases 'bulk' deposits are brought in through middlemen. The word bulk refers to amounts exceeding Rs.100 crores. Middlemen drive a barter bargain with the Bank Managers- deposits for lending. Once the deposits are transferred, the receipts are handed over to the middleman who convinces the Bank that he takes it as agent. Deposits are usually of large corporations especially public authorities or Public Limited companies. The Bank also does not have much say in the KYC as the middleman encourages secrecy otherwise the deposits will move to other Banks. Now after the transfer is made and deposit receipts are handed to the middleman he expectedly comes with the letter to permit the Bank to give overdraft against a third party not related to the depositor (not an associate company or subsidiary). Since this was part of the barter with the Bank by the middleman, the overdraft is given. Only when either no servicing is done or the depositor company complains non receipt of deposit receipts, the fraud is understood.

Audit tips:

1. Sudden spike in any ratio of the Bank needs to be investigated. (Use the term 'study' as the term 'investigation' has more sinister annotation in Banking industry) Even spike in profit which others may applaud should be studied critically by the auditor. Ratio analysis is an easy pointer to problem areas but undervalued by many. In the present case, the annual figure compared to earlier would have shown jump in profit, deposits and advances. The bulk deposit and bulk advance would be easily traced and the story revealed before circumstances and newspapers revealed the story.
2. Unrelated third party deposits need to be supported by special document and not merely by a letter from the company.
3. The document needs to be supported by certified resolution copy.
4. If all the documents are in place then a balance certification from the depositor and lender should be demanded to be sent directly to the auditor. This will be the ultimate proof of authenticity of the transaction.

Conclusion

Discovery of frauds is often misunderstood as labour intensive or time consuming process. Society looks to the industry of auditors to unearth frauds in their regular work. As the clients have benefitted from computers it is logical that the auditors too benefit from them. Computer Aided Audit Tools (CAAT) are useful. One day, auditors will be permitted to use them. Until then a via media has to be reckoned with. Generating reports through the system and dovetailing them into spreadsheet for future analysis like Ratio analysis saves the auditor lots of time yet points to the stark red flags. The given examples though few, are based on real frauds that have occurred in Indian Banking history. This should spur you in your next Bank audit assignment.

MCA Updates:

1. Companies (Management and Administration) Amendment Rules, 2021 dated 5th March, 2021. Introduction of Sub Rule 1 shall be substituted as below:

   "Every company shall file its annual return in Form No.MGT-7 except One Person Company (OPC) and Small Company. One Person Company and Small Company shall file annual return from the financial year 2020-2021 onwards in Form No. MGT-7A";

2. MCA signing Data Exchange MoU with CBIC on 25th February, 2021:

   Memorandum ot Understanding was Signed today between Ministry of Corporate Affairs (MCA) and Central Board of Indirect Taxes and Customs (CBIC), Ministry Of Finance for data exchange between the two organizations.

   The data sharing arrangement gains significance in light of development of MCA21 Version 3 which will utilize state of the art technology for enhancing of doing business in India and improve the regulatory enforcement and similar steps by CBIC like the launch of ADV AIT (Advanced Analytics in Indirect Taxation) a 360-degree taxpayer profiling tool. AI/ML, data analytics will play a critical role in achieving this synergy.

3. Companies (Specification and definitions details) 2nd Amendment Rules 2021.

   '2A. Companies not to be considered as listed companies.- For the purposes of the proviso to clause (52) of section 2 of the Act, the following classes of companies shall not be considered as listed companies, namely:-

   a. (a) Public companies which have not listed their equity shares on a recognized stock exchange but have listed their —
      i. non-convertible debt securities issued on private placement basis in terms of SEBI Issue and Listing of Debt Securities) Regulations, 2008; or
      ii. non-convertible redeemable preference shares issued on private placement basis in terms of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; or
      iii. both categories of (i) and (ii) above.
   b. Private companies which have listed their non-convertible debt securities on private placement basis on a recognized stock exchange in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
   c. Public companies which have not listed their equity shares on a recognized stock exchange but whose equity shares are listed on a stock exchange in a jurisdiction as specified in sub-section (3) of section 23 of the Act.".

4. Central Government, in Ministry of Corporate Affairs, under section 67(1) of LLP Act, 2008 will be extending the following sections of the Companies Act, 2013 to limited liability Partnerships with modification and adaptation soon. Accordingly, limited liability Partnerships, Partners and Designated partners thereof are advised to take note of the same for appropriate action.

SECTION HEADER	SECTIONS
Register of significant beneficial owners in a company	Sub- sections (1) to (11) of section 90
Disqualifications for Appointment of Director	Sub- sections (1) & (2) of section 164
Number of Directorships	Sub-sections(1)&(3)to(6)ofsection165
Vacation of Office of Director	Sub-section (1) to (3) of section 167
Power to Call for Information, Inspect Books and Conduct Inquiries	Sub-section (5) of section 206
Conduct of Inspection and Inquiry	Sub-section (3) of section 207
Appeal to Tribunal.	Sub-sections (1) to (3) of section 252
Offences to be Non-cognizable	Sub-sections (1) to (4) of Section 439

5. Companies (Specification of Definitions Details) Amendment Rules, 2021 dated 1st February 2021:

   They shall come into force on the 1st day April, 2021:

   following clause shall be inserted, namely:-

   "(t) For the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, paid up capital and turnover of the small company shall not exceed rupees two crores and rupees twenty crores respectively.".

FCRA Updates:

Extension of the validity of the registration certificates issued under the Foreign Contribution (Regulation) Act, 2010 expiring during the period between 29th September, 2020 and 31st May, 2021 upto - 31st May, 2021.

Activities - February, 2021

Renovation of existing casualty at Government General Hospital, Kozhikode on Friday 12th February 2021

Upcoming Programmes - March, 2021

MARCH

06 39th Annual Changeover of Kozhikode Branch of SIRC of ICAI
Venue - Gateway Hotel , P T Usha Road, Kozhikode

13 Seminar on Bank Audit
Venue - ICAI Bhawan, Kozhikode e

14 Miyawaki Afforestation
Planting at Regional Science Centre & Planetarium , Kozhikode

CA. Nihar N Jambusaria
President ICAI

CA. (Dr.) Debashis Mitra
Vice-President ICAI

MANAGING COMMITTEE OF KOZHIKODE BRANCH OF SIRC OF ICAI (2021-22)

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Chairman

CA. Mujeeb Rahman M K
Vice Chairman
& Secretary

CA. Surya Narayanan A R
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CA. Mohammed Davood C M K
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