iComply

Editorial

Welcome to the inaugural issue of **iComply** the monthly newsletter from CimplyFive Corporate Secretarial Services. For more details…

Budget Cimplyfied!

Insights for Capital Markets

Regulatory environment set for major changes, while simplification & stability for tax laws mooted. Details…

Feb 2015 Regulatory Changes

Seven regulatory changes in the Companies Act, 2013 Check the list…

Test the beta version of our product BLISS

(Board Leaders Integrated Software Solution)

Photo Corner



Interview with Shankar Jaganathan, Founder & Chief Executive, CimplyFive

What is CimplyFive's mission?

The name Cimplyfive captures our mission. We want be a part of the ecosystem that simplifies compliance. I believe that every business that desires to be compliant should be assisted in realizing their desire. This is the sole mission of Cimplyfive. For more…

Checkout our survey report 'Is Comprehensive Compliance Good Business'?

"Cimplyfive would help in compliance and simplify the processes towards achieving 100 % compliance. CimplyFive is backed by the founders who not only have passion, knowledge, experience and expertise in the field of control, governance and compliance but also look at these areas as the core foundation of any enterprise. I am sure BLISS will be a real bliss!!"
S Sriraman, Director Bee-Hive Pvt Ltd

The New Oriental Life Insurance Company was the first company to be registered under the Indian Joint Stock Companies Act, 1850. Source: A Comprehensive History of Business in India, from 3000 B.C-2000 A.D, Agarwala, P N, Tata McGraw Hill, 2002

Editorial

Welcome to the inaugural issue of **iComply** the monthly newsletter from CimplyFive Corporate Secretarial Services. We intend to keep you abreast of major developments in the domain of the Companies Act 2013. This being the inaugural issue, our focus is more on CimplyFive the company and our product BLISS (Board Leaders Integrated Software Solutions). For those of you who have missed it we have some pictures from our beta product launch event of BLISS on 14th February 2015. The gist of regulatory changes announced by the Ministry of Corporate Affairs pertaining to the Companies Act 2013 is captured for your ready reference.

We are eager to know what you think of **iComply**. Please do share your thoughts with me at cicil@cimplyfive.com

Happy reading,

Cicil Joseph
Editor
10th March, 2015.

Budget Cimplyfied!

Union Budget 2015: Insights for Capital Markets

Regulatory environment is set for major changes. Prominent among them are:

- New Comprehensive Bankruptcy Code proposed. Intended to spur entrepreneurship and investments as the shortcomings in both SICA (Sick Industrial Companies Act) and BIFR (Board for Industrial and Financial Reconstruction) is expected to be rectified.
- SARFAESI (Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest) Act extended to large NBFCs. This should make lending easier as the lenders control over security pledged.
- FMC (Forward Markets Commission) to merge with SEBI for better control over derivatives as commodities and securities markets under a single regulator.
- Indian Financial Code to streamline different regulations in the financial sector is proposed. Intended to provide a fillip to India as global financial center.

Tax laws simplification and stability intended through:

- Reduction in Corporate tax rates to be nullified by eliminating tax exemptions. 5% reduction in corporate tax rates not to impact the current effective tax rate of 23%.
- GAAR (General Anti-Avoidance Rule) deferred by two years to March 2017. Comfort given to FIIs could contribute to larger investment flows into India.
- GST (Goods and Services Tax) implementation by April 1, 2016 to promote greater trade in India.
- Distinction between FPI and FDI will be done away with. Fungibility in FDI & FPI will benefit private sector banks.
- Foreign investments in Alternate Investment Funds to be allowed. This could increase flows into asset categories outside the stock exchanges. Private equity, venture capital, infrastructure and real estate to be among the biggest beneficiaries.

Shriram Subramanian

"Compliance is a high priority item for most promoters. BLISS uses technology to provide a simplified solution to ROC compliance. I liked the colour-coded dashboard that provides a bird's eye view to the board. I invested in CimplyFive because I was convinced of this business need, and the strong promoter team."
Anil Rego, Founder & CEO, Right Horizons

Gist of regulatory changes introduced in the Companies Act 2013 in February 2015

03/03/2015- General circular 03/2015: Clarification in relation to filing of Form DIR-11& DIR-12 under the CA 2013

In the absence of authorised signatories, even after resignation as a director, the resigned director is permitted to sign DIR-12 (Particulars of appointment of directors and the key managerial personnel and the changes among them) to facilitate compliance.

24/02/2015- The Companies (Declaration and Payment of Dividend) Amendment Rules, 2015

Inserts a footnote missed out in the original circular G.S.R 397€ dated 12th June, 2014

24/02/2015 –The Companies (Registration Offices And Fees) Amendment Rules, 2015

Changes made:
(a)In rule 10, after sub-rule (6), the following sub-rule shall be inserted, namely:-

"7. *Any further information or documents called for, in respect of application or e-form or document, filed electronically with the Ministry of Corporate Affairs shall be furnished in Form No. GNL-4 as an addendum*"

(b) In the Annexure, after Form No. GNL-3, the following Form shall be inserted, namely:-Form No.GNL-4

16/02/2015- The Companies (Indian Accounting Standards) Rules, 2015

Indian Accounting Standard (Ind AS) mandated for companies whose securities are listed in stock exchange and net worth in excess of Rs.500 crores. With effect from FY 2016-17

13/02/2015 -The Companies (Removal of difficulties) Order, 2015

Companies (Removal of Difficulties) Order, 2015 has been released by MCA dated February 13, 2015 to remove the anomaly in definition of small company - Section 2(85) and allow banking company or an insurance company or a housing finance company to acquire securities in its ordinary course of business- Section 186(11)(b)

Section 2(85) definition of a small company modified. Small company needs to satisfy all the following criteria:

1. Other than a public company,
2. Paid up capital does not exceed fifty lakh rupees (or higher amount prescribed),
3. Turnover does not exceed two crore rupees (or higher amount prescribed)
4. Not a holding or subsidiary company of any company (including a private of public company)
5. Not a company registered under Section 8 of this Act
6. Not a company or body corporate governed by any special Act.

Section-186 amended to exclude acquisitions made by a banking company or an insurance company or a housing finance company, making acquisition of securities in the ordinary course of its business from the provisions of Section-186 (1) related to making investments through more than two layers of investment companies.

13/02/2015- General circular 02/2015: Extension of time for filing of Notice of appointment of the Cost Auditor in Form CRA-2

The last date of filing of Form CRA-2 for appointment of Cost Auditor without any penalty/late fee is extended upto 31st March, 2015.

03/02/2015- General circular 01/2015: Constitution of a high level committee for the progress of CSR policies by companies under Section 135

High Level Committee constituted to:

1. Recommend suitable methodologies for monitoring compliance of the provisions of CSR by the Companies.
2. Suggest measures to be recommended by the Government for adoption by the companies for systematic monitoring and evaluation of their own CSR initiatives.
3. Make suitable recommendations, if a different monitoring mechanism is warranted for Government Companies undertaking CSR.
4. Identify strategies for monitoring and evaluation of CSR initiatives through expert agencies.

Interview with Shankar Jaganathan, Founder and Chief Executive, CimplyFive

1. **At a stage when people contemplate retirement why have you decided to begin a new journey? What is the trigger for CimplyFive?**
   Over the last ten years after I moved out of Wipro, I have been exposed to a wide range of companies—from big to small, promoted by professionals to investor led. One aspect that came through despite this diversity is their desire of every company to be compliant with law. Especially in the early days of a company, every investor and management that I came across was very articulate on their desire to be compliant. However practice tells a different story. I soon realized that one of the primary triggers for non-compliance is the time and effort it takes to be compliant.



This leads me to believe that if tools to promote compliance are available at affordable cost, every promoter and management will comply and compliant businesses will create a resilient economy in a happy society, as the negative vibes of fines and penalties disappear.

2. **What is CimplyFive's mission?**
   The name Cimplyfive captures our mission. We want be a part of the ecosystem that simplifies compliance. I believe that every business that desires to be compliant should be assisted in realizing their desire. This is the sole mission of Cimplyfive.

3. **What is your idea of good corporate governance?**
   Governance is not only one of the most used words, but it also means many things to many people. For me governance is found in all relationships where decisions are made by one and the price for the decision is paid by another. Hence it is found in all institutions of representative democracy in which a few individuals represent the interest of the larger mass. The relationship between shareholders

and their directors is a good example. When the directors act in the interest of their shareholders, we see good governance.

Good governance has three components—intent, action and communication. Intent is visible in the character and qualification of directors, action in related party transactions and transparency showcases communication.

4. **Could you tell us more about your flagship product- BLISS?**
Our first product, BLISS an acronym for Board Leaders Integrated Software Solution, is designed to eliminate procedural non-compliance with the Companies Act, 2013. The complexity of the Companies Act with 470 sections, 20 detailed rules running into pages, and a plethora of registers and returns to be filed is a fertile ground for us to use technology to ease the process of compliance.

   We believe companies using our product will provide BLISS to their shareholders, directors and company secretaries. We want to measure the success of our product by the number of people to whom we deliver BLISS.

5. **Company Secretaries and Chartered Accountants are experts in their field. How will BLISS serve them?**
I am aware of the saying 'don't carry coal to Newcastle' and do not intend to do it. To experts like Company Secretaries and Chartered Accountants, BLISS will relieve them of their repetitive and energy sapping routine and thereby free up their time for more enriching work.

6. **From corporate treasurer in Wipro to an author and now an entrepreneur, how has the new journey of entrepreneurship been so far?**
Right through I have pursued my passion. I like being engaged 24 by 7. As a Corporate Treasurer I regularly worked 10-12 hours daily. While writing my two books, I went to bed thinking of my book, dreamt of it and woke up refreshed for another day of exploration. In my new role as entrepreneur, in addition to being engaged every minute, I am experiencing an emotional roller coaster ride. The movement from the highs of ecstasy to despair is swift and unpredictable. I am enjoying all my experiences.

Photo Corner:










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(Board Leaders Integrated Softw
360° View
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CimplyFive

Is Comprehensive Compliance Good Business?
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