



Editorial

On January 31, 2020 we published **India Secretarial Practice 2019** report.

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OPINION:

What is Hot in Company Law?



Our free to use website www.ca2013.com has the unique distinction of providing an integrated view of the Companies Act, LODR and IB code. [Read more...](#)

Compliance calendar

Due dates for Professional tax, Goods and Service Tax, Companies Act, 2013 among others are captured for your ready reference. [View the list...](#)

Gist of Regulatory Changes in the Companies Act, 2013, SEBI (LODR), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of January, 2020

Twenty-one Regulatory changes in Companies Act, 2013, SEBI (LODR), 2015 and Insolvency & Bankruptcy Code, 2016 were made in the month of January.

[View the list...](#)

BUT: [BLISS Useful Tips](#) for the Month

BUT#103: [BLISS can remove all Actions triggered by a deleted Agenda item](#)

BUT#104: [BLISS enables Single Click Voting for Circular Resolutions by Directors & Committee Members](#)

BUT#105: [Get quickly started with BLISS using BLISS User Manual](#)

BUT#106: [Define your own templates for Meeting Agenda, Minutes and Circular Resolution \(Updated Feature\)](#)

Tech 4 Company Sec

IP Address for Company Secretaries (IP Address 4 CS)

By Shankar Jagathanan



It is a lot different in the digital world; email id replaces the name, email domains your organizational affiliations, with a gmail.com or yahoo.com reflecting an individuals' personal email id. [Read more...](#)

Cimplyfive's Report on India Secretarial Practice 2019- A study of Nifty50 Companies



India Secretarial Practice 2019

A study of Nifty 50 companies



Cimplyfive released its report on India Secretarial Practice 2019.

[Read more...](#)

Editorial

On January 31, 2020 we released **India Secretarial Practice 2019** report. This is the fourth in our series of Secretarial Practice Reports that we started in 2015. A key finding in this report is the strong underwater currents of heightened activity that was found at the sub-committee level which lie beneath the still surface waters of board meetings, where the frequency has not changed. What does this reflect? The report contains more findings and inferences. You can access the report in our website by clicking this link www.cimplifyfive.com.

In the ninth article of our **Tech 4 Company Sec** series, we have covered **IP Address** (Internet Protocol Address), a technical concept that is good for a corporate professional to know in this digital age where email ids have replaced postal addresses for written communications. It's the anchor on which digital security rests.

Our other regular features –**What is Hot in Company Law, Gist of Changes in the Companies Act, 2013** and **Statutory Compliance Calendar** are also included in this Issue.

Please share your feedback on this newsletter with us at contact@cimplifyfive.com. We look forward to your feedback with interest and as ever, strive to improve the quality of everything we do.

Happy reading,
Shankar Jaganathan
Editor of iComply
February 5, 2020

OPINION:

What is Hot in Company Law?

Our free to use website www.ca2013.com has the unique distinction of providing an integrated view of the Companies Act, LODR and IB code. Proving its utility, it crossed **6 million page-views** in January and attracts over 3000 users accessing 6000 pages a day. Listing of the most viewed sections in the Companies Act, LODR and IB code for the month of January 2019 is based on visitors to our site.

Company Law Top 5 Chartbuster sections in January 2020

Rank Dec	Change in Rank	Rank Jan	Section reference	Section title
New	↑	1	62	Further issue of share capital
1	↓	2	188	Related party transactions
New	↑	3	203	Appointment of key managerial personnel
3	↓	4	186	Loan and investment by company
4	↓	5	139	Appointment of auditors

Section 62 and 203 are new entrants, replacing sections 179 and 135.

LODR Top 5 Chartbuster Regulations in January 2020

Rank Dec	Change in Rank	Rank Jan	Regulation reference	Regulation Title
1	↔	1	17	Board of directors
2	↔	2	30	Disclosure of events or information
New	↑	3	33	Financial results
5	↑	4	29	Prior intimations
New	↑	5	18	Audit committee

Regulation 33 and 18 are new entrants. They replace Regulation 23 and 34.

IB Code Top 5 Chartbusters in January 2020

Rank Dec	Change in Rank	Rank Jan	Section reference	Section Title
2	↑	1	59	Voluntary liquidation of corporate persons
3	↑	2	7	Initiation of corporate insolvency resolution process by financial creditor
New	↑	3	21	Committee of creditors
New	↑	4	29	Preparation of information memorandum
New	↑	5	14	Moratorium

Section 21, 29 and 14 are new entrants replacing sections 5, 8 and 9.

Tech 4 Company Sec**IP Address for Company Secretaries (IP Address 4 CS)**

By Shankar Jaganathan

It is a lot different in the digital world; while email id replaces the name, email domains represent your organizational affiliations; with a gmail.com or yahoo.com reflecting an individuals' personal email id. But what is the equivalent of the physical address in the digital world? Is it IP Address; IP standing for Internet Protocol.

The answer is both yes and no. Yes, as the network you are in is recognized by its IP Address in the digital world and the computer within the network is recognised by another unique number assigned by the network. This is not very different from the telephone numbers that are assigned to an organization or household, with the individuals in the organization or household having an "extension number". Just as large organizations have multiple phone numbers, here too, they can have multiple IP Addresses.

One major difference between the IP Address and the telephone-extension number analogy is in the fluid

¹ The 8-bit number set is the IPv4 (IP version 4). To accommodate the increasing number of devices, IPv6 with

state of the numbers assigned within the network which can change every time a user exits and re-enters the network. Further, there is no need for the user to remember their IP Address, as the computer and network devices are programmed to generate the required IP Addresses and remember it as well.

Given its unique and distinctive role, it is good to know how an IP Address is represented and how it works.

IP Address

To access the internet for your emails and other information that you seek, your computer first connects to a network and through it connects to other networks in the Internet. That network at home might be your telecom company which is your Internet Service Provider (ISP), or a corporate network for individuals working in medium to large companies or a public wireless network at an airport or a hotel or coffee shop when you're on the move.

To ensure seamless and smooth access to your email and data, your computer's networking software is programmed to follow a protocol, or an order / sequence in which data is transferred to the internet for swapping information back and forth, which is called the Internet Protocol. Each computer has its own IP Address that is represented by a string of numbers. Written as four number sets separated by period, in "dotted decimal" notation, each set in its binary equivalent, represented by an 8-bit number ranging from (0-255)¹.

Hence IP Addresses are number sets ranging from 0.0.0.0 to 255.255.255.255. However, certain numbers from this set are blocked for general use by The [Internet Engineering Task Force](#) (IETF) and the [Internet Assigned Numbers Authority](#) (IANA) as they are reserved for special purposes.

The relationship between website names and IP Address is interesting. Hosts on the [Internet](#) are usually known by names, e.g., www.cimplyfive.com, and not primarily by their IP address, which is used for routing and network interface identification. The use of domain names requires translating them, (called *resolving*) to IP addresses and vice versa. This is like looking up a phone number in a phone book using the recipient's name. The translation between

16 number sets is now being adopted and the transition from IPv4 to IPv6 is in underway.

addresses and domain names is performed by the [Domain Name System](#) (DNS).

For Company Secretaries

Company Secretaries deal with confidential information that they need to protect and hence when they use the internet, they need to ensure that their data is safe and secure. They can assure themselves by ensuring that the website with which they are sharing information is encrypting their data when it is transported across the internet. This can be assured when the website with which they share their data has a security certificate, which is displayed by the website using the acronym 'https', which stands for Hypertext Transfer Protocol **Secure**. For example, <https://cimplifyfive.com>. In contrast, where the website only uses <http://>, the data sent and received from them are not encrypted and therefore unsecure. Unencrypted transmission of data over internet is vulnerable as it can be "stolen" by hackers, just like a careless traveler's pocket is picked by a criminal. Pick pocket of the real world is called "Man in the Middle attack" in the digital world, and it is more dangerous in the digital world as the victim does not even know that they have been robbed as they receive their information compromised.

Given this, our advice to all Company Secretaries, please ensure that you transmit sensitive data only to websites having https security certification, otherwise your "pocket" is likely to be "picked". Further in designing BLISS and its variants, our secretarial automation software, we have provided a feature where the company secretaries can restrict the access to their secretarial record to any of the users by restricting its access to their office network by specifying a given IP Address or a set of IP Address thereby ensuring that their secretarial records cannot be accessed outside their office or the defined IP Addresses.

CimplifyFive's Report on India Secretarial Practice 2019- A study of Nifty50 Companies

The report, **India Secretarial Practice 2019** carries an in-depth analysis in nine areas of the secretarial practices of the companies constituting the NIFTY 50® Index of the National Stock Exchange based on the data reported by them in their Annual Reports. The top three key findings of the report are:

- **Strong Currents in Still Waters:** 80% increase in Audit Committee meetings over the previous year, despite the average number of board meetings remaining the same at eight meetings.
- **Value driving Costs:** Statutory Audit fees, Sitting fees to Non-executive Directors and Compensation paid to Company Secretaries show significant increase reflecting the challenging environment.
- **Comply or Explain method works:** Given time, 'Comply or explain' rule works as seen in CSR mandate where for the first time CSR spends were at 104% of the mandated spends in 2018-19. Could this method be used for introducing 'unpopular' governance systems like delinking the filial connection between the Chairperson and the Managing Director?

[Click here to download the full report](#)

Board Leaders Integrated Software Solutions



BLISSPLUS

BLISS is a Cloud hosted software that automates the routines, provides an e-repository, timely alerts and a real-time dashboard, all aimed at ensuring compliance and good corporate governance. By doing so, it provides complete peace of mind to the Board of Directors and assurance to professionals by providing them with real-time compliance status with respect to the Companies Act,2013

An advanced variant of BLISS with multiple premium features like Directors view, facility to store past Secretarial records, automated compliance tracker for size based compliance under the Companies Act,2013

BLISS LISTED

An advanced variant of BLISSPLUS for Listed Companies with Companies Act,2013 and SEBI's LODR 2015 compliances integrated to provide a single point compliance automation, risk manager & e-repository for secretarial records including past secretarial records.

BLISSGLOBAL

BLISSGLOBAL is a cloud hosted key document management solution with Action Tracker that provides master data capture of the entity, e-repository for document management, Automated Tracker for managing event based and calendar based activities.

BLISSDOCS

An Android/IOS based Board app for Directors which provides secure access to Board documents on Tablets/mobile phones, enhancing Directors productivity and making the Board meetings efficient & effective



CAIRR is a free to use website from CimplyFive that provides at your fingertips, an integrated view of the Companies Act, 2013, IB Code, 2015 and LODR, 2015. The site and app is updated daily at 10AM for changes in the Act & Regulations. For more details, please visit www.ca2013.com

Compliance Calendar

February 7th	TDS payment for January
February 15th	Pay PF contribution for January
	ESIC payment for January
	Submit quarterly financial results to the stock exchange along with Limited Review Report or Audit Report as applicable
February 20th	GST Payment for January - GSTR 3B
	Professional Tax payment
February 25th	PF Return for month of January

Gist of regulatory changes in Companies Act, 2013, SEBI (LODR), 2015, SEBI (PIT), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of January, 2020

- 01.01.2020**
[MCA Circular to extend the last date to March 31, 2020 to file Form BEN-2 on receiving declaration from Significant Beneficial Owners of the Company](#)
 MCA has further extended the time limit from December 31, 2019 to March 31, 2020 without payment of additional fees to file Form BEN-2 (A Return to be filed by the Company to the Registrar in respect of declaration received from Significant Beneficial Owners of the Company and the changes therein under section 90 of Companies Act, 2013).
- 03.01.2020**
[MCA notifies amendment on increase in paid-up share capital threshold for appointment of Company Secretary and insertion of a criteria for conducting Secretarial Audit by Companies](#)
 MCA has amended Rule 8A (Appointment of Company Secretaries in companies not covered under Rule 8) and Rule 9(Secretarial Audit Report) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, to notify the following changes respectively, which shall come into effect from the financial year starting 01/04/2020:
 - All Listed Companies and Unlisted Public and Private Companies with paid-up share capital of 10 Crores or more to appoint Company Secretaries,

- Every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more are required to undergo Secretarial Audit and annex Secretarial Audit report issued by a practising Company Secretary to the Boards Report as provided in Section 204 (1) of the Companies Act, 2013.

This is in addition to the existing criteria to undergo Secretarial Audit by public companies with paid-up share capital of fifty crore rupees or more or turnover of two hundred fifty crore rupees or more. For this purpose, the amendment provides that paid-up share capital, turnover, or outstanding loans or borrowings as the case may be, as on the last date of latest audited financial statement shall be considered to determine the applicability of this Rule.

- 06.01.2020**
[IBBI notifies revised procedure on realisation of security interest by a secured creditor and maintenance of Corporate Liquidation Account under Insolvency and Bankruptcy Board of India \(Liquidation Process\) Regulations, 2016](#)

Through this notification, IBBI has amended procedure to realise the security interest by the secured creditor, and timeline to pay the liquidator, in case of realisation of amount over and above his/her dues.

Further, other key provisions of this amendment include-

- Laying down of procedure and timeline for liquidator deposits unclaimed dividends, if any, and undistributed proceeds, if any, in a liquidation process along with any income earned thereon till the date of deposit into the Corporate Liquidation Account, as prescribed under Regulation 46, before submission of Final Report under Regulation 45.
- Liquidator shall also submit Form I, whose format is also notified, containing nature of the amount deposited into the Corporate Liquidation Account, evidence of deposit of the amount and names and last known addresses of the stakeholders entitled to receive the unclaimed dividends or undistributed proceeds.
- A corporate debtor may apply to the Board in Form J, in the said format, for an order for withdrawal of the amount from the Corporate Liquidation Account.

- Any amount remaining unclaimed /undistributed for a period of 15 years from the date of order of dissolution of the corporate debtor and any amount of income or interest received or earned in the Corporate Liquidation Account shall be transferred to the Consolidated Fund of India.

- **09.01.2020**

- [Circular on deposit of unclaimed dividends and /or undistributed proceeds of liquidation process as per Regulation 46\(1\) of the IBBI \(Liquidation Process\) Regulations 2016](#)

Proviso to Regulation 46(1) provides that IBBI shall open a 'separate bank account' with a scheduled bank until the Corporate Liquidation Account is operated as part of the Public Accounts of India and is available for deposit of unclaimed dividends and /or undistributed proceeds of liquidation process.

Through this Circular IBBI provides the details of the said 'separate bank account' and advises all the Liquidators to deposit any unclaimed dividends and /or undistributed proceeds of liquidation process in this account.

Further, once any deposit is made, Liquidators shall send a scanned signed copy of the particular of deposit in this account in Form I of Schedule II of this regulation to liq.cirp@ibbi.gov.in.

- [The Insolvency and Bankruptcy Board of India \(Salary, Allowances and other Terms and Conditions of Service of Chairperson and members\) Amendment Rules, 2020](#)

IBBI by this notification has amended the tenure of service of part-time members from a maximum of 3 years to a maximum of 5 years or 65 years of age whichever is earlier.

Further, the clause that restricted the term of office for a casual vacancy only till the remainder of the term of original appointee has been omitted.

- **10.01.2020**

- [The Securities and Exchange Board of India \(Listing Obligations and Disclosure Requirements\) \(Amendment\) Regulations, 2020](#)

SEBI (LODR) (Amendment) Regulations, 2018 modified Regulation 17 by including clause 1B which requires, from April 1, 2020, the top 500 listed entities to ensure "that the Chairperson of the Board of these

companies shall be a non-executive director and she/he shall not be related to the Managing Director or the Chief Executive Officer."

SEBI vide notification dated January 10, 2020 issued on January 13, 2020 has deferred this requirement by two years from April 1, 2020 to April 1, 2022.

Explanation – The top 500 entities shall be determined on the basis of market capitalisation, as at the end of the immediate previous financial year.

- **15.01.2020**

- [Insolvency and Bankruptcy Board of India \(Voluntary Liquidation Process\) \(Amendment\) Regulations, 2020](#)

IBBI by this amendment has introduced two new formats for Corporate Voluntary Liquidation Account:

- Form G- Statement of deposit of Unclaimed Dividends and/or Undistributed Proceeds
- Form H- Application for withdrawal from Corporate Voluntary Liquidation Account by stakeholders

- **17.01.2020**

- [Listed entities to submit to Stock Exchange a Statement indicating Deviation or Variation in the use of proceeds of issue of listed non-convertible debt securities or listed non-convertible redeemable preference shares \(NCRPs\) on half-yearly basis](#)

Through this circular, SEBI requires listed entities which have issued non-convertible debt securities or NCRPs, to submit a statement in the format prescribed in Annexure A of any deviation or variation in the usage of funds raised on a half yearly basis, within 45 days from the end of the half year till such time the funds raised are fully utilised or purpose for which they were raised are achieved. Further, this deviation report is required to be placed before the Audit Committee or the Board of Directors, as the case may be, for their comments, which is required to be incorporated in the deviation report before submitting it to the Stock Exchange.

This circular shall come into effect from the half year ending 31/03/2020.

- **20.01.2020**

[IBBI notifies the details of the Scheduled Bank account for liquidators to deposit any unclaimed dividend and / or undistributed proceeds of voluntary liquidation process under Insolvency and Bankruptcy Board of India \(Voluntary Liquidation Process\) Regulations, 2017](#)

In line with the proviso to Regulation 39(1) of Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, IBBI has opened a separate bank account, details of which are furnished in the said circular. Liquidators, therefore, are required to deposit unclaimed dividends, if any, and undistributed proceeds, if any, in a voluntary liquidation process into the said account, till such time the Corporate Voluntary Liquidation Account is operated as part of the Public Accounts of India under Regulations 39(1).

Further, the liquidator shall also e-mail the scanned signed copy of the said Form-G of the Schedule I to the Regulations, containing particulars of the amount deposited into the said account, to liqvol@ibbi.gov.in

- **21.01.2020**

[MCA notifies National Company Law Tribunal \(Recruitment, Salary and other Terms and Conditions of Service of Officers and other Employees\) Rules, 2020 and National Company Law Appellate Tribunal \(Recruitment, Salary and other Terms and Conditions of Service of Officers and other Employees\) Rules, 2020](#)

Through this notification, 2 new rules are introduced by MCA, namely, National Company Law Tribunal (Recruitment, Salary and other Terms and Conditions of Service of Officers and other Employees) Rules, 2020 and National Company Law Appellate Tribunal (Recruitment, Salary and other Terms and Conditions of Service of Officers and other Employees) Rules, 2020, which lays down the manner in which officers and employees of the Tribunal/ Appellate tribunal, as the case may be, shall be recruited, appointed, remunerated etc. The said Rules and its associated Schedules are integrated in our free-to-use website ca2013.com for your easy reference.

- **22.01.2020**

➤ **[SEBI notifies revised penalty rates and Standard Operating Procedure \(SOP\) for suspension and revocation of trading of specified securities for non-compliance by listed entities under SEBI](#)**

[\(Listing Obligations and Disclosure Requirements\) Regulations, 2015](#)

Pursuant to the amendments to Listing Regulations and to further streamline the Standard Operating Procedure for dealing with non-compliances, SEBI has notified revised Penalty amounts for non-compliance with specified provisions of LODR. The circular has also laid down the SOP for the stock exchanges to adhere to in moving a scrip of non-compliant listed entity to Z category/suspension of trading/ revocation of suspension and also the criteria and time-frame for each such action.

➤ **[Revised Guidelines for Technical Standards for the Performance of core services and other services under the Insolvency and Bankruptcy Board of India \(Information Utilities\) Regulations, 2017](#)**

IBBI has notified revised guidelines under Regulation 13(1) for technical standards to be adhered to in performing core services by the Information Utility service provider. The details of amendments made to the aforesaid regulation are integrated in our free-to-use website ca2013.com for your ready reference.

- **24.01.2020**

[Ministry of Corporate Affairs notifies Companies \(Winding Up\) Rules, 2020](#)

MCA vide its notification dated January 24, 2020 has notified Companies (Winding Up) Rules, 2020 which covers all modes of winding up and shall come into effect from April 1, 2020.

The notified rules lay down the framework to be followed by Companies and Regulatory Authorities. The notification has been integrated in our free to use website ca2013.com for your easy reference.

- **27.01.2020**

[BSE informs all listed Companies to update information through a separate Management Details section under BSE Listing Centre in addition to Corporate Announcements](#)

BSE vide its circular dated January 27, 2020 has directed that Information regarding Statutory Auditor and Secretarial Auditor is to be mandatorily updated in the Management Details section under BSE Listing Centre as a one-time exercise.

Further, all listed companies are requested to do initial verification of Key Managerial Personnel and Registrar & Share Transfer Agent as displayed in the 'Corp Information' section of BSE website.

Henceforth any changes in the above-mentioned items should be updated in Management Details section in addition to Corporate Announcements.

- **28.01.2020**

- [IBBI Circular on Transfer of Membership from one Registered Valuer Organisation \(RVO\) to another](#)

With a view to remove operational difficulties highlighted in the various meetings held with MD/CEOs of RVOs, IBBI vide its circular dated January 28, 2020 has put in place a framework for smooth, cost effective and time bound transfer of membership of registered valuers from one RVO to another.

- **30.01.2020**

- [Extension of due date to March 31, 2020 for filing AOC- 4 \(Ind AS\) and AOC-4 CFS \(Ind AS\) by NBFCs for FY 2018-19](#)

MCA has extended the due date to March 31, 2020 for filing forms AOC-4 (Ind AS) and AOC-4 CFS (Ind AS) for the financial year 2018-19 by eligible NBFCs as referred to in Companies (Indian Accounting Standards (Ind AS)) Rules, 2015, without any additional fee. These forms are likely to be available in the MCA website on 31/01/2020 and 17/02/2020 respectively.

- [MCA mandates Eligible NBFCs to file financial statements in the e-Forms notified vide its notification dated 30/01/2020](#)

Through this notification, new clause (1A) has been inserted in Rule 12 of Companies (Accounts) Rules, 2014, requiring eligible NBFCs that are required to comply with Indian Accounting Standards (Ind AS) as referred to in Companies (Indian Accounting Standards (Ind AS)) Rules, 2015, to file financial statements in the e-Forms AOC-4 NBFC (Ind AS) and the consolidated financial statement, if any, with Form AOC-4 CFS NBFC (Ind AS).

- [Applicability of provision with respect to Condonation of Delay under Companies Act, 2013 to LLPs](#)

Through this MCA notification, Central Government has notified the applicability of provisions relating to Condonation of Delay under Section 460 of the Companies Act, 2013 to Limited Liability Partnerships with effect from 30/01/2020.

- [Central Government notifies the manner of dealing with Third Party Assets by the Administrator appointed under Insolvency and Bankruptcy \(Insolvency and Liquidation Proceedings of Financial Service Providers and](#)

- [Application to Adjudicating Authority\) Rules, 2019](#)

Central Government, vide its notification dated 30/01/2020, lays down the procedure for dealing with Third Party Assets, in the nature of receivables or assets, by the Administrator appointed under Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019. The notification also confers rights upon Administrator to retain or dispose such Third Party Assets under certain conditions.

- **31.01.2020**

- [Extension of due date to 31/03/2020 for filing of Financial Statements for the FY 2018-19 for companies falling under UT of J&K and Ladakh jurisdiction](#)

MCA, vide its circular dated 31/01/2020, has extended the due date 31/03/2020 from its earlier deadline of 31/01/2020 for filing of e-Forms AOC-4, AOC-4(CFS), AOC-4(XBRL), and MGT-7 by the companies falling under the jurisdiction of Union Territory of Jammu and Kashmir and Ladakh, has been extended to without any levy of additional fee.

- [Central Government notifies National Company Law Tribunal \(NCLT\) Bench for the state of Madhya Pradesh](#)

Through this MCA notification dated 31/01/2020, Central Government notifies Ahmedabad Bench of NCLT to have jurisdiction over the state of Madhya Pradesh till such time Indore Bench of NCLT becomes operational.

About CimplyFive

Vision

Leverage research and technology to eliminate procedural non-compliance risk for entities regulated by the 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



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