



## Editorial

The traditionally busy month October is also the month where compliant professionals feel let down for having adhered to the compliance timelines. [Read more...](#)

## OPINION:

### What is Hot in Company Law?



As many of you may be aware, we provide a free to use website that provides 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 has been captured for your ready reference. [View the list...](#)

## Gist of Regulatory Changes in Companies Act, 2013, SEBI (LODR), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of October, 2019



Seventeen Regulatory changes in Companies Act, 2013, SEBI (LODR), 2015 and Insolvency & Bankruptcy Code, 2016 were made in the month of October. [View the list...](#)

## Tech 4 Company Sec

### Form Fillers for Company Secretaries (FF 4 CS)

By Shankar Jaganathan



Bookkeeping transformed into Accounting in the 15<sup>th</sup> century when it evolved from Single-Entry Bookkeeping into Double Entry Accounting System. [Read more...](#)

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

**BUT#90:** [BLISS tracks and prompts the Serial Numbers for all meetings](#)

**BUT#91:** [Give page numbers to the Minutes of your Meeting using BLISS](#)

**BUT#92:** [Easy access to Board Docket & Board Presentations for Directors](#)

**BUT#93:** [Create and track Customised Actions for a better Delegation within the team](#)

**BUT#94:** [BLISS triggers Registers & Returns to be updated based on the Agenda Items](#)

## Editorial

The traditionally busy month October is also the month where compliant professionals feel let down for having adhered to the compliance timelines. Each year on request from their professional body, the due dates for filing get extended without any additional fee imposed on the errant company, thereby diluting the value that compliant companies who follow the law.

What was once an exception, has now become the norm, not just for the Company Secretaries but also for Chartered Accountants. Professionals need to introspect if extension of timelines without any additional fee or penalty is beneficial for them. The regulators too need to contemplate if their action of extending timelines without even a token penal payment promotes a compliant India or enhances the ease of doing business.

In the sixth article of the series **Tech 4 Company Sec**, we have covered the Form Fillers Software, a basic feature of automation that has vast and significant application in the Corporate Secretarial world, especially in India. While the concept is quite basic, extending its application both in terms of depth and breadth can make substantial difference to the world of company secretaries.

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](mailto: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  
November 5, 2019

## OPINION:

### What is Hot in Company Law?

We provide a free-to-use website that gives an integrated view of the Companies Act, LODR and IB code. This site has 3500+ individuals registering for updates and attracts around 3000 users viewing more than 6000 pages every working day. As professionals take a break during the weekend, the website viewership is also lower; more pronounced on Sundays, than on Saturdays.

Listing of the most viewed sections in various statutes in the month of October 2019 in [www.ca2013.com](http://www.ca2013.com).

#### Company Law Top 5 Chartbuster in October 19

| Rank Sept | Change in Rank | Rank October | Section reference | Section title                               |
|-----------|----------------|--------------|-------------------|---|
| 1         | ↔              | 1            | 139               | Appointment of auditors                     |
| -         | ↑              | 2            | 134               | Financials statements, board report's, etc. |
| 3         | ↔              | 3            | 188               | Related party transactions                  |
| -         | ↑              | 4            | 186               | Loans and investments by companies          |
| -         | ↑              | 5            | 185               | Loans to directors, etc.                    |

Section 139 and 188 retained their 1<sup>st</sup> and 3<sup>rd</sup> spot. The other three sections are new entrants.

#### LODR Top 5 Chartbuster in October 19

| Rank Sept | Change in Rank | Rank October | Regulation reference | Regulation Title  |
|-----------|----------------|--------------|----------------------|---|
| 1         | ↔              | 1            | 30                   | Disclosure of events or information                     |
| 2         | ↔              | 2            | 33                   | Financial results                                       |
| -         | ↑              | 3            | 40                   | Transfer or transmission or transposition of securities |
| 3         | ↓              | 4            | 17                   | Board of directors                                      |
| -         | ↑              | 5            | 44                   | Meetings of shareholders and voting                     |

Regulation 30 and 33 retained their top 2 ranks in October. Regulation 17 slipped one position to 4<sup>th</sup>. The other two Regulations-40 and 44 are new entrants.

**IB Code Top 5 Chartbusters in October 2019**

| Rank Sept | Change in Rank | Rank October | Section reference | Section Title  |
|-----------|----------------|--------------|-------------------|--|
| 1         | ↔              | 1            | 5                 | Definitions  |
| -         | ↑              | 2            | 12                | Time limit for completion of insolvency resolution process       |
| -         | ↑              | 3            | 59                | Voluntary liquidation process of corporate persons               |
| -         | ↑              | 4            | 21                | Committee of creditors   |
| -         | ↑              | 5            | 23                | Resolution professional to conduct insolvency resolution process |

Regulation 5 has held the top spot this month too. All the other four are new entrants.

**Tech 4 Company Sec****Form Fillers for Company Secretaries (FF 4 CS)**

By Shankar Jaganathan

Bookkeeping transformed into Accounting in the 15<sup>th</sup> century when it evolved from Single-Entry Bookkeeping into Double Entry Accounting System. Businessmen and managers benefited from it by being able to measure profits and understand how decision making altered their business performance.

Corporate Secretarial practice, likewise, has the potential to evolve into Corporate Governance practice when it moves from Multiple Entry Based System to a Single-Entry Based System. This shift will free up CSs' time and bandwidth by eliminating clerical work and enabling value-addition that Company Secretaries can provide to their board and the top management team.

Intelligent use of Form Filler software or Form Fillers has the intrinsic ability to make this

transformation a reality, thereby transforming corporate secretarial practice into corporate governance practice.

**Form Fillers**

Form fillers are the most basic automation feature that we see in the digital world today. Data such as user's name, their user id, address, email id and phone numbers entered in one place, which are required to be used multiple times and on multiple occasions gets auto filled at the appropriate fields by most browsers like Google chrome that we use. For more confidential or personal data like passwords, bank account and credit card details, the same form filler is used with more precautions like the user explicitly giving their consent for its use or initiating the autofill each time by an explicit keystroke or action.

In short, the functionality of Form Fillers is to transfer data from the place where they are stored to place where they are needed, by understanding from the context of use to pick up the specific data required for that instance. Like the option to use personal address or office address in sending mails based on the content and recipient, or mobile number or landline phone number for submitting data to a website or form. The more context specific the data, the higher is the intelligence required in the form filler to pick it from a larger database of similar information.

**Form Fillers for Company Secretaries**

Companies in the absence of physical form exist only by the virtue of their corporate records. Company Secretaries, as the legally designated custodians are required to create, preserve and provide these records where required. Authenticity, Accuracy and Availability of corporate records, the triple A's of the corporate secretarial world forms the basis of good corporate governance which Company Secretaries are expected to ensure.

Form fillers are a constant feature in the world of corporate secretaries. At its most basic level, the benefits of form fillers are seen in most MCA forms. Where on entering the CIN of a company, a few generic data points pertaining to the company like the name of the company, registered office address, ROC details, and the nature of the company-public or private company get auto filled. This is where at a basic level, the use of form fillers can liberate the Company Secretary from drudgery and mundane work.

At the next level, form fillers can leverage data created in daily routines of a company secretary like agenda preparation for generating draft minutes and filling up the statutory registers and returns required to be filed with the MCA. A concrete example of it is where data entered in **BLISS**, CimplyFive's Corporate Secretarial Automation software for creating the resolution for appointment of additional director, uses the data entered once in agenda proposing their name as director in multiple places like prefilling the Register of Directors & KMP and the return DIR-12, which is required to be filed on Appointment of Directors. This not only reduces the workload but also ensures consistence in the spellings and other details captured, thereby eliminating the possibility of inadvertent clerical errors.

Form fillers taken further can be used to fill more than 600 data points captured from the secretarial activity undertaken each year to fill up the Annual Return -MGT-7. Since the Annual return is required to be filed every year by every company incorporated in India, the MGT-7 can be automated by using the form filler for using 600 plus data points captured when the routine secretarial activity is undertaken and thereby eliminating the tedious data entry required currently.

Further prefill can be/ are used in other places like generating a draft agenda for the board and shareholder meetings based on what is the

minimum required to be transacted by law. A listed company for instance is required to table more than 20 resolutions in their quarterly board meeting, which can be automated.

The day is not far off when, the Company Secretary by using an automated software will be able to generate all their reports and forms at the click of a mouse or keyboard thereby completely eliminating clerical work and instead engage themselves in providing value-added consultation for the board and top management team.

## Board Leaders Integrated Software Solutions



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

### BLISSPLUS

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 for Global Corporate Secretarial teams which helps in handling compliances for companies incorporated across the world by providing Risk Management DashBoard, activity tracker and e-repository of secretarial records.

### 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](http://www.ca2013.com)

## Compliance Calendar

|                                 |  |
|---------------------------------|--|
| <b>November 7<sup>th</sup></b>  | TDS payment for October  |
| <b>November 15<sup>th</sup></b> | Pay PF contribution for October  |
|                                 | ESIC payment for October   |
|                                 | Listed Companies shall submit quarterly financial results to the stock exchange along with Limited Review Report or Audit Report as applicable |
| <b>November 20<sup>th</sup></b> | GST Payment for October - GSTR 3B  |
|                                 | Professional Tax payment   |
| <b>November 25<sup>th</sup></b> | PF Return for month of October   |
| <b>November 30<sup>st</sup></b> | GST Annual Return<br>GSTR-9 (2017-2018)  |
|                                 | Annual return by taxpayers opted for the Composition Scheme under GST for a particular financial year<br>GSTR-9A (2017-2018)                   |
|                                 | Reconciliation Statement & Certification<br>GSTR-9C (2017-2018)  |

## Gist of regulatory changes in Companies Act, 2013, SEBI (LODR), 2015, SEBI (PIT), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of October, 2019

- **11.10.2019**
  - [MCA clarifies eligibility criteria with respect to CSR contribution made towards Incubators, Public- funded universities, IITs and National Laboratories and Autonomous Bodies.](#)

Through this amendment to Schedule VII of the Companies Act 2013, CSR contribution made to Public- funded universities, IITs and National Laboratories and Autonomous Bodies, established under specified national organizations with the aim to promote Sustainable Development Goals, in addition to Incubators run by Academic Institutions, will be treated as eligible CSR contribution under Section 135 of the Companies Act, 2013.

- [MCA regularises the discrepancy in Rule 11 of Companies \(Meetings of Board and its Powers\)](#)

## [Rules, 2014 pertaining to loans and investment by Company.](#)

To synchronize Rule 11 of Companies (Meetings of Board and its Powers) Rules, 2014 with Clause 11(a) of Section 186 of the Companies Act, 2013, which lists out the situations where provisions of Section 186 are not applicable, the words "business of financing industrial enterprises" shall be substituted in place of "business of financing of companies."

- **14.10.2019**

## [ADMINISTRATIVE: MCA Notification on Delegation of powers to recruit officers and other employers to the President and Chairperson of the Tribunal/Appellate Tribunal.](#)

Through this notification, powers to employ staff in Tribunal and the Appellate Tribunal under Section 418 of the Companies Act, 2013, which currently vests with the Central Government, is now delegated to the President and Chairperson of the Tribunal/Appellate Tribunal, as the case may be. Further, such power has to be exercised subject to recruitment rules as approved and notified by the Central Government with respect to various posts.

- **15.10.2019**

## [The Companies \(cost records and audit\) Amendment Rules, 2019 w.e.f., 1/04/2018](#)

MCA has amended the e-Forms CRA-1 and CRA-3 to make it more comprehensive.

The amended rules shall not apply to the companies who have already filed their Cost Audit Report in form CRA-4 for the financial year 2018-19 with the Central Government before the publication of this notification.

- **18.10.2019**

## [Resignation of statutory auditors from listed entities and their material subsidiaries](#)

Through this Circular, SEBI prescribes the action required by the statutory auditor in the event of their resignation.

i. Where the Auditor resigns within 45 days from the end of a quarter, the auditor shall, before resigning issue the limited review/ audit report for such quarter.

ii. Where the Auditor resigns after 45 days from the end of a quarter, then the auditor shall, before such resignation issue the limited review/ audit report for such quarter as well as the next quarter.

iii. Where the auditor has signed the limited review/ audit report for the first three quarters of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for the last quarter of such financial year as well as the audit report for that financial year.

iv. In the event the auditor has not received information from management, the audit shall report Disclaimer in Audit Report as required by the Standards of Auditing.

The Board has also prescribed a format for the information to be obtained from the statutory auditor on their resignation.

- **22.10.2019**

- [MCA notifies India Institute of Corporate Affairs \(IICA\) to maintain the data bank for the Independent Directors](#)

The Central Government has notified the IICA at Manesar (Haryana) to be an institute for creation and maintenance of data bank containing the names, address and qualifications of the persons eligible to be the Independent Directors.

- [The Companies \(Creation and Maintenance of Databank of Independent Directors\) Rules, 2019](#)

i. MCA notifies that the institute shall create and maintain an online databank of individuals eligible to be the Independent Directors, which shall be placed on the website of the Institute.

ii. The Institute shall be assigned the responsibility to conduct self-assessment tests and preparation of the study material.

iii. A panel of ten members nominated by the Central Government shall approve the outline for study material and courses prepared by the institute.

- [The Companies \(Accounts\) Amendment Rules, 2019](#)

MCA requires the Board Report to include a statement of Board's opinion with respect to the integrity, expertise and experience (including proficiency, assessed through the online assessment test

conducted by the Institute u/s 150 of the Act) of the Independent Directors, who were appointed during the year.

- [The Companies \(Appointment and Qualification of Directors\) Fifth Amendment Rules, 2019](#)

Rule 6 of the said Rules is substituted, which provides guidelines to be complied with by any person who is appointed/intends to get appointed as an Independent Director on or after 1st December 2019. The rule indicates the timelines within which the eligible candidates must get their names included in the data bank maintained by the Institute, proof of compliance, which shall be submitted to the Board of Directors u/s 149(7). Once the names are included, within a period of one year from such inclusion, the said persons should obtain a minimum of 60% in the online proficiency test conducted by the institute. Directors/KMPs who have served Boards for over 10 years are excluded from taking this test.

- **24.10.2019**

- [Extension of deadline for filing of form CRA-4](#)

MCA has extended the deadline for filing of Form CRA-4 (Form for filing Cost Audit Report with the Central Government), for all the eligible companies that are required to submit the cost audit report for the FY 2018-19, through the said Form using the revised Costing Taxonomy 2019 which is under deployment, without any additional fee, to 31/12/2019.

- **25.10.2019**

- [Extension of deadlines for filing of forms IEPF-1A and IEPF-2](#)

MCA has extended the deadline for filing forms IEPF-1A (Statement of Amounts credited to Investor Education and Protection Fund Pursuant to Rule 5(4A) of IEPFA (Accounting, Audit, Transfer and Refund) Rules, 2016) and IEPF-2 (Statement of unclaimed and unpaid amounts), without any additional fee, to 31/12/2019 and 30/11/2019 respectively.

- [IBBI notification on the requirement to submit Compliance Certificate by Insolvency Professional Entities to the Board under Insolvency and Bankruptcy Board of India \(Insolvency Professionals\) Regulations, 2016](#)

Clause (cb) is inserted in the Regulation 13(2), dealing with conditions pre-requisite to recognition of the Insolvency Professional Entity (IPE) under the said regulations. As per the new clause, recognised IPEs as on 31/03/2019 shall submit compliance certificate for FY 2018-19 in Form H (whose format is also introduced in Schedule II of the said regulations) by 31/12/2019. From FY 2019-20 onwards, Form H for the preceding FY has to be submitted by October 15th of every year.

Further, following forms in Schedule II of the said regulation have been substituted.

(i) Form A – Application for registration as an insolvency professional

(ii) Form C-- Application for recognition as an insolvency professional entity

(iii) Form F - Information of cessation/joining of a Director / Partner in an insolvency professional entity

- **29.10.2019**

**[Extension of deadline for filing of form MGT-7 \(Annual Return\) and AOC-4 \(Financial Statement\)](#)**

MCA has extended the deadlines of Annual filings for the FY ended 31/03/2019 without any additional fee i.e., Form MGT-7 up to 31/12/2019 and Forms AOC-4, AOC (CFS) and AOC-4 XBRL up to 30/11/2019.

- **31.10.2019**

**Consequent to the declaration of Jammu and Kashmir and Ladakh as Union Territories of India, MCA notifies Registrar of Companies, Regional Director and Adjudication Officer for Union Territories Jammu and Kashmir and Ladakh under the Companies Act, 2013.**

- Registrar of companies shall have jurisdiction in respect of Union territories of Jammu and Kashmir, and Ladakh for the purpose of registration of companies and discharging the functions under the Act. [\(Read more...\)](#)
- Regional Director, North Region Directorate, Headquarter at New Delhi, shall discharge the functions conferred upon them by the Companies Act, 2013 or delegated to them by the Central Government under that Act for the Jammu and Kashmir jurisdiction, in addition to States of Haryana, Punjab, Himachal Pradesh, Uttar Pradesh, Uttarakhand and Union territory of

Chandigarh, and National Capital territory of Delhi. [\(Read more...\)](#)

- Registrar of Companies-cum-Official Liquidator, Jammu, shall act as the Adjudication Officer for Union Territories of Jammu and Kashmir, and Ladakh for the purposes of the Companies Act, 2013. [\(Read more...\)](#)

- **[Listed Banks to disclose divergences in the asset classification and provisioning beyond specified threshold to Stock Exchanges within 24 hours under Regulation 30 of SEBI\(LODR\), 2015](#)**

Disclosures in respect of divergence in provisioning beyond specified threshold, as mandated by the RBI, being in the nature of material events / information and price sensitive, shall be made to the Stock Exchanges within 24 hours upon the receipt of Reserve Bank's Final Risk Assessment Report (RAR). This substitutes the earlier provision where disclosure was to be made immediately upon the receipt of published annual financial statements.

Disclosures, for which format is also specified in the circular, are to be made in either or both of the following cases:

- a. the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and
- b. the additional gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

## 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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