iComply

Editorial

CimplyFive is six years young. Incorporated on September 3rd, 2014, it looks as if we started yesterday. Read more…

OPINION:

What is Hot in Company Law?



Our free to use website www.ca2013.com has the unique distinction of providing 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 and Insolvency & Bankruptcy Code, 2016 in the month of August, 2020

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

BUT: BLISS Useful Tips for the Month

BUT #131: Easy access to Signed Agenda and Minutes for Directors & Customised Viewers
BUT #132: BLISS enables the User to re-organize the names of Directors, Members of the Committee and Invitees in Minutes and the Attendance Register
BUT #133: Template for AGM Notice with provisions for Virtual Meeting available in BLISS E-repository
BUT #134: Automate Your Director's Appointments with BLISS

BLISS turns 6!!!



5 Questions for Every Corporate Professional

By Shankar Jaganathan



CimplyFive's 5Qs to Measure a Five-Star Chairperson Read more…

What's New in BLISS?

In BLISS, BLISSPLUS and BLISSLISTED

1. Facility to re-arrange the names of Directors, Members and Invitees
2. User Rights page is modified

In BLISSPLUS and BLISSLISTED:

3. Signed documents uploaded under Signed Documents folder is accessible to users with Directors and Customised Viewer role

Read more…

Editorial

CimplyFive is six years young. Incorporated on September 3, 2014, it looks as if we started yesterday. Looking back, we have accomplished quite a bit, to name the top four:

- Built an excellent, young and passionate team dedicated to realising our Vision,
- Developed a comprehensive portfolio of SaaS product suite for all size and types of companies,
- Engaged with likeminded investors to create a stakeholder owned company, and
- Partnered with 70+ satisfied clients who have enriched our product with insightful feedbacks.

On the occasion of our 6th anniversary, we have planned to launch our research report on **Board Evaluation in India- Quantifying the Progress between 2015 and 2020 in Nifty50 Companies** and two new products:

1. **BLISSTAT** – to automate and track direct tax assessments (**T**ax **A**ssessment **T**racker) across multiple years for multiple companies with automated e-repository, due date trackers and risk management dashboards.
2. **CimplyBEST** – **B**oard **E**valuation **S**urvey **T**ool with pre-populated customisable surveys for the Boards, Committees, Chairpersons, Independent Directors & Executive Directors, with automated survey creation, administration and report generation functions.

This issue includes an article under our series **Five Questions for Corporate Professionals** on the Qualities that distinguish a Five Star rated Chairperson. Our other regular features –**What is Hot in Company Law, Gist of Changes in the Companies Act, 2013** 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 it.

Happy reading,
Shankar Jaganathan
Editor of iComply
September 4, 2020

OPINION:

What is Hot in Company Law?

Our free to use website www.ca2013.com has the unique distinction of providing an integrated view of the Companies Act, LODR and IB code. This site crossed 8 **million page-views** on July 15 2020 and attracts over 3000 users accessing around 6000 pages a day. Listing of the most viewed sections in the Companies Act, LODR and IB code for the month of August 2020 is based on visitors to our site.

Company Law Top 5 Chartbuster sections in August 2020

July Rank	Rank Change	August Rank	Section reference	Section title
3	↑	**1**	**188**	Related Party Transactions
1	↓	**2**	**134**	Financial statement, board's report etc.
2	↓	**3**	**179**	Powers of Board
4	↔	**4**	**62**	Further issue of share capital
N	↑	**5**	**186**	Loan and investment by company

One new section has occupied 5th rank replacing Section 139.

LODR Top 5 Chartbuster Regulations in August 2020

July Rank	Rank Change	August Rank	Regulation reference	Regulation Title
2	↑	**1**	30	Disclosure of events or information
3	↑	**2**	34	Annual Report
4	↑	**3**	17	Board of Directors
1	↓	**4**	33	Financial Results
N	↑	**5**	23	Related Party Transaction

One new Regulation has occupied 5th rank replacing Regulation 24.

IB Code Top 5 Chartbusters in August 2020

July Rank	Rank Change	August Rank	Section reference	Section Title
1	↔	**1**	29	Preparation of information memorandum.
3	↑	**2**	7	Initiation of corporate insolvency resolution process by financial creditor
N	↑	**3**	59	Structure of non-convertible debt securities and non-convertible preference shares
N	↑	**4**	5	General Obligations of Compliance
5	↔	**5**	3	Definitions in the Code

The two new entrants are Sections 59 and 5 replacing sections 30 and 33

5 Questions for Every Corporate Professional

By Shankar Jaganathan

CimplyFive's 5Qs to Measure a Five-Star Chairperson

Board of Directors set the tone for the quality of governance and business performance of a company. A key factor determining the effectiveness and efficiency of the board is the calibre and conduct of its chairperson which is reflected in how they conduct meetings. In my three decades experience of attending board meetings, I have identified five qualities of an effective and efficient chairperson. This could be a test for anyone aspiring to be a chairperson or for assessing Chairperson's performance.

1. **Does the chairperson play an active role in the conduct of the board meeting?**
   Chairpersons' role starts with calling the meeting to order and ends with offering a vote of thanks. Since the meetings are held at quarterly intervals, a good practice would be to go round the table to let all the participants make an opening remark. Following the opening remarks, every item on the agenda would likewise be taken-up by the Chairperson asking the management to outline the proposal, followed by each participant's observation. The discussion can then be concluded by the chairperson sharing their observation along with the meetings' decision on the proposal.

2. **Does the chairperson offer all participants a say in all decisions taken at the meeting?**
   Individuals have different dispositions. Some are forthcoming, while others like to be asked before providing an opinion. The Chair's role is to ensure that no person dominates the proceedings and all participants have their say, to ensure that the company benefits from their counsel.

3. **Does the chairperson offer the subject matter expert enough room to share their insights without interruption?**
   Subject matter experts may need time to outline the context, provide required background before stating their views. Some may see this additional time taken as a distraction and dilution of the efficiency of board meetings. However, when required, the Chair needs to provide the context to encourage the subject matter experts to take their own time, while restraining impatient members to enable optimal decision for the company.

4. **Does the chairperson promote meaningful debate without acrimony in the meetings?**
   Contentious issues may need a healthy debate to highlight different contours. It could be issues related to matters of governance, conflict of interest or additional disclosures amongst others. Setting the context and steering the debate clear of personal bias and digression is one element of the Chair's role, while the other element is in building consensus and ensure that their casting vote is sparingly used, if at all it is required to be used.

5. **Does the chairperson summarise the conclusions drawn at the meeting and provide guidance to the secretary on key matters to be recorded in the minutes of the meeting?**
   The vantage point occupied by Chairpersons gives them the responsibility to authenticate the minutes recorded. They provide an invaluable service to all stakeholders by setting the tone in which the minutes are recorded.

   Hence one of their important roles is to summarise the entire proceedings at the end of the meeting, by listing out all the decisions taken along with any specific observations that need to be captured in the minutes.

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 (this will need re-alignment as looks crowded)

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

September 7th	TDS payment for August
September 15th	Pay PF contribution for August
	ESIC payment for August
September 20th	Professional Tax payment
	GSTR 3 B
September 25th	PF Return for August
September 30th	GSTR 9 (Statement with details of all supplies made and received under various tax heads during the year)
	GSTR 9A (Annual Return filed by business owners who are part of the composition scheme)
	GSTR 9C (Reconciliation Statement)

Gist of regulatory changes in Companies Act, 2013, SEBI (LODR), 2015, SEBI (PIT), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of August, 2020

- **03.08.2020**

Extension of Relaxation with respect to Dispatch of Notice towards Rights Issue under Companies Act, 2013 by Listed Entities for Rights Issue opening upto 31/12/2020

MCA has extended the relaxation granted for the Listed Companies raising funds via Rights Issue vide its earlier circular dated 11/05/2020 to 31/12/2020 (as against the earlier timeline of 31/07/2020) which waived off the requirement for the listed entities to dispatch notices through postal or courier service under Section 62(1)(a)(i) of the Companies Act, 2013.

- **05.08.2020**

IBBI amends Liquidation Process and Voluntary Liquidation Process regulations under IBC, 2016

S. No.	Amended Regulation	Summary of the Amendment
1.	Regulation 4(2)(b) of IBBI (Liquidation Process) Regulations, 2016	On realization of any amount by the liquidator who doesn't distribute the same, he shall be entitled to a fee corresponding to the amount realised by him. Likewise, upon distribution of any amount by the liquidator, which is not realised by him, he shall be entitled to a fee corresponding to the amount distributed by him. (read more)
2.	Regulation 5 of IBBI (Voluntary Liquidation Process) Regulations, 2017	The corporate person initiating the voluntary liquidation process under the Regulations may replace the liquidator by appointing another insolvency professional as liquidator by a resolution of members or partners, or contributories, as the case may be. (read more)

SEBI amends norms pertaining to intimation of Record Date to Stock Exchanges under LODR Regulations

Under the revised regulation, a Listed Entity has to now intimate the Record Date with respect to the events such as declaration of dividend, rights/bonus issue, mergers, de-mergers etc. as listed in the Regulations 42(1)(a) to 42(1)(f) to all stock exchanges where it is listed or where stock derivatives are available on its stock or where its stock forms part of an index on which derivatives are available.

- **07.08.2020**

IBBI amends IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 Key highlights of the notification are as follows:

1. **Basis for Appointment of Authorised Representative(AR):** The three IPs offered by the interim resolution professional for the financial creditors to choose from, must be from the State or Union Territory, which has the highest number of creditors in the class as per records of the corporate debtor, to ensure ease of coordination and communication between the AR and the creditors in the class he represents.

2. **Voting by AR:** AR shall seek voting instructions from the creditors only after circulation of minutes of meeting and vote accordingly. AR can also seek preliminary views of creditors in the class before the meeting, with adequate notice window, as prescribed, to enable him to effectively participate in the meeting.
3. **Approval of Resolution Plan:** The committee of creditors shall vote on all compliant resolution plans simultaneously, after evaluation of all compliant resolution plans as per evaluation matrix. Only the resolution plan that receives the highest share of votes, which must not be less than 66% of voting, shall be considered as approved.

- **13.08.2020**

SEBI issues SOP for non-redressal of grievances by listed companies and handling of SCORES complaints by Stock Exchanges(SEs) w.e.f. 01/09/2020

Key highlights:

1. **Applicability of the circular:** The procedures and actions specified for specified complaints such as non-receipt of bonus, dividend, interest on securities etc, as listed in the Annexure 2 of the circular.

2. **Complaint Redressal Procedure:**
   (i) Investors are advised to initially lodge complaints directly with the respective companies, which if not addressed within 30 days from the date of receipt of such complaint, shall be forwarded to Designated Stock Exchange (DSE) through SCORES.
   (ii) The company is required to redress the complaint and submit an Action Taken Report (ATR) within 30 days from the date of receipt of such complaint, failing which a reminder shall be issued by DSE to the listed company through SCORES directing expeditious redressal of the grievance within another 30 days.
   (iii)If the ATR is satisfactory, SE shall submit the same to SEBI. Any failure by the company in redressing the complaint within 60 days from the date of receipt of complaint will result in levy of fine, to be paid within 15 days from the date of notice of such levy along with the ATR.
   (iv)If the entity fails to pay the fine under point (iii), notice shall be sent to its Promoters to remit the fine along with ATR within 10 days of such intimation, failing which entire shareholding of the promoters and promoter group in such entity as well as all other securities held in the demat account of the promoter and promoter group shall be frozen.
   (v) If all options are exhausted by the SE and if number of pending complaints exceed 20 or the value involved is more than Rs. 10 lakhs, stock exchanges shall forward the complaints against such listed companies to SEBI for further action, if any.
   (vi)Timelines for handling of complaints by the SEs and actions in case of non-compliances are prescribed in Annexure 1 to the circular.

3. **Computation of Fine:** Fine shall be computed and levied on a monthly basis, till the date of redressal of grievance /filing of ATR by the company or till the company is compulsorily delisted, whichever is earlier.

4. The circular also prescribes the post redressal actions to be taken by the SEs.

- **17.08.2020**

Application for extension of AGM by Companies whose Financial Year ended on 31st March, 2020

MCA has clarified that companies whose Financial Year ended on 31st March, 2020 and could not hold its AGM by 30th September, 2020, even with relaxations granted vide Circular No. 20/2020 dated 05/05/2020 to conduct AGMs via Other Audio Visual Means (OAVM) need to apply in Form GNL-1 to Registrar on or before 29.09.2020 to seek extension of time (for a period of three months) for holding the same.

MCA has not granted an umbrella extension for holding AGMs to companies whose Financial Year ended on 31st March, 2020.

The Registrar of Companies have been further advised to consider the applications made by each company liberally.

- **24.08.2020**

Government allows companies to report CoVID-related research activities as CSR

As a measure to support and encourage companies engaged in research and development (R&D) activity of new vaccine, drugs and medical devices in their normal course of business to undertake active steps to combat CoVID-19, any R&D in the above said areas in relation to CoVID-19 for financial years 2020-21, 2021-22 and 2022-23, shall be treated as eligible CSR

expense provided, they are carried in collaboration with institutions such as Department of Biotechnology (DBT), Department of Science and Technology (DST) or any other organization as specified in Item (ix) of Schedule VII to the Companies Act, 2013.

Further, details of such activity shall be disclosed separately in the Annual Report, as part of the CSR in the Board's Report.

- **28.08.2020**

MCA dispenses with the requirement to annex extract of Annual Return in Form MGT-9 in Board's Report if web link for Annual Return is disclosed in the report.

Through this notification, MCA has clarified the debate around Section 92, which now requires companies to place a copy of the Annual Return in its website and the web-link of the same shall be provided in the Board's Report. In such cases where the web-link is provided for, the Companies are not required to attach Form MGT-9 (Extract of Annual Return) in its Board's Report.

(Read the commencement notification)
(Read the amendment to rules)

What's New in BLISS?

In BLISS, BLISSPLUS and BLISSLISTED

1. **Facility to re-arrange the names of Directors, Members and Invitees:** The users will now be able to re-arrange the names of Directors, Members and Invitees as per their choice to appear in the minutes and attendance sheets for all meeting types i.e., Board, Sub-Committee and Shareholder meetings. This feature makes BLISS more flexible and enables the user to customise the bliss generated minutes and attendance sheets to the maximum.
2. **User Rights page is modified** to make it more user friendly.

In BLISSPLUS and BLISSLISTED:

3. **Signed documents uploaded under Signed Documents folder is accessible to users with Directors and Customised Viewer role:** On customer requirement, we have now allowed the users with Director and Customised Viewer Role to access all the Signed documents (PDFs) uploaded under Signed Document folder by the Secretarial Team which is available in every Agenda and Minutes page for all the types of meetings i.e., Board, Sub-Committee and Shareholder meetings including Circular Resolutions. This feature enables the Secretarial team to share the Signed documents on a real-time basis with their Directors and it is also helpful for creating a virtual data room during Audits wherein the Auditors can be given Customised Viewer Role and access the signed documents of the Company.

Please note: After this enhancement you will be allowed to upload only pdf files in Signed Document folders and files already uploaded will be available under Agenda section.

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

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