CimplyFive's Monthly Newsletter

iComply

September, 2021

Editorial

Today, September the 3rd, marks our 7th year of incorporation. On this memorable occasion, our heartfelt thanks to the CS fraternity for reinforcing their confidence in us by:

- 600 applications in one hour and 1200 applications within a week of our posting a CimplyFive vacancy for Company Secretaries on Linkedin. What added to our pleasant surprise was that a few of the applicants are currently working in the top 100 Indian corporates.
- Our free to use website www.ca2013.com being accessed by over 5000 professionals each day. On September 1, 2021, our site reached a cumulative 14 million page views, the last million in just 51 days.

Team CimplyFive thanks each one of you. **Read more...**

September 2021 release:
CimplyFive's Report on TOR for Sub-Committees of the Board



BLISSCAST 2021-04
Interview with Mr. Vijay V, Chief Financial Officer, Dvara Trust



1. **CimplyFive**: How would you describe your experience as the CFO in the last one-year of the pandemic on professional front? What are the main challenges you faced and your lessons learned from them?

   Vijay: The COVID pandemic, while affecting lives and livelihoods has also caused great uncertainty in the minds of key decision makers and the markets.

   Read more...

What's more in this month's Issue

- What is Hot in Company Law?
- 5 Questions for Every Corporate Professional
- BLISS Tips for the Month
- Compliance calendar
- Gist of Regulatory Changes in the month of August, 2021

Editorial

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Team CimplyFive thanks each one of you.

In our interview series, **BLISSCAST**, where we interview company secretaries and corporate governance champions in leading Indian companies, we have featured **Mr. V Vijayaraghavan**, **Group CFO, Dvara Trust,** who shares his rich professional insights in dealing with this unprecedented pandemic situation.

In our series **5Qs for Corporate Professionals** we have posed questions to ascertain the effectiveness of information flow to the Board of Director, which can be used by independent directors to measure timeliness and adequacy of information flow. Our other regular features like –**Gist of Changes in the Companies Act, 2013, SEBI's LODR, 2015 and IB Code, 2016** and **Statutory Compliance Calendar** are also included in this Issue.

Please share your feedback on this newsletter with us at contact@cimplyfive.com, we eagerly look forward to it.

Happy reading,
Shankar Jaganathan
Editor of iComply
September 3, 2021

BLISSCAST 2021-04

Interview with Mr. Vijay V, Chief Financial Officer, Dvara Trust

1. **CimplyFive**: How would you describe your experience as the CFO in the last one-year of the pandemic on professional front? What are the main challenges you faced and your lessons learned from them?

   Vijay: The COVID pandemic, while affecting lives and livelihoods has also caused great uncertainty in the minds of key decision makers and the markets. From a professional standpoint, both Fund raising and M&A transactions were impacted. As far as M&As went, while the pandemic threw up quite a few opportunities, the challenge lay in assessing COVID impact on both balance sheets of the acquired and the acquirer, and effecting adjustments to valuations and other acquisition terms to reflect the commercial intent of the transaction.

   On the funding front, the onset of the first wave of COVID froze debt markets and most players in the debt and equity space started looking inward trying to assess the impact of the pandemic on their existing portfolios. This in turn effectively turned off the tap on new funding. It took longer for the conversations to start and took twice as much time for closure as compared to pre-pandemic times.

   The overall impact of the pandemic translated into higher cost of financing as also more onerous terms for availing facilities. The key lesson learnt from the pandemic was to simulate all possibilities and continuously fine tune our approach, so as to stay on course and tide over the challenges.

2. **CimplyFive**: Given your rich experience as an accomplished CFO, how did your experience prepare you to handle this unusual situation?

   Vijay: Being the Group CFO of a Financial Services Holding Company and working with various group companies in the financial inclusion space provides deep insights into the challenges faced in designing products relevant to our target customers and facilitating access to the same. Our companies have to embrace technology changes all the time and build processes that enable success in a competitive environment.

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My own experience of working on various strategic initiatives such as fund raising, acquisitions and regulatory structures has greatly helped in combating the uncertainties thrown about by the pandemic situation. This was evident most in handling our funding and liquidity requirements, where we have had a mixed bag of success and failures and we have benefitted from the failures as well through the learnings and course correction that arose therefrom.

Another key area where we were able to improve was on the compliance front where our experience especially on FCRA compliance, led to a revamp of process and overhauling our control mechanism to ensure absolutely error-free compliance.

3. **CimplyFive**: Given the constraints of the pandemic times, is there any initiative you would like to mention that your company took to ensure that the governance standards were maintained or enhanced during this pandemic times?

Vijay: The pandemic has provided an opportunity for our group to focus on several internal processes and lay down detailed SOPs to ensure better internal controls. Independent external audit firms have been engaged to act as Internal Auditors for several of our group companies to ensure that the internal controls as laid down are working in order. This apart, we have also inducted several reputed professionals onto various group company boards as Independent Directors, to ensure that corporate governance at our various companies is streamlined and receives the benefit of knowledge of these chosen individuals.

4. **CimplyFive**: What are the enduring changes brought about by this pandemic to the working environment that you see continuing post the pandemic?

Vijay: The pandemic has changed the workplace as we know it. Though the first wave pushed all of us into a remote working from home mode, people have started moving back into office gradually as they learnt to tackle the pandemic with various safety protocols. Hybrid model of Work from Office + Work from Home is here to stay and all teams need to learn to coordinate better and engage continuously wherever they are based. One of the key changes this has brought about is paperless mode of transacting business which has even reached the audit processes whereby Statutory audits have become paperless and have had to be conducted remotely relying more on systems and technology. Successful businesses are those that embrace the digital tools both available and emerging and maximise productivity.

5. **CimplyFive**: What would be your one advice to young budding CA/CS professionals as they enter the corporate world?

Vijay: With the corporate workforce getting younger by the day, success at work is dependent on the attitude and performance of younger professionals and my key advice to them would be two-fold – to absorb as much as possible from their work environment across disciplines rather than just sticking to their respective functional domains and to maintain a healthy work-life balance, because productivity is best when the mind is fully recharged and geared to accept challenges at work. So a multi-disciplinary approach with the right work-life balance is my two cents worth.

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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. Our site crossed 14 **million page-views** on September 1, 2021 and it attracts over 5000 users accessing around 20,000 pages a day. Listing of the most viewed sections in the Companies Act, LODR and IB Code in the month of August 2021 here is based on visitors to our site.

For the Month of August 2021

Top 5 Chartbusters in the Companies Act, 2013

Rank in July	Change in Rank	Rank in August	Section reference	Section title
2	↑	**1**	**134**	Financial statement, Board reports, etc.
1	↓	**2**	**135**	Corporate Social Responsibility
4	↑	**3**	**62**	Further issue of share capital
5	↑	**4**	**179**	Powers of Board
2	↓	**5**	**188**	Related party transactions

All the five sections have retained the top 5 ranks with only their positions shifting.

LODR Top 5 Chartbuster Regulations

Rank in July	Change in Rank	Rank in August	Regulation reference	Regulation Title
2	↑	**1**	30	Disclosure of events or information
1	↓	**2**	17	Board of Directors
3	↔	**3**	34	Annual Report
N	↑	**4**	6	Compliance Officer and his/her obligations
N	↑	**5**	19	Nomination and remuneration committee

Two new regulations have entered the top 5 rank replacing Regulations 23 and 27**.**

IB Code Top 5 Chartbusters

Rank in July	Change in Rank	Rank In August	Section reference	Section Title
N	↑	**1**	59	Voluntary liquidation of corporate persons
2	↔	**2**	5	Definitions
N	↑	**3**	33	Initiation of liquidation
N	↑	**4**	6	Persons who may initiate corporate insolvency process
N	↑	**5**	14	Moratorium

Four new sections have entered the top 5 ranks. They have replaced sections 53,7, 35 and 4/6.

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5 Questions for Every Corporate Professional

CimplyFive's Five Qs to Measure Effectiveness of Information Flow to the Board of Directors

Effective board meetings depend on timely, predictable, and smooth information flow. While this is true for all meetings where decisions are taken, in board meetings this assumes critical importance as there is a statutory duty cast on the members for specified decisions and in addition, many of the members could have non-executive role limiting their time to prepare for these meetings.

Recognising this, the regulators have specifically mandated the Independent Directors in a separate meeting, without the presence of promoter or other non-independent directors, to review the adequacy and timeliness of information flow. Based on practical experience, this article identifies five distinct elements that measures the adequacy and timeliness of information flow to the Board of Directors for their decision making.

1. **Is the information flow predictable and timely to help directors plan and give adequate time and attention to prepare for the meeting?**
   Indian law specifies a seven-day prior notice to the directors for the board meeting and circulation of agenda papers with the notice. In most cases, this seven-day period is adequate for preparation. This presumes that the agenda note circulated is complete- containing not only all the agenda items tabled for discussion, but also the proposal, the proposed resolution and the background material need for taking an informed decision. Any deficiency in the agenda note circulated can lead to ill informed decision making that would be either sub-optimal or detrimental to the company.

2. **How is supplementary information shared with the directors after the initial agenda is circulated?**
   In an ideal world, there is no place for supplementary agenda items or supplementary information to be sent to the directors after the original note is circulated. In practice, where corporate teams work under tight timelines, for some agenda items like audited accounts, M&A transactions, or final negotiated agreements, these documents may be only available only after the initial note is circulated.
   A recommended practice in sending the supplementary information to directors is to mark them as supplementary, highlighting the date and time when it is shared, and where feasible integrate it with the original document so that all participants can refer to a single document with uniform page numbers that helps to conduct an effective meeting.

3. **Is there a specific person identified to whom request for additional information or queries on the board docket circulated can be made by the Directors?**
   Company Secretary is the person identified by the statute for circulation of agenda items and coordination for the board meeting. In large corporates where multiple people are involved in the board meeting and the short time between agenda note circulation and the meeting date, defining the process for seeking additional information or identifying specific person who can be called to handle queries on the agenda notice circulated is essential for completing the communication prior to the meeting for enabling an effective and efficient board meeting.

4. **Are the sections on business decision, governance responsibilities and statutory compliances grouped together and presented to the directors?**
   A typical board agenda note is of 100 page length and in certain meetings where specific transactions are approved, or in listed companies where a list of predefined agenda items are to be considered, the note can run into a few hundred pages with more than 20 agenda items. In these companies, it may be appropriate to group the agenda items into sub-categories like administrative items like confirming presence of quorum, approval of prior meeting minutes, granting leave of absence etc., items to take note of, approval of financial statements for the quarter/ year, minutes / recommendations of sub-committees, business presentations for review and statutory items to be considered. This classification apart from helping with better time management during the Meetings, can also help directors with specialisation skills to actively participate in the set of items grouped together by handling all the related items together and leveraging their inter-relationship.

5. **What is the frequency of new agenda items that are placed in the board meeting with the permission of Chair without prior circulation of the documents for decision making?**

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Only in the rarest of rare cases should agenda items be taken up in the board meeting without prior circulation or intimation to the directors with the permission of chair, as the time provided to the directors to consider the issue and take an informed decision is not provided. Ideally this should be business-related decisions and not be related to governance issues like Related Party Transactions or statutory issues requiring board approvals that can be pre-planned. Frequently introducing agenda item/s reflects poor flow of information and could be taken up as issues requiring remedy.

Like in all elements of corporate governance, good governance goes beyond complying with the letters of law and adhering to its spirit. Intent is a key element in this, and seeking regular feedback goes a long way in establishing both the intent and ensuring optimum information flow that is timely and effective for taking good decisions.

BLISS Tips for the Month

#183: Enhance Board Members Productivity for Supplementary Agenda Items using BLISS

#184: Get auto-filled Annual Return (MGT-7) using BLISS

#185: BLISS enhanced to record Extensions Provided by MCA/ SEBI in Tracking Due dates

#186: Automate Your Auditor's Appointment with BLISS

#187: BLISS provides Single-Point E-repository for Safe Storage & Quick retrieval of Secretarial Records for Audits & Due diligence

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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 CompaniesAct,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 every business day by 11 AM for changes in the Act & Regulations. For more details, please visit www.ca2013.com

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Compliance Calendar

September 7th	TDS Payment for August
September 10th	GSTR 7 (Monthly return filed by the persons required to deduct TDS)
	GSTR 8 (Return filed by e-commerce operators)
September 11th	GSTR 1 (Turnover exceeding 5 crore or opted for monthly return)
September 15th	Pay PF contribution for August
	ESIC payment for August
September 20th	Professional Tax payment
September 20th, 22nd, 24th	GSTR 3 B (based on turnover and principal place of business)
September 25th	PF Return for August

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

- **03.08.2021**

SEBI amends LODR regulations

Key highlights of the amendment are:

1. **Criteria for ascertaining pecuniary relationship** between the Independent Director (ID) and the listed entity, its holding, subsidiary or associate company, or its promoters, or directors is redefined.
2. **Shareholders' approval for Appointment of a Director:** The listed entity to obtain shareholders' approval for appointment of a person on the Board of Directors at the next general meeting or within a period of three months from the date of appointment, whichever is earlier.
3. **Minimum number of IDs required in a Nomination and Remuneration Committee (NRC)** is increased to 2/3rd (as against ½).
4. **Approval of Related Party Transactions (RPTs):** Only those members of the audit committee, who are independent directors, shall approve RPTs.
5. **Independent Directors:**

   a. The appointment, re-appointment or removal of an ID has to be approved by the shareholders by a special resolution.

   b. From 01/01/2022, the top 1000 listed entities by market capitalization calculated as on March 31 of the preceding financial year, shall undertake Directors and Officers insurance ('D and O insurance') for all their IDs of such quantum and for such risks as may be determined by its Board of Directors.

   c. An ID shall be appointed as an executive / whole time director on the board of the listed entity, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, only after a period of one year has elapsed from the date of his/her resignation from the listed entity.

   d. NRC to evaluate and identify suitable ID, considering the prescribed parameters and may use the services of external agency in this regard.

   e. Additional Disclosures in the event of resignation of an ID: Names of listed entities in which the resigning ID holds directorships, indicating the category of directorship and membership of board committees, if any, to be disclosed to Stock Exchanges.
6. Additional disclosures, as prescribed, to be provided to shareholders in case of appointment/re-appointment of a director.

- **05.08.2021**

Government relaxes fund raising norms under Companies Act, 2013 for foreign companies in International Financial Services Centres (IFSCs) located in a SEZ

Government exempts applicability of sections 387 to 392 (both inclusive) of the Companies Act to the following:-

(a) foreign companies;

(b) companies incorporated or to be incorporated outside India, whether the company has or has not established, or when formed may or may not establish, a place of business in India,

in connection with the offering for subscription in the securities, requirements related to the prospectus, and all matters incidental thereto in the IFSC set up in a SEZ.

Government amends definition of electronic records under A. Companies (Registration of Foreign Companies) Rules, 2014 and B. Companies (Specification of definitions details) Rules, 2014

Government has notified that any electronic based offering of securities, subscription thereof or listing of securities by a foreign company in the IFSC set up in a

SEZ shall not be construed as 'electronic mode' for the purposes of definition of 'Foreign Company' under the Companies Act, 2013.

SEBI amends provisions with respect to Informant Reward under Insider Trading regulations

SEBI has increased the threshold limit of Informant Reward to Ten Crores rupees from One Crore rupees. And, where the total reward payable is less than or equal to One Crore rupees, it may be granted upon the issuance of the final order. Where the reward is more than One Crore rupees, an interim reward may be granted not exceeding One Crore rupees upon the issuance of the final order by the Board and the remaining reward amount shall be paid only upon collection or recovery of the monetary sanctions amounting to at least twice the balance reward amount payable.

- **06.08.2021**

SEBI extends the applicability of the amendments to LODR regulations to 01/01/2022

SEBI has extended the applicability of the amendments made to LODR Regulations vide its notification dated 03/08/2021 to 01/01/2022 (as against the earlier effective date of 03/08/2021).

- **12.08.2021**

Pre-Packaged Insolvency Resolution Process(IRP) for distressed Micro, Small and Medium Enterprises (MSMEs) under IBC, 2016 w.e.f 04/04/2021

The ordinance issued on 04/04/2021 w.r.t Pre-Packaged Insolvency Resolution Process (IRP) for distressed Micro, Small and Medium Enterprises (MSMEs) under IBC, 2016 has been passed as an Act. The gist of the ordinance is reproduced here for easy reference.

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.

- **13.08.2021**

SEBI amends disclosure requirements under Takeover Code w.e.f 01/04/2022

Listed entities are no longer required to file the details of the shareholding and voting rights of the promoter and/or by person, together with persons acting in concert with him/her, as on 31st March of every financial year with the Stock Exchange as required under Continual Disclosures of the Takeover Code. Further, disclosure requirement w.r.t encumbered shares is not required if such encumbrance is undertaken in a depository.

SEBI relaxes disclosure requirements under LODR regulations for the Debt Listed entities w.e.f 13/08/2021

Key Highlights of the amendment are:

1. Disclosures on credit rating, asset cover, previous and next due dates for interest payment needn't be provided along with half yearly/annual financial results.
2. Annual undertaking on compliance with respect to Issue and Listing of Debt Securities and Terms of Trust Deed needn't be submitted with the Stock Exchange
3. Half yearly communication to non-convertible security holders on various financial parameters is not required.

Tendering of shares in open offers, buy-back offers and delisting offers by marking lien in the DEMAT account of the shareholders with effect from 15/10/2021

To reduce the systematic risk and risks/costs associated with the movement of securities from demat account of shareholders to Clearing Corporation account, vice-versa and to make the process more investor friendly, a lien shall be marked against the shares of the shareholders participating in the tender offers. Only the accepted quantity of shares shall be debited from the shareholder's demat account and the balance, if any, shall be released. Detailed procedure in this regard in annexed to this circular.

Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015

SEBI has notified that the manual filing of disclosures by the listed entities as required under Regulation 7(2) (a) & (b) of PIT Regulations is no longer required as the System Driven Disclosures have been implemented by SEBI w.e.f 01/04/2021 and is live as indicated in its circular dated 09/09/2020.

Revised format for disclosure of shareholding pattern under LODR regulations

To promote better transparency to the investors, all listed entities shall now furnish the details of the shareholding, segregating it into promoter(s) and promoter group (as against collective figure), with the stock exchange as required under LODR Regulations. The revised format is included in the said circular.

- **19.08.2021**

Exemptions for specified persons willing to be appointed as an independent director from passing online proficiency test under Companies Act, 2013 and its Rules

MCA has exempted the following candidates who are willing to be appointed as an Independent Director from passing the online proficiency test-

- Advocates, Chartered Accountants, Company Secretaries and Cost Accountants, who are in practice for at least 10 years,
- Candidates in the pay scale of Director or equivalent or above in any Ministry or Department, of the Central Government or any State Government, with experience of not less than 3 years in handling commerce, corporate affairs, finance, industry or public enterprises; or the affairs related to Government companies or statutory corporations set up under an Act of Parliament or any State Act and carrying on commercial activities.

IICA to send Annual report on the capacity building of Independent Directors (IDs) to the respective IDs and the associated Company

MCA requires the institute ('IICA') to furnish within sixty days from the end of every financial year an annual report to every individual whose name is included in the data bank and to every company in which such individual is appointed as an ID in the format as prescribed in the said notification, which highlights the participation of the IDs in various programs, workshops etc. organized by the institute.

Designation of Special Court for the purpose of providing speedy trial of offences under the Companies Act, 2013

The Chief Justice of the High Court of Jharkhand designates 'Court of Sub-Divisional Judicial Magistrate at Ranchi' as the Special Court for the purpose of providing speedy trial of offences falling under the jurisdiction of the State of Jharkhand under section 435(2)(b) of the Act.

- **25.08.2021**

MCA issues FAQs to clarify certain provisions with respect to Corporate Social Responsibility (CSR)

The FAQs cover CSR applicability, its framework, expenditure, implementation, treatment of unspent amount and excess spend, disclosures and the enforcement of these provisions.

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Key highlights of the revised FAQ issued are as follows:

Applicability:
Compliance with CSR requirements is specific to each company on fulfilment of eligibility criteria prescribed under section 135(1) irrespective of Holding or Subsidiary relationship which includes Section 8 Company and Companies that have not completed 3 financial years (FYs) since their incorporation

CSR Expenditure and Activities
The following expenses/activities shall not form part of CSR expenditure:

1. Contribution to corpus of any entity w.e.f. 22nd January, 2021
2. CSR contribution in kindExpenses on involvement of employees in CSR projects
3. Incurred on activities beyond Schedule VII of the Act
4. Incurred on any activity benefitting employees of the company
5. Incurred on any activity undertaken by the company outside India

The expenses relating to transfer of capital asset for CSR projects in the year of such transfer shall form part of CSR expenditure

Note: Amount spent by a company towards CSR cannot be claimed as business expenditure under Income Tax Act 1961

Impact Assessment

1. Companies are required to undertake impact assessment of the CSR projects completed on or after January 22, 2021
2. This expenditure is over and above the specified limit for administrative overheads

Implementation Agency

1. Since the requirement of registration of these agencies has commenced from 01st April, 2021, any ongoing project which has been approved between 22nd January, 2021 and 31st March, 2021, may be carried out by an implementing agency which is not registered in MCA21 portal.
2. Mere disbursal of funds for implementation of a project does not amount to spending unless the implementing agency utilises the whole amount.

Ongoing Projects

1. An ongoing project will have 'commenced' when the company has either issued the work order pertaining to the project or awarded the contract for execution of the project. Maximum permissible time period for these projects shall be three financial years excluding the financial year in which it is commenced i.e., (1+3) financial years.
2. The budget outlay dedicated for one project can be used against another project

Unspent Amounts and Excess Spend

1. Unspent Amounts cannot be spent on CSR activities after the end of the FY and must be transferred to the unspent CSR account. Any excess CSR amount spent can be carried forward up to immediately succeeding three FYs and it will lapse at the end of the said period.
2. The excess amount can be set off against the immediately succeeding three FYs w.e.f 22nd January, 2021 and not for financial years prior to FY 2020-21.

Disclosures

All CSR projects approved by the Board/Committee are required to be disclosed on the website of the company, if any, irrespective of outlay and percentage to the total CSR.

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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



Say hello to

BLISS

Board Leaders Integrated Software Solution

Automation of Corporate Secretarial Work

E - Repository for All Secretarial Records

Risk Management Dashboard & Email Alerts

Request a free demo now!

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