iComply

Editorial

Dear Reader,

Wish you all a very happy 2017

A New Year not only provides us a valuable milestone to take stock of our performance but it also gives us the chance to discard our existing limitations and start a new beginning to achieve greater heights. Read more…

Interview with CA Nitin Shingala, Partner|Tax - Business Process Solutions, Deloitte



1. As a Chartered Accountant turned entrepreneur turned Chartered Accountant, where do you place Compliance function in the overall business challenges that a business leader faces? How has it changed over the years?

The recent developments in the corporate and other laws have significantly increased the risk arising from non-compliance that has resulted in the Compliance function being one of the most significant challenges that a business leader faces. Read more…

Compliance calendar

Due dates for Income tax, Professional tax, Service tax, Companies Act, 2013 among others has been captured for your ready reference. View the list…

Gist of Regulatory Changes in Companies Act, 2013 in the month of December, 2016



Fifteen Regulatory changes in Companies Act, 2013 in the month of December. View the list…

BLISS 2016: The Year in Retrospect

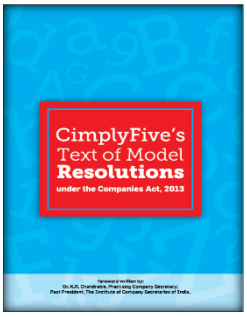


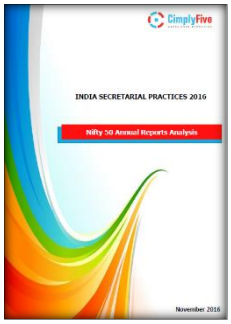
Two heads are better than one is the popular wisdom. Just imagine the impact when a few hundred heads converge on an issue and they have a dedicated team to take their ideas forward. Sensitivity to user feedback is the secret sauce found in all successful products and more so if it is a software products where it is user feedback that infuses life into it.

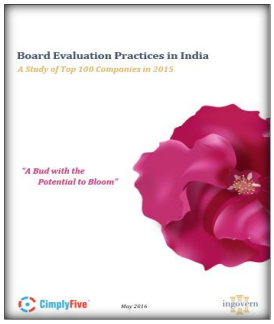
At CimplyFive, we are fortunate to have a large number of prospects, users and subscribers who have seen, evaluated and used BLISS (Board Leaders Integrated Software Solution). The result is a product that is growing rapidly not just in features but also in its crowd sourced 'intelligence'. The result: BLISS has grown significantly as a Co-Sec Automation software, E-repository and an agile Risk manager in the year 2016.

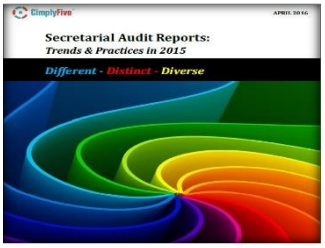
Read more…

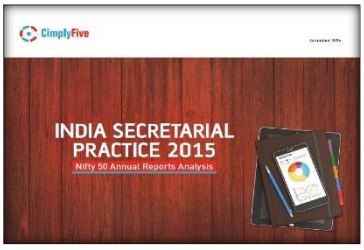
CimplyFive's Publications in 2016











View more…

Editorial

Dear Reader,

Wish you all a very happy 2017

A New Year not only provides us a valuable milestone to take stock of our performance but it also gives us the chance to discard our existing limitations and start a new beginning to achieve greater heights. At **CimplyFive** we renew our commitment to our vision to help corporates regulated under the Companies Act, 2013 eliminate procedural non-compliance using research and technology.

As part of this annual renewal we have interviewed CA Nitin Shingala, partner Deloitte Touche Tohmatsu India LLP, who is a Chartered Accountant turned Entrepreneur turned Chartered Accountant to share his insights on the role of technology in compliance space. His insights into the market space, use of data analytics to enforce regulations are valuable.

In this issue we have also shared a brief article on the journey of **BLISS** in 2016, especially the inputs we have received from our users to enhance its functionality and promote ease of use. Our other regular features in the newsletter– Gist of Regulatory Changes and Compliance Calendar are available in this issue.

Before I conclude this month's editorial, I must thank all our readers and professional colleagues who have read our book **CimplyFive's Text of Model Resolutions under the Companies Act, 2013** and expressed their appreciation for it and shared it in their professional circles. We at **CimplyFive** are extremely thankful to you and are greatly enthused by your words. Please do share your feedback on what we do at **CimplyFive**.

We are eager to know what you think of ***icomply*.** Please do share your thoughts with us at contact@cimplyfive.com.

Happy reading,
Shankar Jaganathan
Editor
January 5, 2017

Interview with CA Nitin Shingala, Partner|Tax - Business Process Solutions, Deloitte

Nitin Shingala is a Chartered Accountant by qualification and a partner in Deloitte Touche Tohmatsu India LLP. He is a past president of the Bombay Chartered Accountants Association, was the Managing Director of TMF Group and the founder of N Shingala & Associates and Nitin Shingala & Co., firm of Chartered Accountants.

1. As a Chartered Accountant turned entrepreneur turned Chartered Accountant, where do you place Compliance function in the overall business challenges that a business leader faces? How has it changed over the years?

The recent developments in the corporate and other laws have significantly increased the risk arising from non-compliance that has resulted in the Compliance function being one of the most significant challenges that a business leader faces. The sudden increase in the regulatory enforcement in India has catapulted compliance risk on top of the board, management and audit committee agenda. Additionally, the regulatory regime in India continues to be complex requiring regular interactions with multiple regulators. The need for a strong corporate compliance function—and an understanding of what that strong function should look like—has become important like never before. We all come across cases where the clients face suffer enormous costs and run reputation risk arising mainly from the poor quality of organizational processes and competent staff.

2. November 8th demonetization is a milestone event in the economic history of independent India. Given its significance, going forward what significant differences can we see in the Indian corporate regulatory world:

a. **Use of data-analytics by regulators to track and penalize non-compliant companies. Where can we see the highest impact of data-analytics usage? In the compliance space or the taxation space?**
b. **The Companies Act, 2013 has 60+ returns to be filed with MCA, some triggered by calendar and most others by events.? Do you see the MCA or RoC use data analytics to improve the**

compliance climate in the Indian Corporate Sector?

Indian regulators and tax administrators are fast adapting to technology and data analytics. I see data sharing amongst the authorities leading to increased focus on the non-compliance and the mismatch in data submitted to various authorities. The impact of the data analytics will grow in both the compliance space as well as the taxation space.

The data available on the MCA website suggests that the number of companies that are non-compliant remains high. I agree that the MCA/RoC has no other option but to resort to the data analytics to improve the compliance climate in the Indian Corporate Sector.

3. What role do you see technology play in the work life of a Corporate Professional, especially in the sphere of compliance?

As mentioned before, the complexity of the regulatory regime in India continues to grow. Technology enables managing this complex system of compliance through robust internal processes that ensure timeliness and quality. Some of the compliance systems that I have come across and found good provide for effective collaboration and task management, dashboard alerts and views that can be customized to suit organization hierarchy, all documents and references in one place, date/time stamp, etc. and of course cloud-based any device access with appropriate security features.

4. Looking ahead, how do you see the technology market space for compliance evolve? Will we see a lot of small players present in this field or will we see a few dominant players emerge as we have seen in the global technology space?

India is vast and complex with differing requirements, and there will be a need for solutions specific to various strata. While a few dominant players may emerge, there will be space for specialists catering to needs of the niche areas. I have come across such players in specific industries, say pharmaceutical distribution chain, fertilizer distribution, or in-depth coverage of specific regulations such as corporate laws, labour laws, etc.

BLISS 2016: The Year in Retrospect

-By Shankar Jaganathan

Two heads are better than one is the popular wisdom. Just imagine the impact when a few hundred heads converge on an issue and they have a dedicated team to take their ideas forward. Sensitivity to user feedback is the secret sauce found in all successful products and more so if it is a software products where it is user feedback that infuses life into it.

At CimplyFive, we are fortunate to have a large number of prospects, users and subscribers who have seen, evaluated and used BLISS (Board Leaders Integrated Software Solution). The result is a product that is growing rapidly not just in features but also in its crowd sourced 'intelligence'. The result: BLISS has grown significantly as a Co-Sec Automation software, E-repository and an agile Risk manager in the year 2016.

The popular idiom 'God is in the detail' is validated more than anywhere else in a software product, where every minute detail or variation needs to be taken care of as users with different needs and from different environment use the product. The year 2016 saw us make more than forty significant enhancements to BLISS. This is on top of enhancements that we made in 2015 following the Beta launch of BLISS where more than 80 users participated and shared their feedback. Just to give a flavour of the enhancements we have made to BLISS, I will describe a few to capture the essence of the user need:

i. In the Register of Directors and KPMs, capturing Director's tenure-end date to trigger an email reminder to the user six months prior to the end of the tenure to take appropriate action.

This feature was built based on the feedback received from users who had missed reappointing the Director and realized this omission only after the AGM date.

ii. Generating email reminder to renew Digital Signature Certificate (DSC) 30 days prior to the expiry date.

This feature too was built based on feedback from users who realized that the DSC had expired when they had to affix the signature on the last date for filing a return, resulting in delayed filing and consequently payment of late payment charges.

iii. Introducing Drafter a new category of users who can only create documents but not save them.

Practicing Company Secretaries have interns who have varying levels of experience. Given the criticality of secretarial records, using interns to create records is fraught with danger, as errors can be costly to correct. Hence creating a user category who can only create documents without the right to finalize it helps promote delegation improving productivity.

iv. Pre-population of Circular Resolution for ratification in the subsequent Board Meetings held.

This feature was added to ensure that no Circular Resolution was missed out from being ratified resulting in procedural non-compliance.

v. Attendance Registers and minutes automated to ensure Directors for a given meeting are picked up from the Register of Directors and KMP based on their eligibility on that given date considering the date of their appointment and date of resignation.

This feature was built based on specific request received from multiple users, where they had come across discrepancies in the Attendance Registers where Directors who had resigned or Directors not yet appointed were listed while manually preparing the Agenda and Minutes.

This is not to say that all features added during the year 2016 were only based on user feedback. Two of the key features added are based on our product roadmap for BLISS. The first being auto form filler for MGT-7, the Annual Return. This form has more than 500 data points to be filled with most of the data already available in the secretarial records like minutes book, registers and returns filed by the company. The true benefit of automation comes from the ability to do such massive jobs instantaneously. This we think is a major development with potential to save about 3 to 4 hours for each company if not more.

Likewise another long standing need was the ability to print agenda and minutes in formats selected by the user. After long deliberations and evaluating multiple options we zeroed in on a design which permits user the flexibility to select their own format for the Agenda and Minutes Headers, Title to resolutions and the text of the proposals and resolutions.

The year 2016 saw more than 40 feature enhancements implemented and as we enter 2017, we have an even richer repository of user needs identified that we hope will make **BLISS** users not just happy but purring with delight.

Gist of regulatory changes in Companies Ac, 2013 in the month of December, 2016

05.12.2016

Clarification Regarding Filing of Offline Challans with IEPF Authority under Companies Act.

The Ministry of Corporate Affairs has clarified that it is mandatory for the Companies to deposit the amount in IEPF only through online challans. Further Form IEPF-1 which includes SRN No. of Challan generated online, will only be accepted.

07.12.2016

- Companies (Transfer of Pending Proceedings) Rules 2016

  This rule has been notified by MCA and is effective from the 15th December, 2016, except Rule 4, which will come into force from 1st April, 2017. Accordingly proceedings relating to arbitration, compromise, arrangements and reconstruction, other than winding up under the 1956 Act, will be transferred to NCLT Benches having territorial jurisdiction. However, voluntary winding up petitions and applications pending before a High Court shall continue to be dealt with by the High Court.

- General Circular 14/2016-Relaxation of additional fees on Annual filing up to 31.12.2016 – in the State of J&K

  Annual filings made upto December 31, 2016 will be exempt from additional fees for companies in the State of Jammu & Kashmir.

- General Circular 15/ 2016-Clarification regarding due date of transfer of shares to IEPF Authority

  MCA has clarified that the matters, including simplification of transfer process of Shares under IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 and extension of due date for transfer of shares to IEPF authority are under

consideration and the said rules are likely to be revised, which shall be notified in due course.

- Commencement notification dated 07.12.2016

  MCA has fixed 15.12.2016 as the date on which winding up provisions of the Companies Act, 2013 will come into force.

- Companies (Removal of Difficulties) Fourth Order, 2016

  This order came into force with effect from the 15th December, 2016 by which a new proviso has been inserted in Section 434(1)(c) of the Companies Act, 2013, which transfers the proceedings of all cases to NCLT, except those related to winding up, which are reserved by the High Courts.

  Further it provides that all proceedings other than winding up under the Companies Act 1956 that are reserved for orders and winding up proceedings not transferred from the High Courts shall be dealt as per the Companies Act, 1956 and the Companies (Court) Rules, 1959

09.12.2016

Corrigendum notification relating to amendment in Schedule II

A full stop in one of the sentences is removed to enhance readability.

14.12.2016

Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

These rules come into force with effect from 15th December, 2016. They provide procedure for filing of petitions, forms to be used, and the applicable fees in respect of Compromises, Arrangements and Amalgamations.

15.12.2016

NCLT (Procedure for reduction of share capital of company) Rules, 2016

This newly notified rules take effect from 15th December, 2016 It defines the procedure for filing of applications or petitions, forms to be used, and the applicable fees in respect of Reduction of share capital under Section 66 of the Companies Act, 2016

19.12.2016

Delegations of Powers to Regional Directors under section 458 of CA, 2013

MCA has authorised the Central Government to delegate its powers and functions to the Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong.

20.12.2016

NCLT (Amendment) Rules, 2016

MCA has authorised the Central Government to delegate its powers and functions to the Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong.

26.12.2016

- Commencement of sections 248 to 252 of Companies Act, 2013
- Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016

MCA has notified sections 248 to 252 in Chapter 18-Removal of names of Companies from the Register of Companies and Companies (Removal of Names of Companies from the Register of Companies) Rules 2016 with respect to New Fast Track Exit scheme under Companies Act, 2013 which has replaced the provisions of section 560 of Companies Act, 1956.

- General Circular 16/2016

  MCA has clarified that e-form STK-2 prescribed under Companies (Removal of names of Companies from the Register of Companies) Rules, 2016 for making application to the Registrar for removal of names of companies from the Register of Companies is under development and will be deployed in some time.

29.12.2016

Companies (Incorporation) 5th amendment rules 2016 dated 29.12.2016

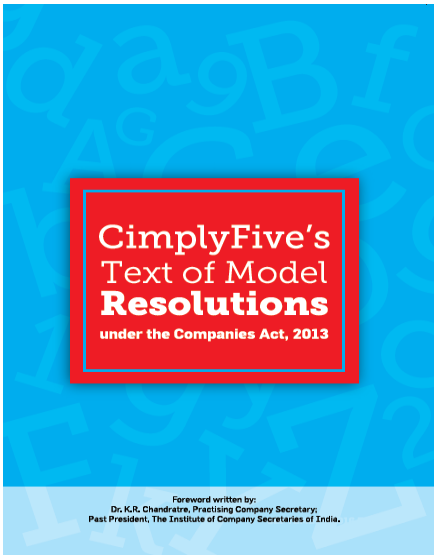
With effect from 1st January, 2017 Form INC-2 is inactivated . In its place, Form INC-7 should be used for incorporating public companies, i.e. with more than seven subscribers only and for other companies like OPCs and private companies with less than seven subscribers), only SPICe (INC-32) should be used**.**

Compliance Calendar

January 5, Thursday	Physical payment of Excise duty, Non SSI for the month of December, 2016
	Physical payment of Service Tax for the month of December , 2016
January 6, Friday	E-payment of Excise duty, Non SSI for the month of December , 2016
	E-payment of Service Tax
January 7, Saturday	TDS Return for the month of December , 2016
January 15, Sunday	Pay PF contribution for December ,2016
	Filing Corporate Governance Report with Stock Exchange
January 20, Friday	Professional Tax payment
January 21, Saturday	ESIC monthly deposit
	Filing Shareholding Pattern Report with Stock Exchange
January 25, Wednesday	PF return Filing-Monthly

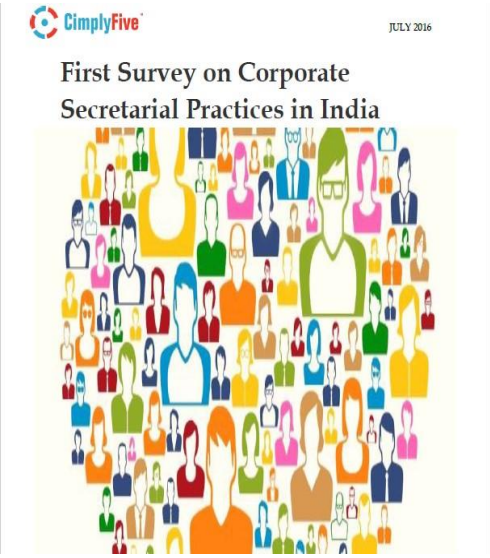
CimplyFive's Publication in 2016

1. CimplyFive's Text of Model Resolutions



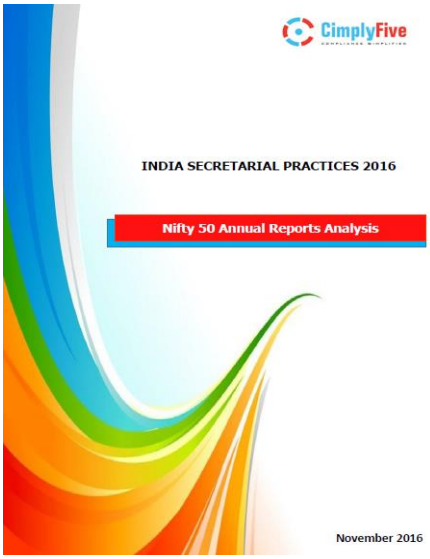
Click here to read…

2. First Survey on Corporate Secretarial Practices in India



Click here to read…

3. India Secretarial Practices 2016



Click here to read…

4. Board Evaluation Practices in India



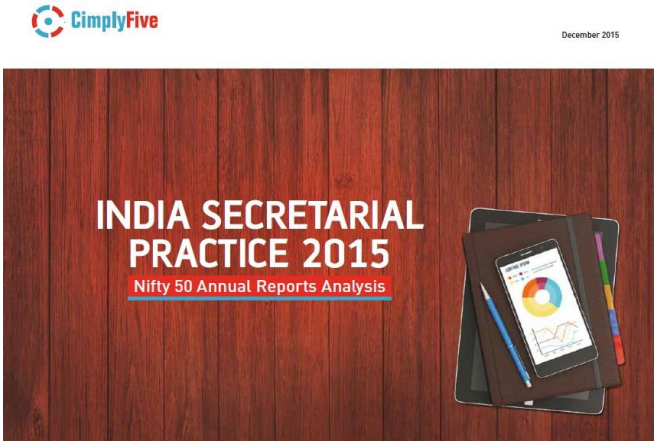
Click here to read…

5. Secretarial Audit Reports: Trends & Practices in 2015



Click here to read…

6. Board Evaluation Practices in India



Click here to read…

About us

CimplyFive Corporate Secretarial Services Pvt Ltd

Vision:

Eliminate procedural non-compliance risk for entities incorporated under Indian Companies Act, 2013

Mission:

Provide a cost-effective, secure web-based, menu driven, subscription services that provides curated resolutions, timely alerts and ;informative dashboards to free the management bandwidth for pursuing business goals

BLISS (Board Leaders Integrated Software Solution)

Our product BLISS (Board Leaders Integrated Software Solutions)

- A digital productivity tool for Compliance with the Companies Act,2013
- Provides comprehensive coverage of Board meetings, Shareholder meetings and Sub-committee meetings
- Rich bank of curated but editable resolutions
- Fully integrated modules- Agenda, Minutes, Registers and Returns
- Timely alerts and reminders
- Rich and real-time dashboard

www.ca2013.com: Company law at your fingertips. A free to use website, integrating Companies Act with Rules, Notification, Orders and Circulars that is real time and online

Contact:

contact@cimplyfive.com

Phone: 080-23441212

CAIRR



To view the previous issues of *iComply* click here