CimplyFive's Monthly Newsletter

iComply

January 2022

Editorial

Wish you all a very Happy New Year. May 2022 usher in all around prosperity and good health to add to our happiness. As corporate professionals we can all pray for a less turbulent regulatory environment which reduces the cost of compliance and helps all our corporates stay compliant.

In our interview series, **BLISSCAST-08**, where we interview corporate governance champions in leading Indian companies, we are featuring Mr. **Amit Bhasin,** Executive Vice President & Head Legal, Marico Limited**,** who shares his rich professional insights and learnings from dealing with the unprecedented Covid-19 pandemic situation. Read more…



BLISSCAST-08

Interview with Mr. Amit Bhasin, Executive Vice President & Head Legal, Marico Limited



CimplyFive: How would you describe the last eighteen months of the pandemic on professional front? What are the main challenges you faced, and your lessons learnt from them?

Mr. Amit Bhasin: Period of last eighteen months was extraordinary in many respects; starting with the impact of the pandemic which the world was not prepared for, to the new ways of working
Read more…

What's more in this month's Issue

- What is Hot in Company Law?
- 5 Qs for Corporate Professional
- BLISS Tips for the Month
- Compliance Calendar
- Regulatory Changes in the Month

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In our interview series, **BLISSCAST-08**, where we interview corporate governance champions in leading Indian companies, we are featuring Mr. **Amit Bhasin,** Executive Vice President & Head Legal, Marico Limited**,** who shares his rich professional insights and learnings from dealing with the unprecedented Covid-19 pandemic situation.

In our series **5Qs for Corporate Professionals** we have posed questions on the elements that need to be considered by governance professionals and the Boards in deciding what voluntary practices they could adopt to enhance the quality of governance in their company. We believe using these questions can help companies to adopt enduring voluntary governance practices that can create a distinguishing brand for the company as a good, ethical, and sustainable company.

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
January 5, 2022

BLISSCAST- 08

Interview with Mr. Amit Bhasin, Executive Vice-President & Legal Head, Marico Limited

CimplyFive: How would you describe the last eighteen months of the pandemic on the professional front? What are the main challenges you faced, and your lessons learnt from them?

Mr. Amit Bhasin: Period of last eighteen months was extraordinary in many respects; starting with the impact of the pandemic which the world was not prepared for, to the new ways of working, to the importance of care for self and your loved ones.

At organisation level as also at the professional level, there was an urgency to be more agile and adaptive to the new business needs and operating models. You were forced to find innovative solutions to achieve business goals. There were new rules of working from home that required one to work with same degree of efficiency while ensuring that you stay connected as team. The need for agility, resilience and collaboration took center stage.

There are a lot of learnings, first being the importance of selfcare. As leader you need to have a high degree of balance, and resilience during such period, then only one can provide the strategic guidance that the team and organisation needs from you. Secondly, empathy is the most important trait of a leader, you need to understand your people and connect with them at human level, you care for them and they will take care of the rest. Third, at times crisis gets the best of the teams, we have seen some outstanding innovations and projects delivered at timelines which no one would have imagined pre-pandemic. Trust the teams and give them space to innovate.

CimplyFive: Given your rich experience as an accomplished corporate leader, how did your experience prepare you to handle this unusual situation?

Mr. Amit Bhasin: In corporate life, one gets enough experience of navigating through the crisis situations. Corporate do have risk management and crisis management programmes and protocols; however crisis of this magnitude was not captured in any risk management plan. Having said that the basic principles of crisis management and past experiences did come handy.

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The role of professionals moved beyond legal expertise during pandemic and step into business acumen, strong leadership and relationship building. We utilised technology and data analytics to drive efficiency and enhance value. Problem-solving skills combined with EQ and creativity helped in navigating a tough external environment

CimplyFive: Given the constraints of the pandemic times, is there any initiative you would like to mention that your initiated or were part of to ensure that the governance standards were maintained or if not enhanced?

Mr. Amit Bhasin: The most important thing during the pandemic was to ensure that new ways of working and handling of crisis should not become an excuse for any form of dilution in governance and ethical practices. As professionals it was an opportunity to promote ethical principles to leadership teams as also throughout the organisation. Focused Activities to reinforce the ethical conduct and values of the organisation were carried out which helped maintaining the ethical standards. We need to continue to maintain the agility in our role and our teams that we learnt during the pandemic.

CimplyFive: What are the top 3 enduring changes brought about by this pandemic to the corporate governance domain that will continue post the pandemic?

Mr. Amit Bhasin: Pandemic has given a significant and much required push to the adoption of digital technologies particularly in areas of corporate laws and practices. The practice of Virtual Board Meetings and Virtual General Meeting and E Annual Reports are welcoming. These practices have been very well received by the stakeholders and have raised governance standards, shareholder participation in the country.

Corporate Professionals were tasked to work closely with Boards to adjust to new responsibilities and ways of working. The role of leaders has evolved during the pandemic to encompass a greater involvement in the physical and mental well-being of teams and employees and this will continue to occupy center stage post pandemic as well.

CimplyFive: What would be your one advice to young budding professionals as they enter the corporate world?

Mr. Amit Bhasin: Know your Business well that you are part of, your role is to support business using your functional expertise. Don't be afraid of coming out of your comfort zone and try new things. You grow when you get new experiences. Young professionals have unique opportunity in this profession to promote ethical principles and good governance in their organisations. Young professionals should believe in and focus on building diverse teams and promote new ways of working.

CimplyFive: Can you share your experience with CimplyFive?

Mr. Amit Bhasin: CimplyFive website and App are quite resourceful, build by professionals who understand the subject and has working knowledge of corporate laws. The products and resources provided by Cimplyfive therefore are quite user friendly and build to help professional with instant credible information.

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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 16 **million page-views** on December 9, 2021 and it attracts over 5000 users accessing over 20,000 pages a day. Listing of the most viewed sections in the Companies Act, LODR and IB Code in the month of December 2021 here is based on visitors to our site.

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

Rank in Nov	Change in Rank	Rank in Dec	Section reference	Section title
1	↔	**1**	**188**	Related party transactions
2	↑	**2**	**134**	Financial Statement, Boards Report etc.
3	↔	**3**	**135**	Corporate Social Responsibility
5	↓	**4**	**62**	Further issue of share capital
N	↓	**5**	**139**	Appointment of Auditors

Four sections have retained their place in the top 5 and only one, Section 179 has been displaced

LODR Top 5 Chartbuster Regulations

Rank in Nov	Change in Rank	Rank in Dec	Regulation reference	Regulation Title
1	↔	**1**	**23**	Related Party Transactions
2	↔	**2**	**17**	Board of Directors
N	-	**3**	**30**	Disclosure of Events & Information
4	↔	**4**	**2**	Definitions
N	-	**5**	**16**	Definitions

Two new regulations have entered the top 5 rank replacing Regulations 50 and 52**.**

IB Code Top 5 Chartbusters

Rank in Nov	Change in Rank	Rank in Dec	Section reference	Section Title
4	↑	**1**	59	Voluntary liquidation of corporate persons
N	↑	**2**	4	Application of this Part
N	↑	**3**	21	Committee of Creditors
N	↑	**4**	3	Definitions
N	↑	**5**	18	Duties of Interim Resolution Professional

Four new sections have entered the top 5 ranks. They have replaced sections 5,7,9 and 33.

5 Questions for Every Corporate Professional

CimplyFive's Five Qs to Answer while initiating Voluntary Governance Practices

This list we believe is not only comprehensive but also exhaustive.

To get a flavour, one representative parameter under each of the seven categories is listed below:

1. **Discipline**: Communicating an appropriate cost of capital and cost of equity that is used to measure internal investments
2. **Transparency**: Websites where announcements are promptly updated
3. **Independence**: Key committees like Audit/ Nomination committee chaired by Independent directors.
4. **Accountability**: Board plays a supervisory role and not executive role
5. **Responsibility**: Measures to protect Minority Interest shareholders
6. **Fairness**: Board remuneration not rising faster than net profits
7. **Social responsibility**: Explicit statement on equal employment Policy

While voluntary governance initiatives are exemplary practices that offer benchmarks for good governance, we believe enduring and sustainable good governance practices need to be integrated with the business requirements. With this as the key parameter, we believe that asking these five questions will go a long way in ensuring adoption of voluntary governance practices that are sustainable:

1. **Voluntarily adopt a compliance practice that showcases your key business strength?**

   Tighter timelines for compliance than what is mandated by law can help showcase the robustness of internal systems and competence of your team, thereby acting as a key marketing tool by building a stronger corporate brand. A visible example of this is of IT Services companies announcing their results in the first fortnight after the quarter-end to showcase the robustness of their internal systems.

2. **Voluntarily disclose a key datapoint that can be leveraged in marketing communications?**

   Voluntary disclosure of data points like sales grouped by brands, tenure of customers to highlight customer retention or reporting sales from new products or new geographies can provide an audited number that can be leveraged in multiple communications to help build the company's brand for making voluntary disclosures.

3. **Adoption of emerging governance practices from the leaders across the globe?**

   Adoption of emerging governance practices before they are mandated, like ESG Reporting or Integrated Reporting can help attract new institutional investors thereby enhancing the company's shareholder value.

4. **Strategic use of shareholder /stakeholder communication to encourage their participation in the governance process?**

   Warren Buffet's letter to Shareholders of Berkshire Hathway is a standout example of voluntary communication that has stood the test of time. As an investor in other businesses, it is imperative that his shareholders, who are also investors, use the same set of tools to evaluate their holdings in Berkshire Hathway and what better avenue than using his annual communication. While each company must identify their unique technique for engaging with their stakeholders or shareholders, the benefits from such practices are common and not dissimilar to what Berkshire Hathway has realised over the years, if not decades.

5. **Balanced Reporting of both business/governance positive and negative information in shareholder communications?**

   One of the key elements of good governance is transparent reporting, where both the positive and negative news are shared in time and whenever required. Often, the line separating companies with good governance and others is their propensity and willingness to share bad news without any mandatory or regulatory nudge. Companies that display initiative in sharing their concerns and risks much before it is legally required or mandated can build a reputation for not shocking their investors to enjoy premium valuation.

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BLISS Tips for the Month

#200: Use BLISS to maintain the database of Auditors and generate reports
#201: Use BLISS to track the changes in Memorandum of Association and Articles of Association.
#202: Enhanced Private Placement Automation of pre-populating Related Party Transactions in BLISS to generate PAS 4 documents.
#203: Track leakage of sensitive documents by using watermark token in document template in BLISS.
#204: Create custom Calendar Based Trackers using BLISS

Compliance Calendar

January 7th	TDS Payment for December
January 13th	GSTR 1 (Oct-Dec, 21)- To be filed by those who have opted quarterly filing as per QRMP scheme
January 15th	Pay PF contribution for December
	ESIC payment for December
January 18th	CMP 08- A special statement-cum-challan filed by Composition Dealer
January 20th	Professional Tax payment
January 20th, 22nd, 24th	GSTR 3 B (based on turnover and principal place of business)
January 25th	PF Return for December

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

- **02.12.2021**

IBBI notifies Insolvency Professionals (IPs) to act as Interim Resolution Professionals (IRP), Liquidators, Resolution Professionals (RP) and Bankruptcy Trustees (BT) (Recommendation) (Second) Guidelines, 2021 with effect from 01/01/2022

IB Code, 2016 and its Rules requires the Board to recommend the name of an IP for appointment as IRPs, Liquidators, RP and BT under various sections for Individual and Corporate Insolvency Resolution Processes (CIRP). To avoid administrative delays in making recommendation of IPs, the Board has issued these guidelines, based on which the Board shall form a common zone-wise panel of IPs for appointment as IRP, Liquidator, RP and BT.

This Panel will have a validity of six months and a new Panel will replace the earlier Panel every six months. NCLT and DRT may also pick names from these panels for a CIRP, Liquidation Process, Insolvency Resolution or Bankruptcy Process relating to a corporate debtors and personal guarantors to corporate debtors, as the case may be.

- **6.12.2021**

SEBI amends Delisting provision under Takeover Code.

Further to the recent amendment to regulations on Delisting of Equity Shares, SEBI has revised the procedure for making the delisting offer by the acquirer under the Takeover Code. Key Highlights of the notification are:

1. Acquirer to declare the intention to delist the target company in the public announcement of an open offer, in addition to the existing requirement of disclosing it in the detailed public statement, except where the open offer is for an indirect acquisition that is not a deemed direct acquisition.
2. The public announcement, the detailed public statement and the letter of offer to mention the open offer price determined in accordance with regulation 8 of the Code and the indicative price for delisting, which shall not be less than book value and shall include suitable premium which the acquirer is willing to pay, as determined under the Delisting Regulations. An explanation setting out the rationale and basis for justifying the indicative price shall also be disclosed.
3. Shareholders who have tendered their shares shall be entitled to withdraw such shares tendered, within 5 working days (as against 10 working days) from the date of the announcement of the offer.
4. Procedure which the acquirer has to carry out if the target company fails to get delisted but which results in the shareholding of the acquirer exceeding the maximum permissible non-public shareholding threshold is also prescribed.

- **08.12.2021**

AGMs for the FY ended/ending before 31/03/2022 can be held via Video Conferencing till 30/06/2022

MCA allows Companies to conduct their AGMs in the year 2022 for the Financial Year ended/ ending any time before 31/03/2022 through VC or OAVM till 30/06/2022.

- **14.12.2021**

AGMs for the FY ended/ending before 31/03/2022 can be held via Video Conferencing till 30/06/2022

MCA allows Companies to conduct their AGMs in the year 2022 for the Financial Year ended/ ending any time before 31/03/2022 through VC or OAVM till 30/06/2022.

It has further clarified that this Circular shall not be construed as any extension in the timeline to conduct AGMs.

- **28.12.2021**

Procedure for purchase of minority shares from the IEPF under IEPFA (Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

The criteria and manner of transfer of shares by the IEPF to the Company upon the receipt of its application towards purchase of minority shares under Section 236 of the Companies Act, 2013 is prescribed in this notification. The details of the amount credited to the specified account of the IEPF Authority towards purchase of the minority shares shall be intimated to the Authority in Form No. IEPF-7 within thirty days from the date of remittance or within 30 days from the date of commencement of this notification, which is 28th December, 2021, as the case may be.

- **29.12.2021**

Extension of timeline for Additional Fee waiver towards filing of e-forms relating to Financial Statements and Annual Return for the FY 2020-21 upto 15/02/2022 and 28/02/2022 respectively

MCA has waived off the additional fee payable on filing of e-Forms AOC-4/AOC-4 (CFS)/AOC-4 XBRL and MGT-7/MGT-7A for the FY 2020-21 upto 15/02/2022 and 28/02/2022 respectively (as against the earlier deadline of 31/12/2021).

SEBI issues revised Standard Operating Procedure with respect to imposition of fine and initiation of action in case of non-compliance of continuous disclosures by issuers of listed Non-Convertible Securities(NCS) and/or Commercial Papers(CPs)

To align the SOP for imposition of fine and initiation of action in case of non-compliance of continuous disclosures by issuers of NCDS, NCRPS (now 'NCS') and CPs with that of the listed securities, SEBI had laid down the fine to be levied by the Stock Exchange for violation of various regulations vide its circular dated 13/11/2020.

Further to the recent amendments to SEBI LODR Regulations, SEBI has now notified this revised circular in supersession of its earlier circular, to notify the quantum of fine to be levied w.r.t non-compliance of the amended provisions under LODR.

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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



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