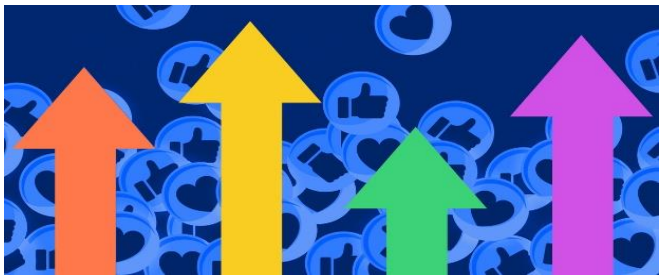
iComply

Editorial

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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, SEBI (PIT) Regulations, 2015 and Insolvency & Bankruptcy Code, 2016 in the month of April, 2021

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

What's New in BLISS?

BLISSPLUS and BLISSLISTED:

1. Provision to disable Customized Viewers from downloading company records
   Read more…

5 Questions for Every Corporate Professional

CimplyFive's Five Qs to Ascertain if your Company is Immune to Governance Mishaps

COVID-19 pandemic has made us realize the value of having strong immunity to prevent health mishaps due to infections. Read more…

BLISS Tips for the Month

#166: BLISS Event-based Action Tracker- Key features
#167: BLISS Calendar-based Action Tracker- Key features
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Our Research Report released in April, 2021



CimplyFive released its new report on Independent Directors' Induction & Familiarization Programs of Nifty 50 Companies
Read more…

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Editorial

No one living in India can be insulated from the havoc caused by the second wave of Covid-19. For many of us the sufferings of Covid-19 that seemed abstract in 2020, is real now. As it reaches the close confines of our family and our team, it is only appropriate that we reprioritise our needs and desires. With health and well-being taking prominence, business needs do recede. I am sure that for all of us this is a temporary phase and soon we will be able to serve our clients and customers the way we always aspire for.

Till then, we need patience, whether it is waiting in the bank, or standing in a queue to buy groceries or milk or waiting for our turn in the healthcare centres. Consideration for the people on the other side of the table/counter striving hard to serve us despite their constrains helps us to be considerate and kind.

In April we released our Report on Directors' Induction and Familiarisation Programs. The highlight of this report was the observation that the induction programs of most of the leading companies in India do not differentiate between an independent director serving on the board for the first time and a veteran of many boardroom deliberations in the induction process adopted. Please do read this report and share your feedback and critique as always to enhance the quality of our research reports.

With vaccination and insulation being the buzz words in April, our article for this issue deals with the level of insulation your company have to corporate governance mishaps. In our series Five Questions for Corporate Professionals, we have posed five questions that assess the level of insulation to corporate governance mishaps. 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
May 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. Our site crossed **11 million page-views** on March 26, 2021 and it attracts over 3000 users accessing around 10000 pages a day. Listing of the most viewed sections in the Companies Act, LODR and IB code in the month of April 2021 here is based on visitors to our site.

For the Month of April 2021

Top 5 Chartbusters in the Companies Act, 2013

Rank in March	Change in Rank	Rank in April	Section reference	Section title
1	↔	**1**	**135**	Corporate Social Responsibility
N	↑	**2**	**247**	Valuation by registered valuers
2	↓	**3**	**62**	Further issue of share capital
3	↓	**4**	**149**	Company to have board of directors
4	↓	**5**	**188**	Related party transactions

One new section entered the top 5 ranks, replacing Sections 179.

LODR Top 5 Chartbuster Regulations

Rank in March	Change in Rank	Rank in April	Regulation reference	Regulation Title
2	↑	**1**	17	Board of Directors
1	↓	**2**	30	Disclosure of events or information
5	↑	**3**	34	Annual Report
N	↑	**4**	40	Transfer or transmission or transposition of securities
3	↓	**5**	33	Financial Results

One new regulation has entered the top 5 rank replacing Regulation 23.

IB Code Top 5 Chartbusters

Rank in March	Change in Rank	Rank In April	Section reference	Section Title
3	↑	**1**	5	Definitions
N	↑	**2**	4	Application of this part
1	↓	**3**	59	Voluntary liquidation of corporate persons
2	↓	**4**	3	Definitions
N	↑	**5**	29	Preparation of information memorandum

Two new sections are new entrants. They have replaced sections 7 and 11.

5 Questions for Every Corporate Professional

CimplyFive's Five Qs to Ascertain if your Company is Immune to Governance Mishaps

COVID-19 pandemic has made us realize the value of having strong immunity to prevent health mishaps due to infections. Strong immunity is required not only for good human health but also for good corporate governance. Corporates in chasing steep and ambitious goals need to avoid the pitfalls of taking shortcuts to achieve results which could lead to unanticipated long term costs. Corporate history has repeatedly shown that an effective and good corporate governance system is a powerful vaccine that provides immunity against governance mishaps that can and have derailed even the best of corporates.

Listed here are five questions that assess the immunity of a corporate to governance mishaps. Answer these questions to know where your corporate stands on this immunity assessment.

1. **Is the Governance team distinct from the management team?**

The concept of maker-checker which is used to prevent frauds in financial transactions plays a critical role in corporate governance too. Mandates and regulations separate the role of the executive management from the governance team in large, listed companies by ensuring a non-executive Chairperson or where the Chairperson has executive role by mandating the presence of majority of independent directors on the board. Even in unlisted companies, segregating these two roles would provide immunity to governance mishaps by building the required checks and balances.

2. **Is there adequate representation on the board for both executive and non-executive members?**

The role of non-executive board members, especially the independent directors is to provide objectivity and longer term orientation in decision making and balance in reporting that comes from their detachment from day to day operations. This insulation is essential for strengthening corporate resilience that helps the company in acknowledging and responding to adverse situations for overcoming them.

3. **Does the business review system cover the process by which results are achieved?**

Excessive focus on results combined with steep and ambitious targets often lures executives to take shortcuts to achieve results which go unnoticed, seeding potential governance mishaps. Comprehensive review system that considers the resources used and the process followed in generating results are key requirements in ensuring prevention of governance mishaps, thereby strengthening immunity.

4. **Does the remuneration philosophy encourage sustainability and long term orientation?**

Rewards play a major role in promoting the desired behaviour. While group incentives and deferred compensation promote sustainability and long term orientation, individual incentive and current variable compensation is essential for immediate results. Hence striking the right balance between the two is critical. In the corporate world, experience has shown that excessive focus on individual incentives and current variable compensation lowers the immunity, while group incentives and deferred compensation raises the immunity to governance mishaps.

5. **Is sharing of negative news and drawbacks both with internal and external stakeholders encouraged?**

A culture that encourages sharing of negative news and drawbacks is conducive for initiating corrective action to resolve the issue, as problems identified in early stages are more amenable to resolution. A strong performance culture built on collaboration and sharing of challenges and drawbacks increases corporate immunity, playing a key role in building a sustainable company that is immune to governance mishaps.

Like individuals, corporates need to be healthy, which in financial terms translate to sustainable profits. Just as healthy individuals get infected, so too are profitable corporates prone to governance mishaps in the form of misreporting, financial frauds, insider trading or unfair related party transactions that can threaten their very existence. While COVID-19 is said to be negated with two doses of vaccine, corporates for their immunity against governance mishaps need a continuous injection of good governance practices to keep them insulated. Periodic checks for symptoms identified in the five questions listed here can help prevent infection.

What's New in BLISS?

BLISSPLUS and BLISSLISTED:

1. **Provision to disable Customized Viewers from downloading company records:** Users with Admin rights for the Company will now be able to disable Customized Viewers from downloading documents thereby permitting them only viewing rights.

   With this enhancement, all the Agenda and Minutes for current year as well as for the past years and registers, will now open in a new tab that restricts the user from downloading or saving a copy of the records from BLISS into their local system. This feature helps the Admin provide only viewing access in BLISS to customized viewers like Auditors or for due diligence purpose who can only view the documents without ability to download or save the document, thereby enhancing security of their documents.

Board Leaders Integrated Software Solutions



BLISSPLUS

BLISS LISTED

BLISSGLOBAL

BLISSDOCS

CIMPLYBEST

BLISSTAT

CAIRR LODR Integrated

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

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

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 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

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Compliance Calendar

May 7th	TDS Payment for April
May 15th	Pay PF contribution for April
	ESIC payment for April
May 20th	Professional Tax payment
May 20th, 22nd, 24th	GSTR 3 B (based on turnover and principal place of business)
May 25th	PF Return for April

Due to Covid-19, SEBI have extended certain compliance requirements. Click here for details

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

- **04.04.2021**

Government introduces Pre-Packaged Insolvency Resolution Process (IRP) for distressed Micro, Small and Medium Enterprises (MSMEs) under IBC, 2016

With the objective to ensure quicker, cost-effective and value maximising outcomes for all the stakeholders, in a manner which is least disruptive to the continuity of MSME businesses and preservation of the jobs, the Government has introduced through an ordinance, a pre-packaged insolvency resolution process for corporate persons classified as MSMEs.

Key highlights of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 are as follows:

1. Central Government shall notify the minimum amount for initiation of Pre-Packaged IRP, which shall not exceed one crore rupees.
2. A new chapter "CHAPTER III-A PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS" has been introduced, which details out-
   a. Eligibility criteria for initiation of Pre-Packaged IRP against a Corporate Debtor classified as MSME.
   b. Duties of resolution professional before initiation of pre-packaged IRP and after the initiation of the proceedings
   c. Time-limit for completion of pre-packaged IRP, shall be completed within a period of 120 days from the pre-packaged insolvency commencement date and the creditor-approved resolution plan shall be submitted to the Adjudication Authority (AA) within 90 days from such commencement date.
   d. Procedure for Declaration of moratorium and public announcement during the pre-packaged IRP
   e. Conditions subject to which the Board of Directors or the partners, as the case may be, of the corporate debtor, shall manage the affairs of the Corporate Debtor as a going concern, exercise and discharge their contractual duties and statutory rights etc.
   f. Time limit for Constitution of Committee of Creditors and their rights including the passing of resolution to vest the management of the corporate debtor with the resolution professional, initiation of Corporate Insolvency Resolution Process by voting for termination of pre-packaged IRP etc.
   g. Procedure for consideration and approval of resolution plan
   h. Penal provisions to be levied by the AA on the officer of the corporate debtor, on an application by the resolution professional on and after the pre-packaged insolvency commencement date, that he/she manages its affairs with the intent to defraud creditors of the corporate debtor or for any fraudulent purpose.

- **09.04.2021**

Government notifies the minimum amount of default to initiate Pre-Packaged Insolvency Resolution Process (IRP) of Corporate Debtor under IBC, 2016

Through this notification, the Central Government has notified Ten Lakh rupees as the minimum amount of default for the matters relating to the pre-packaged insolvency resolution process of corporate debtor under Chapter to III-A of the Code.

MCA notifies Insolvency and Bankruptcy (prepackaged insolvency resolution process) Rules, 2021

The said Rules specifies the process through which a corporate applicant shall file an application for initiating pre-package insolvency resolution process

under the IBC, 2016 in Form 1 (prescribed in the Rules), accompanied with affidavit, documents or records as referred in Annexures therein, in electronic form, along with a fee of rupees fifteen thousand or in the physical form, as required in the said Rules. The Corporate Applicant shall also serve a copy of the application to the Board and the Adjudication Authority in the prescribed manner.

IBBI notifies Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021.

Key Highlights of the regulations are as follows:

- the eligibility, appointment, fees and reporting requirements of the Resolution Professional
- Process of Initiation of the Prepackaged IRP including manner of obtaining the approval from financial creditors
- Manner of making public announcements and publishing the list of claims
- Constitution and Meetings of Creditors
- Appointment of Registered Valuers and Determination of Fair Value
- Preparation, Evaluation and Submission of Resolution Plan
- Managing the affairs of the Corporate Debtor and procedure to vest the same with the Resolution Professional

- **13.04.2021**

IBBI notifies w.e.f 13th April 2021, the Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2021 for Information Utilities whose function is to gather, assemble, validate and disseminate financial information from corporate debtors/creditors (users) and facilitate the insolvency resolution process.

Highlights of the amendment are as follows:

1. The bye-laws for Information Utilities shall now also provide for :
   A. minimum service quality standards, including timelines for -
      - registration of users,
      - issuance of record of default,
      - issuance of annual statement to registered users,

   B. Adoption of quality standards and their certifications
2. Users availing services of these Information Utilities shall submit the following details as on the last day of every month, in the first week of following month in Form C prescribed under these regulations:
      - Details of the user submitting information
      - Details of Other Parties to the Debt
      - Details of the Debt
      - Details relating to Creation of Security on Debt
      - Details relating to Default of Debt

   and it shall be updated by the Utility within seven days of occurrence of default.
3. The Information Utility shall publish statistical information as per newly Inserted Regulation 36A as under:
      - Statistics relating to debt in its possession, on quarterly basis
      - Debt distribution in terms of currency, geography, sector, size, tenor, type, lending arrangement, and incidence of default

- **22.04.2021**

Clarification on eligible CSR activities under Companies Act, 2013 in light of COVID pandemic

Through this circular, MCA has clarified that setting up of makeshift hospitals and temporary COVID care facilities undertaken in consultation with the respective State Governments, are eligible CSR activities under Schedule VII of the Companies Act, 2013.

- **26.04.2021**

SEBI amends Insider Trading Regulations

Through this notification, SEBI has omitted the following provision relating to Initial Disclosure as the prescribed deadline has elapsed, rendering the provision obsolete:

Every promoter, member of the promoter group, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;

- **27.04.2021**

Extension of fee payment deadline by the Insolvency Professional and timelines for intimation for appointment/cessation of director/partner in Insolvency Professional Entity (IPE)

Through this notification, IBBI has extended the timeline for the Insolvency Professional to pay the prescribed fee to the Board on the Professional Fee earned and/or the turnover to 30/06/2021 from 30/04/2021. Further, relaxation has been granted to the Insolvency Professional Entity, which shall intimate within 30 days (as against 7 days) to the Board regarding appointment and/or cessation its director or partner during the period 27/04/2021-31/12/2021.

Extension of deadlines with respect to certain provisions in the Schedule under Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016

IBBI, vide this notification, has extended the deadline to 30 days (as against 15 days) in case of deemed approval of issuance/renewal of an assignment and filing of an appeal to membership committee by the aggrieved applicant under Clauses 12A(5) and 12A(7) of the Schedule, respectively, under the said regulation.

It is to be noted that this extension will be effective on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Second Amendment) Regulations, 2021 to 31st October, 2021.

- **29.04.2021**

SEBI grants relaxation from compliance with certain provisions governing Equity/Debt/Municipal Bonds/Commercial Paper listed entities due to the CoVID-19 pandemic

Through the circulars, SEBI has granted extension of deadlines with respect to compliance of below regulations. Further, Listed entities are permitted to use digital signature certifications for authentication/ certification of filings/submissions made to the stock exchanges under the LODR Regulations for all filings until 31/12/2021. Entities that have listed their municipal bonds/commercial papers may also opt to use digitally signed documents for making filings with Stock Exchanges in terms of the already issued SEBI circulars.

S. No.	Regulation and Requirement	Due Date	Extended dead line for the quarter/ half year/ year ending March 31, 2021
For listed entities that are covered under under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015			
1.	Regulation 24A read with circular No.CIR/CFD/CMD1 /27/2019 dated 08/02/2019 requires submission of Annual Secretarial Compliance report within 60 days from the end of the financial year	30/05/2021	30/06/2021
2.	Regulation 33 (3)- Requires submission of Quarterly financial results/ Annual audited financial results- within 45 days from the end of quarter / 60 days from end of the financial year respectively	15/05/2021 and 30/05/2021 respectively	30/06/2021
3.	Regulation 32(1) read with SEBI circular No.	15/05/2021 and 30/05/20	30/06/2021

	CIR/CFD /CMD1/162/2019 dated 24/12/2019 requires submission of Statement of deviation or variation in use of funds along with the financial results (within 45 days of end of each quarter/ 60 days from end of the financial year)	21 respectively	
For entities that have listed their debt securities under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-convertible Redeemable Preference Shares Regulations, 2013, and SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008			
1.	Regulation 52(1) and 52(2) requires Half-yearly/ Annual audited financial results to be submitted within 45 days from end of the quarter / 60 days from end of the financial year respectively	15/05/2021 and 30/05/2021 respectively	30/06/2021
2.	Regulation 52(7) read with SEBI circular no. SEBI/HO/DDHS/ 08/2020dated 17/01/2020 requires submission of Statement of deviation or variation in use of funds along with the financial results (within 45 days of end of each quarter/ 60 days from end of the financial year)	15/05/2021 and 30/05/2021 respectively	30/06/2021
For entities that have listed their bonds under the SEBI (Issue and Listing of Municipal Bonds) Regulations, 2015			
1.	Submission of Annual audited financial results as per circular no. SEBI/HO/DDHS/ CIR/P/134/2019 dated 13/11/2019 within 60 days from end of the financial year	30/05/2021	30/06/2021
For entities that have listed Commercial Paper			
2.	Requirements as per SEBI/HO/DDHS/ DDHS/CIR/P/ 2019/115 dated 22/10/2019 requires Half-yearly/ Annual audited financial results to be submitted	15/05/2021 and 30/05/2021 respectively	30/06/2021

	within 45 days from end of the quarter / 60 days from end of the financial year respectively		

Our Research Report released in April, 2021

The CimplyFive report, **Independent Directors Induction & Familiarisation Program, 2021** analyses the key practices contained in the Policy documents of the Nifty 50 companies covering:

- the mode of familiarisation with the company's industry, business model, the roles, rights and responsibilities of Independent Directors.
- the methods used in the induction process.
- the disclosure of the programs conducted and the duration of the programs.

Compliance with the regulations appear more to be with the letter of law as reflected in:

- Only a handful companies disclosed in their policy document the date on which this policy was approved, identify the approving authority and have the date or event that triggers the next review.
- An uniform practice is outlined for induction of independent directors, both experienced and the new entrant in the policies, making it sub-optimal for effective implementation.
- Information on the programs conducted and the time spent by Independent Directors on induction and familiarisation programs is not designed to help decision making as cumulative data is required to be provided and not the data pertaining to active directors on the board.

'Click here' to read the full report.

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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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