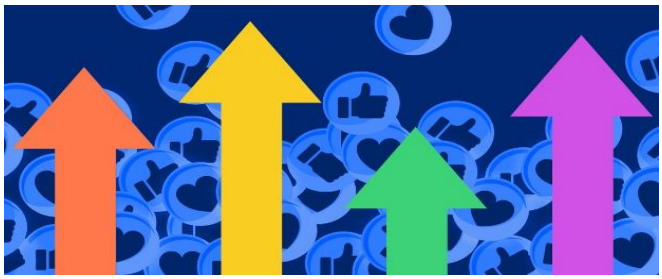
iComply

Editorial

No Indian or cricket fan could have been untouched by the upset win that Indians achieved over Australia in the recent cricket series. 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 January, 2021

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

BLISS Tips for the Month

#153: BLISSGLOBAL for LLPs & Overseas entities enables user to assign and track compliance Status
#154: CAIRR, our free to use website reaches One Crore Page Views
#155: BLISS enables Users to track recurring Calendar Events by updating it once
#156: BLISS enables Directors and Board Committee Members to receive and vote on Circular resolutions with a single click on their email

5 Questions for Every Corporate Professional

By Shankar Jaganathan

CimplyFive's Five Qs to Ascertain if your Governance Policies Reflect Good Governance

Companies, especially listed companies, are required to adopt and display on their websites about a dozen policies covering different elements of corporate governance like Policy on Directors Induction and Training Program, Insider Trading, Related Party Transactions, Materiality, Whistle-blowers, and Ombudsman, among others. Read more…

What's New in BLISS?

BLISS, BLISSPLUS and BLISSLISTED:

1. Recurring Calendar Events
2. Meeting-wise inline attachment feature for external users
3. Send custom voting email for Circular Resolutions.
4. Attachment upload function enhanced.

BLISSPLUS and BLISSLISTED

1. Provision to restrict any agenda items for select users.
2. Download specific agenda items.
   Read more…

CimplyFive's Reports releasing in February 2021



- Report on Effectiveness of Virtual AGMs in 2020
- Report on Directors Induction and Familiarization Programs

Editorial

No Indian or cricket fan could have been untouched by the upset win that Indians achieved over Australia in the recent cricket series. The Win has a lot more relevance for us in the start-up space, who face similar odds, and work fervently for such a result. Hats off to Cricket India and the dignified leadership of Ajinkya Rahane.

On the research front, we have two research reports lined up for the month of February- A report on Virtual AGMs and another one on Directors Induction and Training Programs. Both have interesting finding and we look forward to your critique as always.

In this issue, we have included an article **CimplyFive's Five Qs to Ascertain if your Governance Policies Reflect Good Governance.** This is based on our study of corporate governance policies over the last few years and typical shortcomings that we have seen that reflect poor governance. Along with this, our other regular features like –**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
February 5, 2021

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 **One Crore page views on January 11th, 2021** 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 January 2021 tabulated here is based on visitors to our site.

For the Month of January 2021
Top 5 Chartbusters in the Companies Act, 2013

Rank in Dec	Change in Rank	Rank in Jan	Section reference	Section title
5	↑	**1**	**135**	Corporate Social Responsibility
3	↑	**2**	**139**	Appointment of Auditors
4	↑	**3**	**134**	Loan and investment by company
N	↑	**4**	**186**	Loans and Investments by company
2	↓	**5**	**62**	Further issue of shares

One new section has entered the top 5 ranks, replacing Section 188.

LODR Top 5 Chartbuster Regulations

Rank in Dec	Change in Rank	Rank in Jan	Regulation reference	Regulation Title
2	↑	**1**	17	Board of Directors
N	↑	**2**	30	Disclosure of events or information
3	↔	**3**	23	Related Party Transaction
5	↑	**4**	29	Prior intimations
4	↓	**5**	18	Audit Committee

Four regulations have retained their top 5 ranks with the only new entrant being Regulation 30 dropping out.

IB Code Top 5 Chartbusters

Rank in Dec	Change in Rank	Rank In Jan	Section no.	Section Title
N	↑	**1**	53	Distribution of assets
N	↑	**2**	30	Submission of resolution plan
3	↔	**3**	59	Voluntary liquidation of corporate persons
N	↑	**4**	7	Initiation of corporate insolvency process by financial creditor
N	↑	**5**	21	Committee of creditors

Four new sections have entered the top 5 ranks, replacing sections 5, 10, 33 and 35.

5 Questions for Every Corporate Professional

By Shankar Jaganathan

CimplyFive's Five Qs to Ascertain if your Governance Policies Reflect Good Governance

Companies, especially listed companies, are required to adopt and display on their websites about a dozen policies covering different elements of corporate governance like Policy on Directors Induction and Training Program, Insider Trading, Related Party Transactions, Materiality, Whistle-blowers, and Ombudsman, among others. While these policies are mandated by SEBI regulations or Company law, the form and substance of these policies do reflect the quality of corporate governance in the Company. Our study of these polices over the last few years identified a few common shortcomings that are quite elementary in nature.

We have identified in the five questions issues which if addressed will enhance the quality of investor communication and make these polices your ambassadors of Good Corporate Governance.

1. **Is the objective of the policy along with the regulation under which this policy is mandated clearly captured in the policy document?**

To be effective, policy documents need to capture their goals crisply and efficiently. An objective clause that captures its aim in simple language along with the regulatory provision it is based on goes a long way in ensuring effective communication.

2. **Is the person to whom the policy is applicable clearly articulated in the policy document?**

For its effective usage, a policy needs to clearly identify and reach the class of individuals or entities to whom it is applicable. For instance, the Whistle-blowers policy should specify that it covers stakeholders, both internal and external. Likewise, the Directors Induction and Training Program should specify if it covers only independent directors or all directors. This clause is critical where the coverage is defined by mandate and the usage of operating words are different from its colloquial usage like 'Relatives' in Related Party Transactions or 'Insider' in polices to regulate trading by insiders.

3. **Is the designation of the person /body authorizing the policy clearly mentioned in the policy document?**

Corporate policies derive their authority from an authorized body or individual regulated under the law. It can be the Board of Directors, a Committee of Directors, or an executive authority to whom the power is delegated. Specifying the issuing authority is essential for it to be a living document for users to get their doubts clarified when new issues emerge that may be in the grey zone, requiring interpretation.

4. **Is the date of approval and effective date of the policy clearly visible in the policy document?**

The most basic issue in formal documents is the date on which it is approved and the date from which it becomes effective. While its presence does not add luster, its absence severely dents the credibility of the policy and reflects poor governance culture.

5. **Is the frequency of review and the person responsible for reviewing the document clearly captured in the policy document?**

As both the regulatory and business environment are evolving and in a state of flux, it is essential that every policy has a pre-defined interval or event that requires its review or revalidation. Making this a basic element of the policy adds vigor and makes it more effective.

While policies are only communication documents, they reflect a lot more than the elements they cover, for they represent the culture of the organization, especially in matters regarding governance that have their foundation in ethics, where the motive is as important as action.

What's New in BLISS?

BLISS, BLISSPLUS and BLISSLISTED:

1. **Recurring Calendar Events:** On customer demand, we have enhanced the Calendar Event module to allow the users to add recurring Calendar Events with weekly, monthly, quarterly and yearly regular intervals. This feature enables the users to trigger their company-specific to-do list or compliances under other Acts at predefined intervals by adding it just once. This feature ensures timely compliance, increases usability and makes calendar event triggers more comprehensive.
2. **Meeting-wise inline attachment feature for external users:** On customer requirement, we have now enabled Admin or Editor roles to meeting-wise decide on whether the external users with Viewer, Customized Viewer, Director and Invitee role can view the attachments inline or at the end of the agenda document. This feature makes BLISS **more customizable and flexible** for users.
3. **Send custom voting email for Circular Resolutions:** On customer requirement, we now allow the users to customize the content, including additional attachments, in vote mail that is sent to Board of Directors and Members of Sub-Committee along with voting buttons in the mail for them to vote on Circular Resolution of Board and Sub-Committees, respectively. This feature makes BLISS more flexible, user-friendly and comprehensive.
4. **Attachment upload function enhanced:** Users can now upload multiple files relating to a particular agenda item in a single click. We have also increased the total file limit from 10 pdf files to 30 pdf files per agenda item. This feature saves the secretarial team's time and effort by easing the upload function and increasing BLISS usability.

BLISSPLUS and BLISSLISTED:

1. **Provision to restrict any agenda items for select users:** BLISS Users will now be able to restrict a user with Director, Invitee or Customized Viewer role from viewing any of the sensitive or confidential agenda item(s) of Board and Sub-Committee Meetings. For instance, a User with Admin / Editor role can restrict an Invitee to the meeting from viewing an agenda item relating to fixing of the remuneration of managerial personnel etc., and still maintain the same page numbers to avoid confusion while referring to this document in the meeting. This feature makes BLISS more flexible and helps the secretarial team preserve the confidentiality of agenda items discussed in Board and Sub-Committee Meetings.
2. **Download specific agenda items:** BLISS enables its users to download specific agenda items as PDF or Word. This feature will allow them to exclude/include sensitive agenda items accordingly. This feature eases the secretarial team's effort by enabling them to download and email only selected agenda items to a specific user of the board meeting-Director/Invitee.

Board Leaders Integrated Software Solutions



BLISSPLUS

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 is 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

BLISSLISTED 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 is a cloud hosted key document management solution with Action Tracker that provides master data capture of the entity, e- repository for document management, Automated Tracker for managing event based and calendar-based activities.

BLISSDOCS

BLISSDOCS is 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

CIMPLYBEST

CimplyBest is a tailormade software for Indian Corporates in conducting Corporate Board Evaluation which will optimize Board's Time & Effort with confidentiality assured.

BLISSTAT

BLISSTAT Is a cloud hosted custom built software to automate Direct Tax assessment processes and provide a comprehensive action tracker enabling workflow automation with a e-repository for storing all tax assessment records.

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

February 7th	TDS payment for January
February 15th	Pay PF contribution for January
	ESIC payment for January
February 20th	Professional Tax payment
February 20th, 22nd, 24th	GSTR 3 B (based on turnover and principal place of business)
February 25th	PF Return for January
February 28th	GSTR 9- Annual Return
	GSTR 9 C- Reconciliation Statement & Certification

Gist of regulatory changes in Companies Act, 2013, SEBI (LODR), 2015, SEBI (PIT), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of January, 2021

- **08.01.2021**

Disclosure of events under Regulation 30 of LODR, 2015 by a Listed Entity undergoing Corporate Insolvency Resolution Process (CIRP) under IBC, 2016

Through this notification, a listed entity undergoing CIRP under IBC, 2016 shall disclose following events with the Stock Exchanges, without any application of the guidelines for materiality as specified in Regulation 30(4) of LODR, 2015:

a. Proposed steps to be taken by the incoming investor/acquirer for achieving the Minimum Public Shareholding (MPS)
b. Quarterly disclosure of the status of achieving the MPS
c. The details as to the delisting plans, if any approved in the resolution plan.
d. Details/Specific Features of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, such as pre and post net worth, shareholding pattern, impact on the investor, business strategy etc.

- **13.01.2021**

MCA issues further clarification for qualification of CSR spend towards Covid-19 efforts

MCA issued a clarification on 13/01/21, in addition to its earlier clarification dated 23/03/20 confirming that spend incurred to carry on awareness or public outreach campaigns on COVID-19 vaccination programme are eligible as CSR activities under Companies Act 2013. They shall fall under activities in Schedule VII of the Act relating to promotion of health care, preventive healthcare, sanitation, promotion of education and disaster management.

MCA allows Companies to conduct Annual General Meetings (AGMs) due to be held in 2020 or that would be due in 2021 through Video Conferencing (VC) facility or Other Audio Visual Means (OAVM)

In line with other circulars allowing Companies to conduct their Board Meetings and EGMs via VC or OAVM, MCA has now notified that Companies whose AGMs were due to be held in the year 2020 or that would be due in the year 2021 can conduct their AGMs via VC or OAVM till 31st December, 2021. The guidelines to be adhered to in this regard shall be the same as prescribed by MCA vide its circular No. 20/2020 dated 05/05/2020.MCA has clearly indicated that this circular doesn't confer any extension of time to hold AGMs by the Companies under the Companies Act, 2013.

- **14.01.2021**

IBBI amends Model Bye- Laws and Governing Board of Insolvency Professional Agencies (IPA) Regulations, 2016

Through this notification, the Board has amended the provisions relating to the Composition of the Governing Board and has introduced new provisions with respect to yearly self-evaluation by the Governing Board and appointment and role of Compliance Officer, who has to submit an annual compliance certificate to the Board verifying the adherence to the statute by the IPA.

- **15.01.2021**

Extension of relaxation for certain provisions of LODR, 2015 to conduct General Meetings during the calendar year 2021 due to Covid-19 pandemic

In line with relaxation granted by MCA with respect to holding EGMs and AGMs through VC or Other Audio Visual Means (OAVM) till 30/06/2021 and 31/12/2021 respectively, SEBI has also dispensed with the requirement for the listed entities to send physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode till December 31, 2021.

Scheme for condonation of delay for Companies restored on the Registrar of Companies between 1st December, 2020 and 31st December, 2020 under Section 252 of the Companies Act, 2013 with effect from 1st February, 2021

Through this circular, MCA has allowed certain class of Companies, whose restoration was disposed of by the NCLT during the period 1/12/2020 and 31/12/2020 to file such forms (barring SH-7, and charge related e-forms) with the Registrar without any payment of additional fee on or before 31/03/2021.

This scheme is introduced to enable the Companies, which were not able to avail the benefit of additional fee waiver in respect of overdue filings under the Companies Fresh Start Scheme, 2020 due to the pendency of their appeal against the orders of striking off their names with the NCLT, which were decided only during December 2020.

- **22.01.2021**

MCA amends Corporate Social Responsibility (CSR) Rules, 2014

Key highlights of the amendment are as follows:

1. **Definitions:** Key Terms such as, 'Administrative Overheads' and 'Ongoing Project', duration of which is capped upto 3 years excluding the year of commencement of the project, are now defined
2. **CSR Registration Number:** Every entity intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021; this, however, shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021
3. **CFO Certification:** Chief Financial Officer or the person responsible for financial management shall certify the funds so disbursed have been utilised for the purposes and in the manner as approved by the Board
4. **Annual Action Plan:** CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, comprising the list of activities to be undertaken, modalities of fund utilization, monitoring and reporting mechanisms for the projects etc.
5. **Set off of Excess Amount Spent:** Excess amount spent over and above the mandated spend, excluding the surplus arising out of CSR activities, may be set off up to immediate succeeding three financial years, provided a resolution to that effect is passed by the Board.
6. **Utilisation of CSR for creation/acquisition of capital assets:** CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by the entity with CSR Registration Number/ the beneficiaries of the CSR Project/Public Authority.
7. **Impact Assessment Report:** Every company having average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study, which shall form part of Annual Report.
8. **Booking CSR Expenditure:** A company that undertakes Impact Assessment study, may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
9. **Transfer of Unspent Amount:** Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.
10. **Revised format of the 'Annual Report on CSR Activities'** to be included the Board's Report for Financial Year commencing on or after 1st April, 2020 has been notified.

MCA notifies the commencement of specified sections in the Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020

MCA has notified commencement of amendments made to various sections vide Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020 including provisions related to CSR, definition of listed entities, further issue of share capital, exempt any class of persons by the Central Government from complying with the requirements of declaration of beneficial interest if considered necessary in public interest.

- **25.01.2021**

MCA amends rules with respect to conversion of public company into private company under the Companies Act, 2013

Through this notification, MCA requires the Regional Director(RD) –

i. To reject the application for conversion within 30 days, recording reasons in writing, if the applicant doesn't furnish required information within 15 days in eForm RD-GNL-5
ii. To record the consensus arrived during the hearing of objections, if any and pass an order recording the reasons for approval/rejection within 30 days from the date of hearing.
iii. May approve the conversion, if no consensus is received during hearing, provided the RD is satisfied having regard to all the circumstances of the case, that the conversion would not be against the interests of the company or is not being made with a view to contravene or to avoid complying with the provisions of the Act, with reasons to be recorded in writing

Further, the amendment has also dispensed with the deeming provision for automatic approval, where there is no order for approval or re-submission or rejection has been explicitly made by the RD within the stipulated period of thirty days.

- **28.01.2021**

MCA extends deadlines for filing AOC-4, AOC-4(CFS), AOC-4 (XBRL) and AOC-4 (Non XBRL) for the financial year ended 31st March, 2020 under the Companies Act, 2013 to 15/02/2021

Through this notification, MCA has extended the deadline for filing AOC-4, AOC-4(CFS), AOC-4(XBRL) and AOC-4(Non XBRL) for the financial year ended 31st March, 2020 under the Companies Act, 2013 to 15/02/2021 (as against the earlier deadline of within thirty days from the date of annual general meeting).

FAQs on System driven disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015

NSE & BSE have issued these FAQs, in furtherance to SEBI's circular dated 09/09/2020 on implementation of System Driven Disclosures, initially pertaining to trading in equity shares and equity derivative instruments member(s) of promoter group and designated person(s) in addition to the promoter(s) and director(s) of company (hereinafter collectively referred to as entities) under Regulation 7(2) of PIT Regulations.

The FAQ clarifies on various aspects of the above circular including

- The intimation of necessary information to only one depository, which the Listed Company has to designate.
- Any updates to the existing information shall be intimated to the Designated Depository the same day.
- Listed Companies, with Foreign Nationals as their directors and designated persons and do not have PAN or Demat Account, needn't submit their details till such time they obtain one.
- Although the required promoter/ promoter group details were already provided by R&T agent to depositories, the issuer is required to provide such details again to the Designated Depository
- Manual disclosures as required in regulation 7 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 to be submitted by every promoter, member of the promoter group, designated person and director to the listed entity and listed entity in turn with the stock exchanges till further intimation is provided in this regard.

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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