iComply

Editorial

On September 10th we achieved a critical milestone when CAIRR our free to use website www.ca2013.com crossed five-million page views. 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, SEBI (PIT), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of September, 2019

Nine Regulatory changes in Companies Act, 2013, SEBI (LODR), 2015, SEBI (PIT), 2015 and Insolvency & Bankruptcy Code, 2016 were made in the month of September. View the list…

Tech 4 Company Sec

Tech 4 Company Sec Electronic Records for Company Secretaries (ER 4 CS)

By Shankar Jaganathan



Paper is the norm for the last few centuries if not millennia to capture personal, commercial and legal agreements. Read more…

BUT: BLISS Useful Tips for the Month

BUT#87: Get auto-generated Minutes of the Meeting (Updated Feature)
BUT#88: Report generation from Register of Members and/or Directors and KMP (Updated feature)
BUT#89: BLISS permits User to Customize Security Levels
BUT#90: BLISS tracks and prompts the Serial Numbers for all meetings

CAIRR page views Milestone

Our free-to-use website ca2013.com has crossed 5 Million page views!

CAIRR Page View Milestones

Milestone	Date	# of Days	Total	View/Day
-	05-10-2015	0		
50,000	29-02-2016	147	147	340
5,00,000	29-05-2017	602	749	668
10,00,000	19-11-2017	174	776	1,289
20,00,000	27-06-2018	220	996	2,008
30,00,000	31-12-2018	187	1183	2,536
40,00,000	10-05-2019	130	1,313	3,046
50,00,000	10-09-2019	123	1,436	3,482
Companies Act, 2013	05-10-2015			
IB Code integrated	17-04-2017			
LODR Integration	23-03-2018			

Editorial

On September 10th we achieved a critical milestone when CAIRR, our free to use website www.ca2013.com, crossed five-million page views. What is heartening is that each succeeding million has been reached in a shorter time span. Team CimplyFive thanks you for your continuing support and patronage to our website.

The spontaneous outburst against the imprisonment provision for not spending the CSR amounts not only prompted the regulators to put this provision on hold, but it has also led to the MCA setting up a 10-member committee on September 18th to recategorize as civil wrongs and provide a settlement mechanism to promote ease of doing business. This is a welcome step, as swift and certain penalties for compliances lapses will go a long way in promoting compliance in Corporate India.

In the fifth article of the series **Tech 4 Company Sec,** we have covered the Electronic Records and its status in law. With growing acceptance of electronic records, it is no longer a desirable element to have but an essential element in the knowledge repository of successful company secretaries.

Our other regular features –**What is Hot in Company Law, Gist of Changes in the Companies Act, 2013 SEBI (LODR), 2015, SEBI (PIT), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of September 2019 and Statutory Compliance Calendar** are also included in this Issue.

Please share your feedback on this newsletter with us at contact@cimplyfive.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
October 4, 2019

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. Over the last three years, this site has generated good traction with 3500+ individuals registering for getting updates and attracts around 3000 users viewing more than 6000 pages a day, every working day to be more precise. 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 the Companies Act for the month of September 2019 based on visitors to our free to use website www.ca2013.com.

Company Law Top 5 Chartbuster sections in September 2019

Rank August	Change in Rank	Rank September	Section reference	Section title
3	↑	**1**	**139**	Appointment of Auditors
-	↑	**2**	**129**	Financial Statement
-	↑	**3**	**188**	Related Party Transaction
1	↓	**4**	**135**	Corporate Social Responsibility
-	↑	**5**	**96**	Annual General Meeting

Section 129,188 and 96 are the new entrants in the top 5 list. They replace Section 134- Financial Statement, Board's Report etc., 62- Further issue of share capital, 197- Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits

LODR Top 5 Chartbuster Regulations in September 2019

Rank August	Change in Rank	Rank September	Regulation reference	Regulation Title
1	↔	**1**	30	Disclosure of Events or Information
3	↑	**2**	33	Financial Results
2	↓	**3**	17	Board of Directors
-	↑	**4**	34	Annual report
-	↑	**5**	44	Meetings of Shareholder and Voting

Regulation 34 and 44 are new entrants for the month. They replace Regulation 29-Prioir Intimations and 42-Record date or date of Closure of transfer books

IB Code Top 5 Chartbusters in September 2019

Rank August	Change in Rank	Rank September	Section reference	Section Title
1	↔	1	5	Definitions
3	↑	2	30	Submission of resolution plan
-	↑	3	33	Initiation of Liquidation
-	↑	4	29	Preparation of Information memorandum
2	↓	5	59	Voluntary liquidation of corporate person

Regulation 33 and 29 are new entrants for the month. They replace Regulation 25-Duties of resolution professional and 31-Approval of resolution plan

Tech 4 Company Sec

Tech 4 Company Sec Electronic Records for Company Secretaries (ER 4 CS)

Paper is the norm for the last few centuries if not millennia to capture personal, commercial and legal agreements. Before the advent of paper, agreements were embossed or engraved in clay tablets and authenticated by a seal as evidenced by archeological findings from the Mesopotamian Harappan and the Indus civilizations. In the last few decades we have seen electronic records slowly but surely replacing the paper records.

Starting with email for personal and commercial correspondence, electronic records are now accepted for most transactional records like invoices, bank statements and alike. However, where assets of enduring value are involved as in real estate or in the corporate world, electronic records for evidencing ownership and major decisions have had relatively low acceptance due to the long history of paper records in human civilization.

Electronic Records

The advent of 21st century has seen most countries including India take significant initiatives to promote acceptance of electronic records. Following the UN resolution passed in January 1997 that adopted Model Law on Electronic Commerce, the Information Technology Act, 2000 was enacted in India. Its objectives were three-fold:

1. Provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication,
2. To facilitate electronic filing of documents with the Government agencies, and
3. To amend the Indian Penal Code, the Indian Evidence Act, 1872, the Banker's Book Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto.

The Act defines an electronic record as "any data, record or data generated, image or sound stored, received or sent in an electronic form or micro film or computer-generated micro fiche". Examples of electronic records include: e-mail messages, word-processed documents, electronic spreadsheets, audio files, digital images and databases.

In addition to defining an electronic record, the Act also explicitly provides legal recognition for electronic records by providing an all-encompassing mandate in Section 4 which states that "where any law provides that information or any other matter shall be in writing or in the typewritten or printed form, then, notwithstanding anything contained in such law, such requirement shall be deemed to have been satisfied if such information or matter is–

(a) rendered or made available in an electronic form; and
(b) accessible so as to be usable for a subsequent reference. "

Electronic Records in Company law

Section 120 of the Companies Act, 2013 provides that any document, record, register, minutes etc. that is required to be kept by the company or allowed to be inspected or copies to be given can be kept in electronic form in such form and manner as prescribed in the rules.

Rule 27 relating to maintenance of records in electronic form specifies that:

1. the format should be as prescribed,
2. reference of the Act or Rules under which the records are maintained should be given,
3. it should be capable of being read, retrievable and reproducible in print form,
4. it should be capable of being dated and signed digitally.

Further Rule 28 on security of electronic records provides a long list of conditions designed to protect its attributability, integrity and authenticity. To list, they are:

1. designate an officer of the company responsible for maintaining it,
2. Protect it from unauthorized access, alteration or tampering,
3. Ensure against loss or damage or failure of the media,
4. Ensure systems are adequately secure to ensure their validity, reliability and consistent performance,
5. Ensure system can identify invalid and altered records
6. Ensure it is accurate, accessible, and capable of being reproduced for reference later;
7. Ensure at all times it is capable of being retrieved to a readable and printable form;
8. ensure that it is kept in a non-rewriteable and non-erasable format like .pdf version or some other version which cannot be altered or tampered;
9. Ensure to take backup periodically at least once a day and keep it in a safe and secure place,
10. Limit the access to it to only authorized persons who are performing work of the company
11. Ensure any reproduction of non-electronic original records in electronic form is complete, authentic, true and legible when retrieved;
12. Arrange and index the records in a way that permits easy location, access and retrieval of any particular record; and
13. Take necessary steps to ensure security, integrity and confidentiality of records.

Given the reality that looms large in acceptance of electronic records in the 21st century, companies that willingly embrace electronic records can leverage multiple advantages. The two significant gains among many others are of anytime anywhere access to records and the ability to use data entered in one place for multiple purposes thereby enhancing productivity by eliminating duplicate data entry and eliminate errors thereby saving on costs. Another significant benefit of enhanced productivity is that free time is created by eliminating clerical work that can be used for intellectual work that adds significant value to the company.

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 LODR Integrated

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

Compliance Calendar

October 7th	TDS payment for September
October 15th	Pay PF contribution for September
	ESIC payment for September
	Submit Corporate Governance Report to Stock Exchange (Reg 27(2) of LODR)
October 20th	GST Payment for September - GSTR 3B
	Professional Tax payment
October 21st	Statement of Investor complaints (Reg 13(3) of LODR)
	Submit Shareholding Pattern to Stock Exchange (Reg 31 of LODR)
October 25th	PF Return for month of September
October 31st	Quarterly return for registered persons with aggregate turnover up to Rs. 1.50 Crores- GSTR-1(Jul-Sep 2019)
	Compliance Certificate certifying maintaining physical & electronic transfer facility (Reg 7(3) of LODR)
	Certificate from Practicing Company Secretary (Reg 40(9) of LODR)

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

- **05.09.2019**

The National Financial Reporting Authority (Amendment) Rules, 2019

Explanation to Rule 3(1) (c) has been inserted wherein the definition of Banking Company would now include 'corresponding new bank' under Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and 'subsidiary bank' defined in the State bank of India (Subsidiary Act), 1959.

Rule 5 has been amended to revise the deadline for filing Annual Return on or before 30th November every year in NFRA-2 and the format of the same has been enclosed in the notification.

Proviso to Rule 11(5) has been inserted wherein if the Division does not dispose off the show-cause notice within the said period, it shall record the reason of not recording the same and the Chairperson may take into consideration the reasons may grant additional period not exceeding 90 days. If the chairperson may think fit, can grant the extension period more than once.

- **07.09.2019**

The Statutory Repositories under regulation 21(2)(c)(ii) of the IBBI (Information Utilities) Regulations, 2017

The Board has approved MCA21 database of MCA and Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) as the statutory repositories for the said regulations.

- **16.09.2019**

Circular on valuation required under the provisions of the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016

Through this Circular the Insolvency Board lists 20 occasions that require valuation by a Registered Valuer, this includes 13 occasions under the Companies Act, 2013 and 7 occasions under the Insolvency and Bankruptcy Code, 2016.

- **17.09.2019**

SEBI notifies the procedure for Informant Reward under Securities and Exchange Board of India (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019

Through this notification, SEBI has introduced "Chapter IIIA" to govern the provisions related to submission of original information by the Informant (as defined under this Chapter) to the Board, receipt of such information by the Board, eligibility to claim Informant Reward and also manner of determination of such reward, as recommended by the Informant Incentive Committee convened under this Chapter. Formats of Schedules D and E dealing with Informant's Voluntary Information Disclosure to the Board and Informant's Reward Claim to receive an Informant Reward, respectively, are also annexed to this

notification. This notification shall come into effect from 26th December 2019.

- **18.09.2019**

  MCA Order to constitute a Company Law Committee to make recommendations to the Government with respect to implementation of Companies Act, 2013 and Limited Liability Partnership Act, 2008

  Through this Order, MCA has constituted the Company Law Committee, whose constitution and terms of reference is to analyse the nature of offences to de-categorize them as "Civil Wrongs" and optimize compliance requirements under the said Acts to promote Ease of Doing Business and propose measures to de-clog and improve NCLT's functioning etc., The Committee shall submit its recommendations to the Government, from time-to-time, as may be decided by the Chairperson. The term of the Committee shall initially be for a term of one year from the date of its first meeting.

- **23.09.2019**

  ADMINISTRATIVE: MCA Notification to prescribe the guideline for Transfer and Posting of NCLT members under National Company Law Tribunal (Salary, Allowances and other terms and conditions of service of President and other Members) Rules, 2015

  MCA has inserted a new rule "15A. Posting and Transfer of Members", which lays out the procedure for initial posting and subsequent transfer of the members of NCLT.

- **24.09.2019**
  - **REGULATORY: MCA Circular to extend the last date for filing Form BEN-2 under Companies Act, 2013**

  MCA has extended the time limit for filing Form BEN - 2 under Section 90 of Companies Act, 2013 from September 30, 2019 to 31st December 2019 without payment of additional fees.

  - **NSE Circular on classifying material developments in defaults and/or Inter Creditor Agreements as Unpublished Price Sensitive Information**

  Through this circular, NSE directs Listed Entities to treat "material" developments with respect to defaults and/or Inter Creditor Agreements as Unpublished Price Sensitive Information, as defined under SEBI (PIT) Regulations, 2015 and therefore, make necessary disclosures to the Stock Exchanges, as per Regulations 30(1) and 30(2) of SEBI (LODR), 2015.

- **30.09.2019**
  Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2019

  The due date for filling e-form DIR-3 KYC and DIR-3 KYC-WEB has been extended from 30th September 2019 to 14th October,2019.

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



CAIRR

Contact us at:

Email: contact@cimplyfive.com
Phone: 080-2332-4212
www.cimplyfive.com

To view the previous issues of *iComply* click here