iComply

Editorial

Dear Reader,

A Very Happy New Year.

Have I got my dates wrong? No I think not, for in the Indian Corporate Secretarial world, Financial Year 2015-16 ended on November 29th and November 30th is the beginning of the a new financial year.

Read more…

CimplyFive2.0



December 3, 2016 marked a milestone in CimplyFive's life, as we moved from Stage-1 of developing **BLISS**

Read more…

Compliance calendar

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



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

Three Regulatory changes in Companies Act, 2013 in the month of November.
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Cimplyfive in News

1. Business Standard, November 14, 2016
2. Times of India, November 15, 2016
   Read more…..

Defining Maturity Standards for Secretarial Records under the Companies Act, 2013



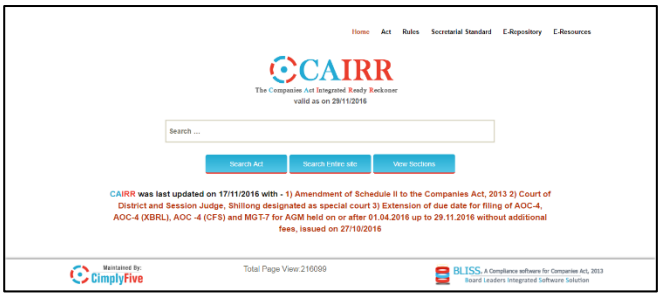
For a legal entity like Company that does not have physical presence secretarial records are the only evidence for their action. Considering its importance, there are extensive provisions made in the Companies Act, Rules and Mandatory Secretarial Standards Read more…

What's new in BLISS release v2.0?

1. Reminder for the expiry of DSC validity Date.
2. User defined print templates for Agenda and Minutes
3. Provision for updation of Financial Information to enable MGT-7 auto form filling.
4. Automatic updation of
   a. Form ADT-1 on using **BLISS** to generate Auditor's Consent letter
   b. Register of Director and KMP on using **BLISS** to generate Consent Letter for Director appointment.
5. E-Repository of all templates specified under the Companies Act,2013 in Word or Excel.

View Details….

CAIRR 2.0: Enhanced & Mobile enabled free to use website



Editorial

Dear Reader,
A Very Happy New Year.
Have I got my dates wrong? No I think not, for in the Indian Corporate Secretarial world, Financial Year 2015-16 ended on November 29th and November 30th is the beginning of the new financial year.

At CimplyFive we want to wish you a very happy new year, for this we have worked to make your 2017 to be a much happier and less stressful year as we have integrated MGT-7, the annual return with **BLISS** (Board Leaders Integrated Software Solution). For those who use **BLISS** for their company, you can download a fully filled MGT-7 form the day you finalize the minutes for your AGM.

Not just MGT-7, we have also introduced user defined print templates for Agenda and Minutes to reduce your work load and enhance productivity among many other new features introduced in **BLISS**.

All these features I have described above are available in **BLISS** from December 3rd, when we launched it along with the new version of our free to use website www.ca2013.com and our book **CimplyFive's Text of Model Resolutions under the Companies Act, 2013**. This book with Model Corporate Board Charter and Sub-committees charters with over 200 Board and Shareholders resolutions is available on sale at Rs.500. The book will be soon available on Flipkart and Amazon.

This issue of our newsletter has a short write up on **CimplyFive2.0** event held on December 3, 2014 where we unveiled the new version of **BLISS**, www.ca2013.com and our book. In this issue we have an article in which we have tried to define standards for maintaining secretarial records on the lines of SEI-CMM software capability maturity model used in the software industry. A debatable concept no doubt, but a topic I think CS professionals should debate. Our other regular features in the newsletter– Gist of Regulatory Changes and Compliance Calendar are available in this issue.

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

Shankar Jaganathan
Editor, December 5, 2016

Defining Maturity Standards for Secretarial Records under the Companies Act, 2013

For a legal entity like Company that does not have physical presence secretarial records are the only evidence for their action. Considering its importance, there are extensive provisions made in the Companies Act, Rules and Mandatory Secretarial Standards prescribed for how to maintain Secretarial Records. Given this importance, we have taken a leaf out of Software Engineering Institute –Capability Maturity Model to define Five-levels at which Secretarial Records can be maintained for a company. The Five-levels defined here go beyond theoretical concepts and are inspired by concrete examples that I have personally seen in my interaction with over a 150 firms of practicing Company Secretaries.

The reason for maintaining secretarial records at varying levels could be a result of one or more of the three factors coming into play:

1. Private companies being considered as private business and hence maintenance of secretarial records at the level prescribed being seen as onerous and not as a necessity.
2. Amicable relations between the shareholders lulling the Board of Directors and the Company Secretaries into believing that secretarial records are superfluous and an avoidable cost to be done away with.
3. Absence of Secretarial records scrutiny and instances of defaulters being punished for non-maintenance of proper secretarial records.

Given this ground reality, secretarial records maintained for a company can be categorized under five distinct levels. At the most basic level, it is the desire to avoid penalty that drives the nature of secretarial records being maintained. All the directors of these companies are substantial shareholders and hence they may tend to evaluate compliance from a cost benefit angle, more precisely the cost of compliance compared with their probability of being required to pay any penalties. In many cases, the board meetings too could be 'paper' meetings. Hence only the records that are visible to the regulator is maintained, i.e. Returns field with MCA and documents essential for that, i.e. resolutions required for filing them.

Table 1: Maturity Standards for Company Secretarial Records Maintenance

Level	Compliance Level	Compliance Status					
		Returns	Minutes	Agenda	Registers	Supporting Documents	Electronic Repository
1	Regulators view	•	•	•	•	•	•
2	Directors view	•	•	•	•	•	•
3	Audit Ready	•	•	•	•	•	•
4	Due Diligence Ready	•	•	•	•	•	•
5	Litigation Ready	•	•	•	•	•	•

At the next level, i.e. Level 2, the presence of one or more non-shareholder directors moves the compliance needs to conduct formal board meetings resulting in formal Agenda and minutes for the board meetings being prepared.

At Level 3, borrowings from Banks or the presence of minority shareholders often triggers a company to move to the next level of compliance where Registers like the Register of Members and Register of Directors and KPM that is required to be maintained are kept up to date.

At Level 4, the Company is in a state of readiness for due diligence that an investor or a potential acquirer would undertake. In addition to agenda, minutes, registers and returns, the company also has accessible all the supporting documents required like Auditors consent letter, Directors consent letter, Director's declaration of interest.

Is Level 5 the optimum level for maintaining Secretarial Records where all the secretarial records and their supporting documents are not only readily available but are also accessible in electronic form? Though I personally believe it is, it is a question worth debating.

CimplyFive2.0

December 3, 2016 marked a milestone in CimplyFive's life, as we moved from Stage-1 of developing **BLISS** (**Board Leaders Integrated Software Solution**) and signing on our first set of customers to being ready for a full-fledged launch of **BLISS**. A lot of preparation went into it. Inspired by the trinity of Brahma-Vishnu-Shiva, we focused on creation, sustenance and destruction.

I. Over a month, we conducted stress test of **BLISS** by simultaneously having multiple users access the application concurrently to **identify and destroy bottlenecks**. Today, 50 users can simultaneously use **BLISS** running on a single server which in turn translates to about 500 logged in **BLISS** users or 5000 registered users. These numbers measure our efficiency and are not a limit, as we can add more servers being a cloud based application.

II. Sustenance requires a trouble free environment. While no software can claim to be bug-free, we have tried to eliminate bugs by automating more than 100 functionalities. These automated tests are run every day to **ensure our users have a smooth bug-free experience** of **BLISS**. User feedback is a key element of making **BLISS** more robust, even as we continue to add to our automated test arsenal.

III. A good software product is not a destination but a journey. **BLISS** aspires to be one as we continue to add functionality to **BLISS** in giving users enhanced productivity and higher ease of use. Our single minded focus on automating Corporate Secretarial Practice is visible in the enhancements of **BLISS.**

On this landmark day when we launched the enhanced version of **BLISS** we enriched it with two more new services to our clients, all of which show our commitment to research and technology in providing Indian Corporates an easy compliance environment:

- Enhanced our free to use website www.ca2013, **CAIRR** (**Companies Act Integrated Ready Reckoner**) as a responsive site customized for smartphone users, in addition to desktop and laptop users. This site has many new features like a discussion forum for practioner of Secretarial Practice and Company Law, company laws of major commonwealth countries and an E-resources section providing tools for Company Secretaries.
- Our new book **CimplyFive's Text of Model Resolutions under the Companies Act, 2013,** with Corporate Board and Sub-committee Charters and over 200 resolutions was launched and is now available for sale at Rs.500. For those who prefer softcopy of the book, it is available free of cost. Access it by clicking http://ca2013.com/cimplyfives-text-of-model-resolutions-under-the-companies-act-2013/.

The highlight of the day was a panel discussion on the topic **Stakeholders Views on Shareholder Disputes.** The distinguished panel of four members with a varied and rich experience were: V Balakrishnan, the Venture Capitalist and former CFO of Infosys, Rajesh Ramaiah, Director and CFO of Premji Invest, Shriram Subramanian Founder & MD, InGovern Research Services and J Sundharesan, Practicing Company Secretary. The panel brought their rich experience into play by explored the root causes for shareholder disputes, prevailing dispute resolution mechanisms, desirability and possibility of pre-empting shareholder dispute. Looking ahead, the panel among other insightful observations concluded by noting the following key takeaways:

- Over time shareholder disputes will increase as companies diversify their investor base and investors with varied goals invest in a company
- Institutional investors will not continue to play a docile role in India. The change will be prompted by new regulations that require them to take a more active role in voting or the advent of activist funds in India that get retail investors' support.
- Good governance is the outcome of a culture of restraint. Tough to expect the culture of restraint to prevail in Corporate Boards while the society is only restrained by penalties.

All the stakeholders of the Indian Corporate sector can look ahead with optimism as these are signs of a healthy, robust and growing corporate sector in a developing economy.

Gist of regulatory changes in Companies Act, 2013 in the month of November, 2016

7.11.2016

Companies (Registration Offices and Fees) Second Amendment, Rules, 2016.

- Now e-form AOC 4 can also be certified by the Company Secretary in whole time practice or the Cost Accountant in whole time practice in addition to Chartered Accountant in whole-time practice for companies other than One person Companies and Small Companies.
- A new fee of Rs.1000/- has been introduced for Surrender of DIN.

Amendment of Schedule II to the Companies Act, 2013

For Companies that are required to follow Indian Accounting Standards, Indian Accounting Standards for Intangible Assets is now mandated. For other Companies, i.e. Companies not required to follow Indian Accounting Standards the requirement to comply with Accounting Standards under Companies (Accounting Standards) Rules, 2006 continues. This provision is applicable for accounting period commencing on or after 1st April, 2016.

Designation of Special Court

MCA has designated for the State of Meghalaya the court of District and Session Judge, Shillong as the Special Court for the purpose of providing speedy trial of offences punishable with imprisonment of 2 years or more under the Companies Act,2013.

Compliance Calendar

December 5, Monday	Physical payment of Excise duty, Non SSI for the month of November, 2016
	Physical payment of Service Tax for the month of November, 2016
December 6, Tuesday	E-payment of Excise duty, Non SSI for the month of November, 2016
	E-payment of Service Tax
December 7, Wednesday	TDS Return for the month of November, 2016
December 15, Thursday	Pay PF contribution for November,2016
	Advance Tax- 3rd Instalment for corporate
December 20, Tuesday	Professional Tax payment
December 21, Wednesday	ESIC monthly deposit
December 25, Sunday	PF return Filing-Monthly

Cimplyfive in News



Business Standard, November 14, 2016

The Nifty 50 companies have spent about 27% more in CSR (corporate social responsibility) activities this year, compared to last year, said a report by CimplyFive Corporate Secretarial Services, a tech solution provider for compliance. According to the report, the companies spent around Rs. 5,082 crore or 92.7% of the mandated Rs. 5,478 crores, on CSR activities this year.

Read more at:

http://www.business-standard.com/article/companies/nifty-50-companies-2016-csr-spending-rise-by-27-116111400992_1.html#

Times of India, November 15,2016

Mumbai: The acrimonious developments within the Tata Group has put the spotlight on the role of independent directors. However, not all companies have on board the requisite number of such directors. According to a recent study of the 2016 annual reports of companies featuring in the Nifty 50 index, 10% did not have the requisite number of independent directors.

Read more at:
http://timesofindia.indiatimes.com/business/india-business/10-Nifty-cos-lack-required-ind-directors/articleshow/55424033.cms

What's new in BLISS v2.0?

BLISS (**B**oard **L**eaders **I**ntegrated **S**oftware **S**olutions) is updates with six new features all of which enhances your productivity and increase ease of use and Risk management . The features added are

1. **Reminder for the expiry of DSC validity Date:** Primary benefit: Risk Management: Once DSC expiry date is entered in **BLISS** for a authorized signatory, a reminder is generated 30 days prior to the expiry of the DSC to enable timely renewal.
2. **User defined Templates for Agenda and Minutes:** Primary benefit: Enhance Productivity: The user can define the template under the three sections of the document: Header, Title and Paragraph. Once defined the Agenda and Minutes gets printed accordingly.
3. **Provision for updation of Financial Information to enable MGT-7 auto form filling**: Primary benefit: Enhance productivity: Once a user has used **BLISS** for the entire Financial Year then at the end of the MGT-7 comes fully filled which is just a click away.
4. **Form ADT-1 on using BLISS to generate Auditor's Consent letter:** Primary benefit: Enhance productivity: Download the excel file from the templates section to get a readymade draft consent letter from Directors on their appointment. The data in the same excel file can be used to update the Register of Directors & KMP in **BLISS**
5. **Register of Director and KMP on using BLISS to generate Consent Letter for Director appointment:** Primary benefit: Enhance productivity: Please download the excel file from the templates section and send it to your Auditor to get the consent letter to be given by the Statutory Auditor. Using this excel file, your Auditor will not only be able to create consent letter but you can also use the same data captured in the file for filing Form ADT-1 using the pre-filled form option in the **BLISS** software.
6. **E-Repository of all templates specified under the Companies Act,2013 in Word or Excel:** Primary benefit: Enhance productivity: All templates that are specified under the Companies Act,2013 is available for easy download and once filled up for a Company can be uploaded for future use.

A Few Snaps of from our December 3rd Event

















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

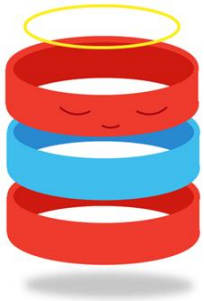
www.ca2013.com: Company law at your fingertips. A free to use website, integrating Companies Act with Rules, Notification, Orders and Circulars that is real time and online

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CAIRR



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