

ERNAKULAM BRANCH OF SOUTHERN INDIA CHARTERED ACCOUNTANTS STUDENTS' ASSOCIATION



THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA

SICASA

Ernakulam

SEPTEMBER '20



RESPONSIBILITIES & LIABILITIES OF DIRECTORS UNDER THE COMPANIES ACT, 2013
BY: ABDEEN KAPASI

HOW TO OBTAIN FINANCE FOR YOUR START-UP
BY: PRAARTHANA PRADEEP

AN OVERVIEW ON "THE PERSONAL DATA PROTECTION BILL, 2019"
BY: SUNIL VENGALDAS

THOUGHTS ON CHARTERED REGIMENT (OR) SELF-DISCIPLINE
BY: SRIVATSA G N

A FLIGHT OF CHALK-COVERED DOVES
BY: DENITA MENDEZ



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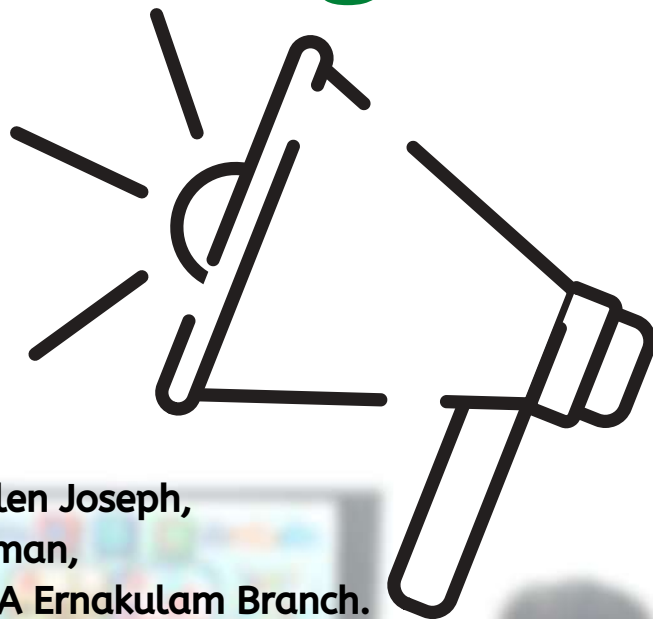
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Chairman's Message



**CA Allen Joseph,
Chairman,
SICASA Ernakulam Branch.**



Dear Students,

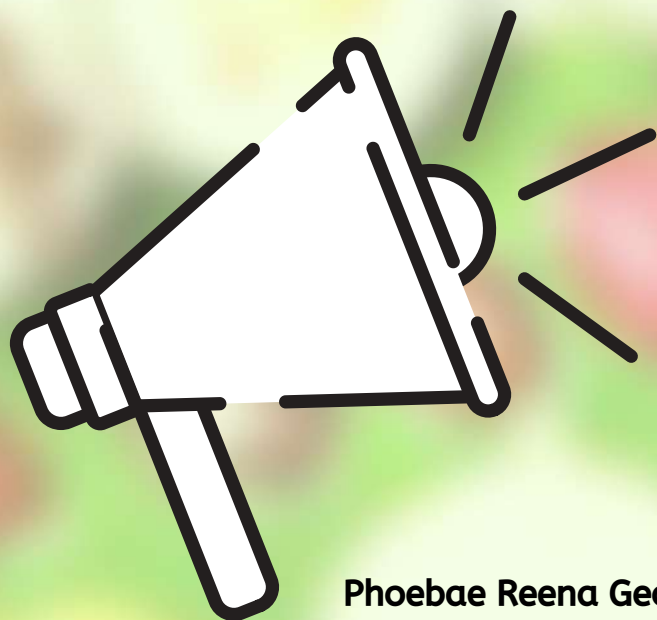
Considering the stressful times and Increased workload for the students, we at SICASA Ernakulam had dialled down the activities so that students can give their all in meeting various deadlines. However, with the Exams scheduled to be held in November, we are geared up to help the students manage stress and give tips for the exams, including MCQs.

Students are to note that even with deadlines closing in, you are to give due importance to managing your stress levels, and optimize your study plans in a way that you will be able to revise for the exams in November.

I would like to extend my sincere gratitude to CA Shyam Mahadevan for webinar on Tax Audit, and CA Ravinath Pai for the webinar on the topic GSTR 9 and 9C, which were both wonderfully handled. Also extending my gratitude to the technical team without whom providing useful webinars and study circles would be impossible for us.

I urge all the students to take care of your health, stay hydrated and always take precautions like wearing masks and using hand sanitizers, so that as a part of the society we do our part in controlling the pandemic.

Secretary's Report



**Phoebae Reena George,
Secretary,
SICASA Ernakulam Branch**



Dear friends,

SICASA always thrives in providing you the best in whatever event we conduct, be it a webinar or completion or even a study circle. Every month we focus on making every activity count by reaching out to all the students through them. It was possible only because of the constant support of all the people within the committee and outside.

As we come closer to the stressful days of nearing an exam, we all give it our best shots in what we learn and understand. We are also here to help you prepare for these days so that you all are a step closer to your success. Keeping this in mind, SICASA conducted two major webinars this month. The first one was taken by CA Shyam Mahadevan on the topic Tax audit. The webinar has surely helped the students especially those doing their articleship. The tax audit season usually keeps us all quite busy every year. Our next webinar was taken by Ravinath Pai on the topic GSTR 9 and 9C. This webinar was also in high demand among all the students as there are new changes in GST every year and people are still confused with it. Both the webinar was highly praised and acknowledged by all the students and the members.

Covid 19 has all put us in a difficult position, but here we are not ready to quit even in these tough times. I hope all of you are safe and sound. As our exams are nearing I also wish all the students the best of luck and let's hope all this chaos comes to an end soon.

Editor's Note



Duke Jose



Poornendu M Nair



Alan Thampi

"Let us remember : One Book, One Pen, One Child and One Teacher can change the world" – Malala Yousafzai

The month of September is celebrated as Teacher's Day in India. This month's newsletter is devoted to appreciating all the teachers in our life. The 5th of September is the birth anniversary of Dr. Sarvepalli Radhakrishnan, a staunch believer of education, a well-known diplomat, the President of India and above all, a teacher. This month's newsletter contains an article on The Personal Data Protection Bill, 2019, Self Discipline, The responsibilities and Liabilities of Directors and an article on the various methods by which one can obtain finance for their start up.

Recently, the Personal Data Protection Bill, 2019 was introduced in the Parliament. It seeks to provide protection of personal data of individuals, create a framework for processing such personal data and establishes a Data Protection Authority for the purpose. The article on Data Protection provides more information on the same.

Self -Discipline is defined as the ability to control one's feelings and overcome one's weaknesses. As a part of the CA fraternity, self -discipline is one attribute we must all practice. This month's newsletter throws light on the different ways by which we can brush up on our self- discipline skills.

A start-up is a young company founded by one or more entrepreneurs to develop a unique product or service and bring it to market. As it is a very popular career option in the present times, availing finance, knowledge and expertise, competition etc., are all factors to be considered before the formation of the start-up. This month's newsletter contains a detailed report on the first factor mentioned: Finance.

A director of a company is an elected individual who is responsible for the corporate policy. He/ She is appointed to manage the day to day affairs of the company, ensuring statutory filing obligations, and that the company functions according to the Companies Act, 2013. The list of responsibilities and liabilities according to the Act are explained in this month's newsletter.

We would like to thank everyone who takes the time to read our newsletter every month. Your encouragement gives us the strength to do what we do.

Thank You.

How to obtain finance for your start up

Praarthana Pradeep (SRO0550883)

What is a start-up?

A startup is an entity, incorporated or registered in India, not prior to five years, with an annual turnover not exceeding ₹25 crore in any preceding financial year, and working towards the innovation, development and commercialization of new products, processes or services.

What is start-up finance?

It is the initial infusion of money needed to turn an idea into something tangible, by starting a business.

Ways to raise start-up finance

1. Self-financing, friends and family -

Self-financing, also called boot-strapping is a method of building a company with only existing resources, usually personal savings. Small loans can also be obtained from friends and family. Online stock broking company, Zerodha is an example of a company which was started without outside financial assistance.

2. Angel investors

Angel investors are wealthy people, who invest in start-ups in exchange for equity. For example, Jeff Bezos, CEO and Chairman of Amazon.com invested \$3 million in Uber for around 3% equity, during its initial stage.

3. Crowdfunding

This refers to the use of small amounts of capital received from a large number of individuals. Did you know that the 'Veronica Mars' movie was crowdfunded by fans of the television show 'Veronica Mars'?

4. Vendor financing

Vendor financing refers to the lending of money by a vendor to a customer who uses that capital to purchase that specific vendor's product. This is sometimes also called 'trade credit'. Vendor financing depends on one's creditworthiness.

Startup Funding Stages

Pre-Seed – This is the stage at which the entrepreneur conceives the idea and starts self-funding this idea to turn it into a business.

Seed Capital – Seed is the investment sought by the business to launch their product or service into the market. It helps the business in identifying and creating a perfect direction for their startup. Most entrepreneurs raise this capital by taking small loans, or by pitching their idea to angel investors.

[Click here to read the full article](#)

Responsibilities & Liabilities of Directors Under the Companies Act, 2013 Abedeen Kapasi (WRO0490545)

Introduction

The director of a company is responsible for smoothly carrying out the business and managing the day to day affairs of the company. They are appointed by the shareholders for the efficient and effective running of the company as professionals. The relationship between a director and the shareholder is that of a 'fiduciary' (i.e. based on Trust). They are entrusted with lots of powers and with power comes liability and duty too. Many of such powers, duties and liabilities have been drafted in the Companies Act.

Section 149(1) of Companies Act, 2013 stipulates that the company should have Board of Directors. As per Section 2(34) of Companies Act 2013, "Director" means a director appointed to the Board of a company

Majorly, directors are categorized as follows and is explained in brief:

A.Executive Directors

1. Whole Time Director: He is in whole time employment and looks after the overall functioning and management of the company.
2. Managing Director: He is the head of management who has substantial powers to control and direct managerial affairs subject to the Board's approval.

B.Non-Executive Directors: He is neither a Whole-time Director, Managing Director nor a nominee director.

C.Independent Directors:He is a non-executive director with pecuniary relationship with the company, its promoters, senior management or affiliate companies, is not related to promoters or the senior management, and/or has not been an executive with the company in the three preceding financial years as defined in sec 149(6)

D.Others: On the basis of the purpose of their appointment, further types of directors are recognized as follows:

- First Director: Until directors are appointed in AGM, subscribers to MOA are the first directors.
- Additional Director: At the discretion of the board, additional directors can be appointed who will hold office until next AGM.
- Alternate Director: Board may also appoint an alternate director who will act when the original director is not present for a minimum of 3 months, subject to the articles of the company.
- Rotational Director: These directors have to retire at the end of their tenure due to rotational retirement mandated as per Companies Act 2013.
- Nominee Director: These are appointed by certain shareholders in case of oppression and mismanagement in the company. However, their liability is not just restricted to such handful of shareholders but extends to all shareholders as a whole.
- Resident Director: These are the ones who have resided in India for at least 182 days in the immediately preceding Financial year.

[Click here to read the full article](#)

An overview on **The personal DATA Protection Bill, 2019**

Sunil Vengaldas
(SR00545355)

Introduction:

Traditionally, Role of data in business is for limited purpose and usage for technology is minimal.

However, in the era of digitalization, the need and importance of data has grown drastically. Business are collecting the data for various purpose from both customers and consumers. The possible reasons are;

1. To understand the behavior of consumer tastes and preference
2. Understanding the historical data for projecting future growth
3. To maintain strong Customer Relationship to promote their products and services etc....

Decade ago, Data is measured in terms of papers but today it is measured in terms of data measurement units like Gigabytes or Terabytes etc. Physical storage of data is replaced with digital devices. There is a drastic change with respect to Collection, storage, processing, understanding and usage of data.

Decade ago, Vs current situation

- The art of book keeping was replaced by electronic form of books of accounts
- Paper documentation was replaced by Paperless documentation
- Internet and integration with technology has become integrated part of business
- Local trading to global trading via E-commerce
- Discounts are accompanied with cash backs and vouchers
- Maintaining individual ledger accounts was replaced by personal online accounts with the company's website or third parties' websites and so on.

From the above we can conclude that the business has undergone significant change over the years. This resulted in the massive change in the manner of generation, collection, storage, communication and interpretation of data and there is a significant impact on the decision making of the business.

[Click here to read the full article](#)

THOUGHTS ON CHARTERED REGIMENT (or) SELF-DISCIPLINE

Srivatsa G N
(SRO0616679)

"Self-discipline is the make-or-break variable in nutrition, diet, relationships."

Discipline and willpower are often equated with deprivation. But a recent study shows that self-control actually contributes to happiness, and wider body of research shows a positive correlation between willpower and greater financial security, as well as goal attainment. In fact, another study found that self-discipline was a better predictor of academic performance than IQ. "It keeps people out of jail and keeps them employed, so it's the 'all upside, all the time' variable."

If we're not naturally disciplined about hitting the gym, meeting deadlines, or saving money, are we destined for mediocrity? Fortunately, not. Experts say willpower and discipline can be learned. Here's a look at the habits that highly disciplined people use to excel personally and professionally.

1. THEY AVOID TEMPTATION

It sounds obvious, but if you're trying to stick to a diet or a budget, it's not in your best interest to stock the pantry with junk food or go window-shopping for clothes you can't afford. "Not having to use self-control is actually the best way to be good at self-control, because people have limited willpower and you don't want to have to be using it all day," & "You want to save it for the unexpected or the uncontrollable."

2. THEY RISE TO THE OCCASION

According to Carol Dweck, a Stanford University psychology professor and author of *Mindset: The New Psychology of Success*, there are those who see discipline as abundant and those of who see it as scarce. Often, this is a self-fulfilling prophecy. When Dweck and her colleagues compared university students with these two different mindsets and a heavy course load, they found that those who considered discipline to be abundant got better grades. "They're not burning themselves out," she says. "They know how to regulate to get the most out of themselves." that may mean easing up before finals or a big presentation to allow more energy during crunch time. In high-pressure environments "you need to know how to deploy that energy in a sustained fashion," Dweck says. "[Those who take the abundant view] seem to do that."

3. THEY PRACTICE SELF-CARE

Sleep deprivation can impair self-control, so disciplined people generally get enough sleep. Self-disciplined people also "tend to be healthier in the long term and part of that is making healthful choices around smoking, drug use, diet, exercise, and compliance with treatment regimens for any health conditions," Gorgens says. "They're managing chronic and acute stress."

[Click here to read the full article](#)

A FLIGHT OF CHALK- COVERED DOVES

Denita Mendez
(SRO0604139)

The cuckoo clock in the living room announces that the last hour of the day has begun. Light seeps into the corridor through the bottom of the door to Amma's room. Looks like Amma- Sarada Teacher- has not yet retired for the day.

My earliest clear memory of Amma is when she comes to pick me up from the crèche. Toddler-me runs into her welcoming arms and is instantly greeted by the smell of chalk dust lingering in her hair, no matter how hard she tries to pat it off.

Soon, the crèche memory makes way to my first day at school. Clinging on tight to Amma's index finger as she leads me into a colourful building and I try not to throw a tantrum as she hands me over to another saree-clad woman standing in the classroom.

After a brief interaction with this lady, she gives me a peck on my cheek, confirming that she'll be back for me by afternoon. Anxious, my tear-filled little eyes trace her as she leaves the room. Just as I was about to cry, the woman in the room comes up to me and mumbles soothing words- however, what calmed me was the smell of chalk dust in her hair.

Kindergarten made way to higher classes and I find myself standing in front of the mirror with crisply ironed uniform, complete with freshly polished shoes. 6th grade meant that I was now a big kid and was supposed to act responsible for my age. Unlike what was expected of a teacher at home, Amma was not a stickler for rules; I had my fair share of fun (read: mischief) and all what Amma had asked me to do was to think of her and my teachers before doing something- if it makes them proud, makes them happy, go for it; if not, leave it.

A couple of boys in my class thought it'd be fun to blow up stuff in the junior's chemistry lab and seeing that I was the teacher's pet and the one in charge of distributing apparatus to the batch, they decided to include me too. In a rush of adrenaline, I forgot to do my 'Will Amma be proud?' analysis and jumped on the bandwagon. Within half an hour, we managed to create Sulfur dioxide in our own flasks in the unsupervised lab. The smell of rotten egg spread all over the school and the first to rush in was my chemistry teacher. Seeing the sheepish smile on my clueless face, her expression changed from worry to disappointment, akin to the poker face Amma dons when I do something too mischievous. I half-expected disciplinary action, with some class-A sermons on responsibility and perhaps physical punishment. However, all what I got was the silent treatment. (Whether or not I received some good spanking at home, was a different story.)

[Click here to read the full article](#)

FOCUS

SEPTEMBER 2020

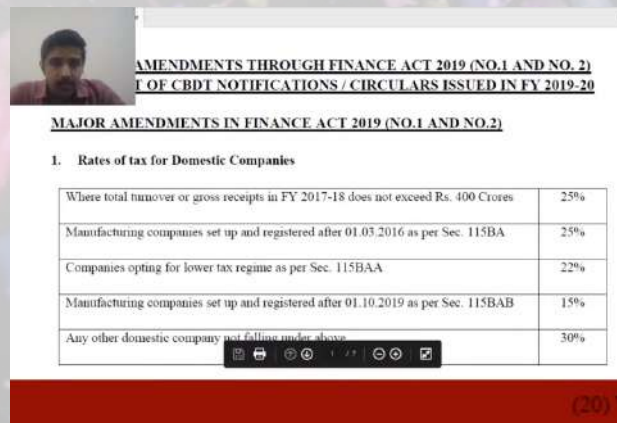
SICASA Ernakulam

Webinar

Tax audit

By: CA Shyam Mahadevan

August 25, 2020

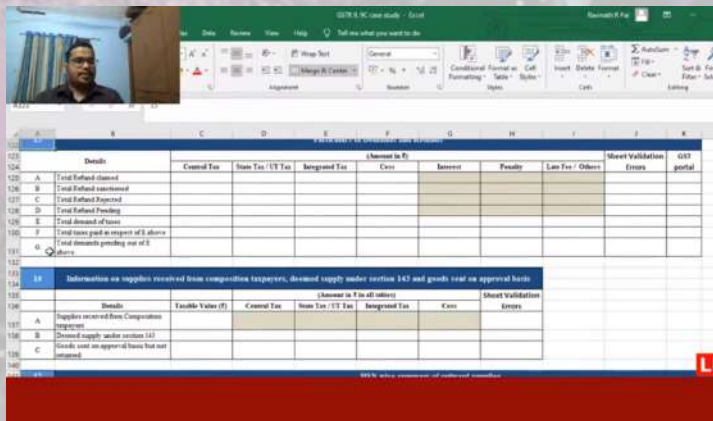


**AMENDMENTS THROUGH FINANCE ACT 2019 (NO.1 AND NO. 2)
LIST OF CBDT NOTIFICATIONS / CIRCULARS ISSUED IN FY 2019-20**

MAJOR AMENDMENTS IN FINANCE ACT 2019 (NO.1 AND NO.2)

1. Rates of tax for Domestic Companies

Where total turnover or gross receipts in FY 2017-18 does not exceed Rs. 400 Crores	25%
Manufacturing companies set up and registered after 01.03.2016 as per Sec. 115BA	25%
Companies opting for lower tax regime as per Sec. 115BAA	22%
Manufacturing companies set up and registered after 01.10.2019 as per Sec. 115BAB	15%
Any other domestic company not falling under above	30%



GSTR 9 & 9C

Details	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	Interest	Penalty	Late Fee / Others	Short Validation	GST portal
A Total Refund claimed									
B Total Refund sanctioned									
C Total Refund Received									
D Total Refund Pending									
E Total demand of taxes									
F Total taxes paid in respect of A above									
G Total demands pending out of E above									

16 Information on supplies received from composition taxpayers, deemed supply under section 142 and goods sold on approval basis

Details	taxable Value (F)	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	Short Validation	Errors
A Supplies received from Composition taxpayers							
B Deemed supply under section 142							
C Goods sold on approval basis that are returned							

Webinar

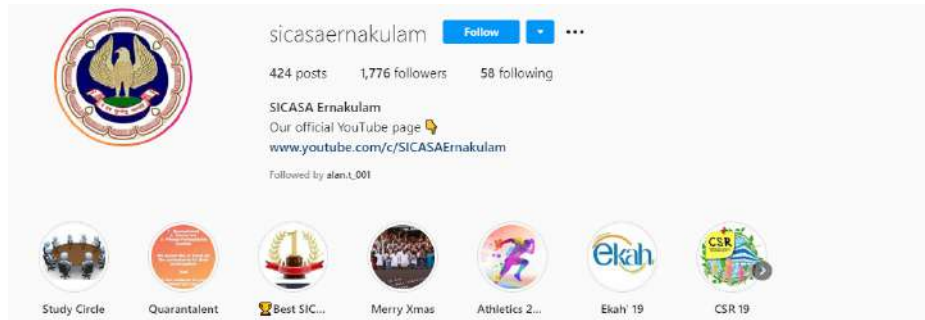
GSTR 9 & 9C

By: CA Ravinath Pai

September 27, 2020

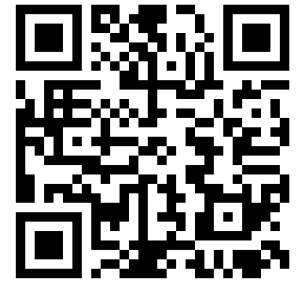
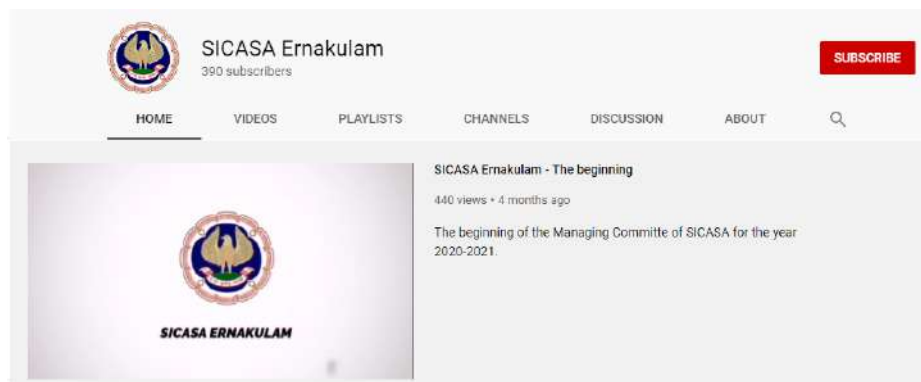
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