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Editorial

Dear Reader,

October was an interesting month for the corporate law professionals as the 'Mistry' episode brought company law procedures to the center stage. Board meeting, notice period for conducting Board Meeting and the innocuous residual item - Any other item with the permission of the Chair are among the hotly debated topics.
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Interview with Dr. K.R.Chandratre, Practising Company Secretary; Past President of ICSI

As a doyen in the field of Company Secretaries, what are the three major changes you have seen in this profession over the last 35 years you have been associated with it?

The profession of Company Secretary has come of age. It has got greater recognition from the Government and Industry, public awareness of Company Secretaries is higher and over the last 35 years it has expanded to include a wider spectrum of knowledge and encompass a larger areas of work.
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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…

Fact Sheet on Tata Sons Limited Chairperson Replacement Saga: Which Aspects of Company Law need a Debate?

1. **Incumbent Chairperson**: CYRUS PALLONJI MISTRY (DIN: 00010178)
2. **Tenure of Chairperson**: from December 28, 2012 to October 27, 2016, the Sixth Chairperson of Tata Sons
3. **Tenure as Director**: September 1, 2006 onwards;
4. **Director in Other Tata Group Companies as of October 31, 2016**:

Sl no.	Company Name	Begin Date
1	THE INDIAN HOTELS COMPANY LIMITED	02-08-13
2	TATA GLOBAL BEVERAGES LIMITED	31-08-12
3	THE TATA POWER COMPANY LIMITED	17-08-12
4	TATA CHEMICALS LIMITED	22-08-12
6	TATA INDUSTRIES LIMITED	05-09-12
7	TATA CONSULTANCY SERVICES LIMITED	29-06-12
8	TATA MOTORS LIMITED	10-08-12
9	TATA TELESERVICES LIMITED	29-10-12
10	TATA STEEL LIMITED	14-08-12

Read more…



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

Two Regulatory changes in Companies Act, 2013 in the month of October.
View the list…

Editorial

Dear Reader,

October was an interesting month for the corporate law professionals as the 'Mistry' episode brought company law procedures to the center stage. Board meeting, notice period for conducting Board Meeting and the innocuous residual item - Any other item with the permission of the Chair are among the hotly debated topics.

An offshoot of the 'Mistry' episode was a spurt in viewership of our free to use site www.ca2013.com, which provides an integrated view of the Companies Act, 2013 online. On three distinct days, the viewership crossed 1000+, with the cumulative viewership crossing 190,000 page views.

In this issue, we have interviewed **Dr. K R Chandratre**, the Past President of ICSI and a doyen in the corporate secretarial field with over 35 years of experience for his insights on the profession, use of plain English and impact of technology. Further, you will see a fact sheet on Cyrus Mistry and his membership status on Tata companies. This fact sheet replaces the article that you would have otherwise seen in our newsletter. But for this change, the other two regular features of our newsletter– Gist of Regulatory Changes and Compliance Calendar are available in their scheduled place.

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
November 7, 2016

Interview with Dr. K.R.Chandratre Practising Company Secretary; Past President of ICSI

1. As a doyen in the field of Company Secretaries, what are the three major changes you have seen in this profession over the last 35 years you have been associated with it?
   The profession of Company Secretary has come of age. It has got greater recognition from the Government and Industry, public awareness of Company Secretaries is higher and over the last 35 years it has expanded to include a wider spectrum of knowledge and encompass a larger areas of work.
2. As the momentum towards Ease of Doing Business accelerates in India, what role do you see 'Plain English' play in facilitating it? Is there any specific area where you feel the scope for using plain English is yet to be realized in the Corporate Secretarial world?
   Written language on legal and secretarial fields needs to become plain and easily comprehensible to those who need to read it but don't have legal background. Documents prepared by the Company Secretaries are used both by people from legal and commercial backgrounds like lawyers, CA, CS and by people from other spheres like shareholders and directors with engineering, operations, HR and marketing backgrounds. Hence use of plain English in drafts for board meeting improve the quality of decisions by involving non-legal, non-commercial team in decision making and its use in shareholder communications has the potential to add to shareholder value creation by enhancing the level of transparency in shareholder communication.
3. How do you see technology impact the work of Company Secretaries?
   The impact of technology is considerable and expanding. The most significant impact is seen in the interaction with regulators. MCA21 has made internet the sole avenue for interaction. With the introduction of SPICE (Simplified Proforma for Incorporating Companies Electronically) for Company incorporation this phase is almost complete. In contrast to this, use of technology to maintain secretarial records by the company has a lot more potential to be leveraged.

4. Registers are a critical aspect of records required to be maintained by a company. What is your advice on maintaining statutory registers in electronic records? Are there any specific precautions to be taken by the Company Secretary?
   The movement towards electronic records is inevitable given the volume of data on one hand as seen in the register of members and the increasing digitization of records in the corporate world. The only caveat is that the electronic records should be totally compliant with the applicable law, i.e. must contain all the fields and must be tamper proof. Further digitization could ensure easy accessibility, 24 by 7 access though internet.
5. Where do you think Company Secretaries can add value to business, which is currently under served? What should they do to redress the situation?
   Company Secretaries in addition to the traditional areas of company law; are expanding into other spheres like securities laws, taxation laws, labour laws and foreign exchange laws. This move is a welcome step in the right direction.

Fact Sheet on Tata Sons Limited Chairperson Replacement Saga: Which Aspects of Company Law need a Debate?

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5. **Calendar of Events:**
   A. **October 24th 2016**: Tata Sons announce replacement of Chairperson Cyrus P Mistry with interim Chairperson Ratan Tata. Search team constituted to find the next Chairperson within four months.
   B. **October 25th 2016**: Letter from Cyrus Mistry to the Directors of Tata Sons.
      - Highlights Invalidity and illegality of business conducted in October 24th Board Meeting.
      - Replacement of Chairperson without an opportunity to be heard
      - Suddenness of action and lack of explanation leading to immeasurable harm to reputation
      - Lack of governance and failure by directors to discharge their fiduciary duty to stakeholder
      - Had initially declined to be the Chairperson of Tata Sons when approached in 2011, but later accepted as the search committee could not find suitable candidates
      - Free hand promised initially, however subsequent to appointment Articles of Association of Tata Sons was amended changing the rules of engagement.
      - Describes the status of Tata Group at the time of assuming office and the performance thereafter before mentioning that he was surprised to be removed on the grounds of non-performance
      - Board Meeting initiated by the Trustees of Tata Trust
   C. **October 27, 2016**: Tata Sons statement contesting the claims made in Cyrus Mistry's letter of October 25th to the Directors of Tata Sons

6. **Aspects of Company Law that are at the forefront of this debate:**
    a. Process for removal of an elected Chairperson
        - Schedule I Table F-Articles of Association –Articles 70 & 72 pertaining to the process for electing a Chairperson for the Board Meetings

    b. Influence of shareholders in a Board meeting, in particular the role of promoter shareholders in Board Meetings
        - Section 166 (2) –lays down the objective criteria for decision making by directors

    c. Responsibility of an Independent Director
        - Clause 5 of Schedule IV –Code for Independent Directors – specifies the paramount criteria for decision making by independent directors

    d. Nature of issues that can be discussed under the residual item –'Any other matter with the permission of the Chair.'
    e. Ancillary item: Process for removal of a Director by the shareholders

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

1.10.2016

Companies (Incorporation) fourth Amendment Rules, 2016.

1. For the purpose of approving conversion of a Private Company in to a Public Company the word 'Competent Authority' changed from Central Government to 'Tribunal'
2. Introduction of SPICE (Simplified Proforma for Incorporating Company Electronically) w.e.f. 02.10.2016 which combines the three e-forms:
    i. Form INC-32: a single application for reservation of name, incorporation of a new company and application for allotment of DIN.
    ii. Form No. INC-33: this form contains the standard format of Memorandum of Association.
    iii. Form No. INC-34: this form contains the standard of Article of Association.
3. New procedure laid down for conversion of a company limited by guarantee to a company limited by shares w.e.f 01.11.2016

27.10.2016

Extension of due date for filing of AOC-4, AOC-4 (XBRL), AOC -4(CFS) and MGT-7 for AGM held on or after 01.04.2016 up to 29.11.2016 without additional fees.

Compliance Calendar

November 5, Saturday	Physical payment of Excise duty, Non SSI for the month of October, 2016
November 6, Sunday	E-payment of Excise duty, Non SSI for the month of October , 2016
	E-payment of Service Tax
November 7, Monday	TDS Return for the month of October,2016
November 15, Tuesday	Pay PF contribution for October ,2016
November 20, Sunday	Professional Tax payment
November 21, Monday	ESIC monthly deposit
November 25, Friday	PF return Filing-Monthly
November 29, Tuesday	**Annual Filing with ROC** Form AOC-4, Form AOC-4 XBRL, Form AOC-4 CFS (Filling of Financial Statement and other documents) and Form MGT-7

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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