

Press Release: For Immediate Circulation

CimplifyFive releases its report analysing the value-add of the newly introduced
Annual Secretarial Compliance for Listed Companies

Report provides critical data points on non-compliance of Nifty 50 companies, penal action taken by stock exchanges for the non-compliances and the need for continuing this requirement

July 12, 2019; Bangalore: CimplifyFive Corporate Secretarial Services Pvt Ltd (CimplifyFive), a pioneer in offering research and technology-based solutions for compliance with the Companies Act 2013, today announced the release of its report on '**ANNUAL SECRETARIAL COMPLIANCE**', a new requirement introduced by SEBI following the Uday Kotak Committee recommendations. This report analyses the first Annual Secretarial Compliance Reports filed by the Nifty 50 companies between April 1 and May 31.

Shankar Jaganathan, Founder & Chief Executive of CimplifyFive releasing the report said, "Based on our analysis, we believe Annual Secretarial Compliance Report does not pass the test of cost-benefit analysis viewed from the angle of both the company and the stakeholders. Further by adding this superfluous reporting requirement, it also could be a deterrent to Ease of Doing Business in India. Hence we request the regulators to reassess the requirement for companies to submit the Annual Secretarial Compliance Report."

The report, **Annual Secretarial Compliance** carries an in-depth analysis of the reports filed by the companies constituting NIFTY 50® Index of the National Stock Exchange by analysing their content. The key findings of the reports are:

- 22%, 11 of the Nifty 50 companies reported non-compliances during the year 2018-19. Of the eleven, seven were public sector companies.
- A total of 26 deviations were reported by these 11 companies. The maximum non-compliances were 7 for public sector companies reported by SBI and 3 for private sector companies reported by Larsen & Turbo.
- Based on their nature, the 26 non-compliances fall under 14 different categories. Inadequate representation on the board of independent directors tops the list with 6 companies, closely followed by 5 companies that did not conduct an evaluation for their independent directors.
- Stock exchanges had taken penal action against five companies for six non-compliances, out of the eleven companies reporting 26 non-compliances reported.

The full report can be accessed and downloaded at www.cimplifyfive.com.

About CimplifyFive

CimplifyFive Corporate Secretarial Services Private Limited is a pioneer in offering research and technology-based solutions for compliance with the Companies Act, 2013. Under the brand name of **BLISS** (Board Leaders Integrated Software Solution), CimplifyFive offers a range of automation and risk management SaaS solutions for listed and unlisted companies to

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eliminate procedural non-compliance required by the SEBI regulations and the Indian Companies Act, 2013. More details about the company and its product BLISS can be obtained from www.cimplifyfive.com.

CimplifyFive also provides a free to use website www.ca2013.com and an android app **CAIRR+** that provides an integrated view of the Companies Act, IB code and SEBI's regulations at one's fingertips. Hypertexts are used to integrate rules, notifications, orders and circulars with the Act and provides real time, online access to the Companies Act as it stands on that day.

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