# CimplyFive's Monthly Newsletter

# iComply

**February, 2023**

## Editorial

By adding intent and benefits under its ambit, the amendment to RPT (Related Party Transactions) definition has widen its scope casting onerous responsibilities on the corporate secretarial functionaries of listed companies.

Given that the change is effective April 1 2023, CimplyFive is initiating a short questionnaire this month titled "The RPT Challenge" to gather feedback from professionals on the challenges and present a lucid case to the regulators for reconsideration. Please do contribute to our study and help us identify the challenge faced.

Turning to this newsletter, in the eleventh edition of our series "**CCG -Cusps in Corporate Governance**", we have identified the trigger for a company to take D&O Insurance and factors that contributed to its widespread use and its role in promoting good governance in the corporate world.

In the Ninth interview of our new series titled **Discovering Gilt Edged Corporate Governance Practices** we have featured CS **Harshada Rane Company Secretary, Antony Waste Management Group**, who shares her insight on corporate governance, measuring effectiveness and efficiency of compliance functions and the role of technology in compliance management.

All 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
February 6, 2023

## Discovering Gilt Edged Corporate Governance Practices – 09

### Interview with CS Harshada Rane Company Secretary, Antony Waste Management Group



**CimplyFive: What is your definition of Good Corporate Governance? How is it measured?**

**CS Harshada Rane:** Good governance is not a new concept. Governance can be defined as 'the process of decision-making and the process by which decisions are implemented.' Read more…

**What's more in this month's Issue**


- What is Hot in Company Law?
- Cusps in Corporate Governance
- BLISS Tips for the Month
- Compliance Calendar
- Regulatory Changes in the Month

## Discovering Gilt-Edged Corporate Governance Practices – 09

### Interview with CS Harshada Rane Company Secretary, Antony Waste Management Group,

1. **CimplyFive: What is your definition of Good Corporate Governance? How is it measured?**

   **CS Harshada Rane:** Good governance is not a new concept. Governance can be defined as 'the process of decision-making and the process by which decisions are implemented.' Good governance is achieved when the needs of society are met making the best use of resources at their disposal and an organization's contribution towards ESG and same measured by its ESG ratings.

2. **CimplyFive: How do you measure the effectiveness of Corporate Secretarial function? Do you link it to scheduling secretarial activities like Board meeting and general meetings, or ensuring complete compliance resulting in nil penalties or late payment fees or any other parameters that you use in your company?**

   **CS Harshada Rane:** The effectiveness of Corporate Secretarial function can be measured by compliances with the provisions of the Corporate Law, Secretarial Standards and other statutes and byelaws of the Company. The same can be linked with adoption of effective compliance management systems and discharging professional responsibilities by ensuring nil penalties /late filings throughout the year.

3. **CimplyFive: How do you measure the efficiency of the Corporate Secretarial function? Do you link it to use of technology, or number of team members or the ease with which you are able to complete the task on hand?**

   **CS Harshada Rane:** Company Secretary is a Key Management Person of the Company and is responsible for the efficient administration of the company. Company's dedicated CS team should ensure timely compliance with statutory and regulatory requirements. Their efficiency can be measured through technology enabled compliance calendars and schedulers like Spread sheets, software, and applications.

4. **CimplyFive: What is the role you foresee of technology in ensuring compliance and good governance?**

   **CS Harshada Rane:** Modern technology solution helps standardize the compliance management process by easing preparation of agenda and other corporate documents and tracking compliance work conducted throughout the year to not only reduce the clerical work but also facilitate secretarial audit and due diligence whenever required.

5. **CimplyFive: What has been your experience with CimplyFive in seeing technology promote good governance? What is that one 'wow' feature you would like to see in BLISS software that will ease your role as the Chief Compliance Officer?**

   **CS Harshada Rane**: CimplyFive is a very good software that helps our organisation to prepare agenda on time and in correct and effective manner. We are very happy with BLISS, the secretarial automation software.

# 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 **26 million page-views** as on date and attracts over 6000 users accessing around 25,000 pages a day. Listing of the most viewed sections in the Companies Act, LODR and IB Code in the month of January 2023 here is based on visitors to our site.

**For the Month of January 2023**
**Top 5 Chartbusters in the Companies Act, 2013**

| Rank in December | Change in Rank | Rank in January | Section reference | Section title |
|---|---|---|---|---|
| 2 | ↑ | **1** | **135** | Corporate Social Responsibility |
| 3 | ↑ | **2** | **62** | Further issue of Share Capital |
| 4 | ↑ | **3** | **188** | Related party transactions |
| 1 | ↓ | **4** | **179** | Powers of Board |
| 5 | ↔ | **5** | **186** | Loan and investment by Company |

All the top 5 sections remained the same as in earlier month; only their positions changed

**LODR Top 5 Chartbuster Regulations**

| Rank in December | Change in Rank | Rank in January | Regulation reference | Regulation Title |
|---|---|---|---|---|
| 2 | ↑ | **1** | 17 | Board of Directors |
| 1 | ↓ | **2** | 30 | Disclosure of Events or Information |
| 3 | ↔ | **3** | 23 | Related Party Transactions |
| 4 | ↔ | **4** | 29 | Prior Intimations |
| N | ↑ | **5** | 15 | Applicability |

Regulation 15 have replaced Regulations 2 in the top 5 Ranking.

**IB Code Top 5 Chartbusters**

| Rank in December | Change in Rank | Rank In January | Section reference | Section Title |
|---|---|---|---|---|
| N | ↑ | **1** | 59 | Definitions |
| 1 | ↓ | **2** | 5 | Definitions |
| 3 | ↔ | **3** | 30 | Submission of Resolution Plan |
| N | ↑ | **4** | 33 | Initiation of liquidation |
| N | ↑ | **5** | 6 | Person who may initiate corporate insolvency resolution process |

Section 59, 33 and 6 have replaced sections 3, 29 and 27 in the top 5 Ranking.

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# CCG - Cusps in Corporate Governance

## CCG-11: Directors & Officers Liability Insurance

The idea 'necessity is the mother of invention' holds true in most situations, and the field of corporate governance is no exception. Analysis of the corporate history over last 500 years reveal that most good governance practices are mandated by regulators in the aftermath of a corporate fraud or a scandal, identifying the voluntary practice of a pioneer, to reduce if not prevent such frauds or scandals.

This series traces key episodes of such changes.

Directors & Officers Liability Insurance (D&O Insurance) is a concept that has evoked mixed reactions on its impact on good governance. D&O Insurance policy taken by the company insulates the company and its directors and officers by indemnifying them for any claims made against them by third parties. Prominent advocates like the billionaire investment guru Warren Buffet believe D&O Insurance negatively influences corporate governance by reducing the care and diligence required of Directors as it insulates them from liability for their acts of omission or commission. While others including the Indian regulators, who have mandated D&O Insurance for the top 1000 listed companies ranked by their market capitalization, believe it improves corporate governance by attracting competent but risk averse candidates as independent directors, who may otherwise not join corporate boards.

### The Trigger

Three legal decisions in the late 1960s and 1970s triggered the need for D&O insurance. In the first case **Escott vs. BarChris Construction Corp.,** in 1968, the 2nd U.S. Circuit Court of Appeals ruled that the defendant company's directors and officers were personally liable to investors who relied on misleading financial figures contained in the prospectus which were developed by an outside accounting firm, as they had failed to exercise due diligence by not substantiating the figures. In another case **SEC vs. Texas Gulf Sulphur Co.,** decided in the same year, the court ruled that executives could be held liable for investors' losses even when the defendants did not personally profit from their actions. The third case that conclusively built a decisive rational for D&O insurance was in 1976, when the court in **Ernst & Ernst vs. Hoch Felder** held that that plaintiffs did not have to prove they were intentionally deceived but only that corporate directors and officials were reckless.

The first case held the directors accountable for misstatements, the second case held the directors liable even if they did not profit from their actions and based on the third case, the plaintiff only had to prove that the directors and officials were reckless. The three cases taken together build a compelling rationale for companies to buy D&O insurance to protect the company, its officers, and directors. With these ingredients in place, the combustible material was ready waiting for a spark to set-off, which came in 1980s with the M&A wave where the American investors using class action suits sued the directors of acquiring companies with failed acquisitions, thereby making D&O insurance almost a necessity.

### The Pioneer

Federated Department Stores incorporated in 1929, which is the holding company of many leading retail brands, is considered to be the first company that took D&O insurance from Lloyds of London in the year 1934. The trigger for the company to take D&O insurance was the stringent penal provisions that the directors and officers were subject to under the Securities Exchange Act, 1934, that was enacted in the aftermath of the US stock market crash of 1929. The Act has two basic objectives:

1. To ensure that potential investors receive the relevant financial, and all other significant information concerning securities being offered for public sale, and

2. To prohibit deceit, misrepresentations, and other fraud in the sale of securities.

After the enactment of this Act, it is unlawful for any company to sell securities to public without registering the required details in their registration statement, the prospectus, with the Securities Exchange Commission. Further, Section 11 of the Act makes issuers, the company and its directors and officers, liable for registration statements that contain untrue or misleading statements. The investor has the right to sue the issuers under Section 11 even if the purchase is

made in the secondary market. The damage that can be claimed by the investors is limited to the difference between the purchase price and the value of the securities at the time of the suit.

Among countries, Romania was the first to mandate D&O Insurance for their listed companies in the year 2007. While this provision did not contain any penalty for non-compliance, it supplemented the requirement for the directors to put up a nominal cash guarantee amount equal to the value of 10 equity shares.

**In India**

India is among the few countries that have mandated listed companies to take D&O insurance. The intent of the regulator to attract talented individuals to join corporate boards as independent director by leveraging D&O insurance is made very clear by placing this requirement in the Regulation 25 that deals with Obligation with Respect to Independent Directors.

Regulation 25 (10) of SEBI's LODR, 2015 mandates that the top 1000 listed companies ranked by market capitalisation shall take D&O Insurance with effect from January 1, 2022. Earlier to this mandate, the requirement was for only the top 500 listed companies ranked by market capitalisation to take D&O insurance. Looking at the trend of movements to enlarge the coverage of companies that are mandated to take D&O insurance, it looks to be a matter of time before all listed companies in India are mandated to take this insurance. Further, the need for Venture Capitalist and Private Equity funds to place their employees on the board of their investee companies has seen unlisted companies also take D&O insurance policies to de-risk their executives' personal liability that could arise from being directors in their investee companies.

## BLISS Tips for the Month

**#253:** Maintain Statutory Registers in BLISS and Extract Custom Reports in a Single Click
**#254:** With BLISS Customize Your compliances for an Agenda Item and Create automated e-repository for Audits
**#255:** Create One-time Curated E-Mail Covering Letter in BLISS for Mailing Agenda/Minutes to Directors
**#256:** With Bliss plan your compliance tasks for every resolution you add to Board Meeting
**#257:** With BLISS protect sensitive information by using watermark on document downloads

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# 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 i**s 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, 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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## Compliance Calendar

| | |
|---|---|
| **February 7th** | TDS payment for January. |
| **February 11th** | GSTR 1 (Jan'23)-Optional for those opted quarterly filing as per QRMP scheme. |
| **February 15th** | Pay PF contribution for January |
| | ESIC payment for January |
| **February 20th** | Professional Tax payment |
| **February 20th, 22nd ,24th** | GSTR 3B (based on turnover and principal place of business) |
| **February 25th** | PF Return for January |

## Gist of regulatory changes in Companies Act, 2013, SEBI (LODR), 2015 and Insolvency & Bankruptcy Code, 2016 in the month of January 2023

- **05-01-2023**

**Relaxation from sending hardcopies of Annual Reports to shareholders under SEBI Regulations**

In line with the relaxation granted by MCA vide its circular dated 28/12/2022, SEBI, has also waived off the requirement to dispatch physical copies of Annual reports by the listed entities (specified securities and non-convertible securities) to those shareholders who haven't registered their email IDs, for the Annual General Meetings (AGMs) conducted till September 30, 2023.

However, the specified securities listed entities are required to send hard copy of full annual reports to those shareholders who request for the same. Further, the notice of AGM published by advertisement in terms of regulation 47 of the LODR Regulations shall disclose the web-link to the annual report to enable shareholders to have access to the full annual report. (Read more…)

- **17-01-2023**

**SEBI notifies SEBI (LODR) (Amendment) Regulations, 2023:**

Key highlights of the amendment:

**1. Applicability of Corporate Governance provisions to Infrastructure Investment Trusts (InvIT) and Real Estate Investment Trusts (REIT): (Regulation 15) w.e.f. 1st April, 2023:**

The requirement of the Board of the Manager of the high value debt listed entity that is a Real Estate Investment Trust to comply with the provisions of Regulation 15 to 27 of the LODR relating to corporate governance is omitted. Instead in case of InvITs and REITs, the specific corporate governance provisions applicable to them is mandated.

**2. Approval of shareholders required for re-appointment of a person to the Board of Directors or as a manager: (Regulation 17):**

The regulation is amended to also require shareholders' approval in case of re-appointment of a person to the Board of Directors or as a manager, at the next general meeting or within 3 months from date of appointment, whichever is earlier.

In case of a Public Sector Company, shareholders' approval for appointment/ re-appointment will have to be taken at the next general meeting.

**3. Additional Disclosure in the Corporate Governance Report (Schedule V):**

The listed entity is required to disclose details of its material subsidiaries including the date and place of incorporation and name and date of appointment of statutory auditors of the subsidiaries, in the Corporate Governance Report.

- **20-01-2023**

**MCA amends e-Form AOC-5 (Notice of address at which books of account are to be maintained) under Companies Act, 2013 w.e.f 23/01/2023**

To include the geographic coordinates, i.e., latitude and longitude of the address at which books of accounts are to be maintained. Further, there are 3 new mandatory attachments to the form as follows:

1. Proof of address along with standard NOC in case of Lease or rented property
2. Copies of utility bills
3. Photograph of the registered office showing external building and second one being inside office showing at least 1 Director/ KMP who has affixed his/ her digital signature to the form.

This form is filed when books of accounts are maintained at a place other than the Registered Office of the Company.

**MCA notifies Companies (Authorized to Register) Amendment Rules, 2023 w.e.f. 23/01/2023**

Key highlights of the amendment are:

The e-form URC-1, which is the application for conversion of LLP or firm to a Company limited by shares or guarantee or unlimited company and conversion of society or trust to company limited by guarantee under section 8, is amended to incorporate the below changes:

1. The applicant is required to provide details of advertisement published in English and Vernacular language along with the objections received till date.
2. Additionally, the applicant is required to furnish the below documents:
   - Resolution of unregistered companies in case of Chapter XXI (Part I) companies
   - Copy of objections received from companies along with details of resolutions provided
3. The requirement to attach the following documents has been dispensed with:
   - Written consent from the secured creditors
   - Written consent from majority of members agreeing for such registration
   - Undertaking that the proposed directors shall comply with the requirements of the Indian Stamp Act, 1899

**MCA notifies the Nidhi (Amendment) Rules, 2023 w.e.f. 23/01/2023**

**MCA revises e-forms NDH-1, NDH-2, NDH-3, and NDH-4**

**1. NDH-1 (Return of Statutory compliances):**
The form is amended to capture additional information including the following:
- Date of incorporation of the Company
- Financial year end date

**2. NDH-2 (Application to Regional Director and Intimation to the Registrar)**
The form is amended to capture additional information including the following:
- Purpose of application
- Details of branches/ collection centres
- Profit during the preceding 3 financial years

**3. NDH-3 (Half yearly return)**
The form is amended to capture additional information including the following:
- Number of branches at the beginning and end of the half year
- Profit during the preceding 3 financial years
- Financial Summary- Free Reserves, Accumulated losses, Other intangible assets, and Net Owned Funds

The requirement to attach Advertisement copy along with copy of intimation given to Registrar has been dispensed with.

**4. NDH-4 (Form for filing application for declaration as Nidhi Company and for updation of status by Nidhi's)**
The form is amended to capture additional information including the following:
- Financial parameters- Paid up equity share capital, Free Reserves, Accumulated losses, Other intangible assets, and Net Owned Funds
- Deposit details
- Profits during the preceding 3 financial years

Further, the following documents are to be attached to the form:
- List of all members with PAN, complete residential address and amount of deposit accepted
- Break-up of deposits with bank/PO name, branch, and account number
- Declaration about fulfilment of fit and proper Person criteria by all Promoters and Directors of the company

**MCA notifies the Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2023 w.e.f. 23/01/2023**

Key highlights of the amendment are:

Application for removal or disqualification of directors made in form DIR-10 is required to be filed before the Regional Director.

**Revision of forms DIR-3, DIR-3C, DIR-5, DIR-6, DIR-8, DIR-9, DIR-10, DIR-11 and DIR-12**

1. **DIR-3 (Application for allotment of Director Identification):**
   Facility to obtain details of the applicant from

'Digilocker' is enabled in the form. The requirement to attach proof of identity of the applicant has been dispensed with.

2. **DIR-5 (Application for surrender of Director Identification Number):**
   The form is amended to include the following details:
   - Date of birth and Income tax PAN of the director
   - Mobile number and email ID of the applicant if the applicant is someone apart from the director
   - Date of death/ Date of declaration of unsound mind/ Date of adjudication of insolvency

   The requirement to attach proof of identity and proof of residence is no longer mandatory.

3. **DIR-6 (Intimation of change in particulars of Director/ Designated partner to be given to the Central Government:**
   The applicant is now required to attach the Income Tax PAN, Aadhar number, Voter's identity card, Passport and Driving License to the form.

4. **DIR-9 (Report by the company to Registrar for disqualification of Directors):**
   Companies are now required to file form DIR-9 within 30 days of receipt of form DIR-8 from its directors. The form is amended to include reasons of disqualification.

5. **DIR-10 (Application for removal of Disqualification Of Directors)**
   The form is amended to include section of Companies Act, 2013 under which the director is disqualified, and details of violations/ offences compounded by NCLT/ Court. The requirement to enter details pertaining to nominal and paid-up capital has been dispensed with. Proof of the violations / offences being compounded by NCLT / Court and violations in which default has been made good are required to be attached to the form.

6. **DIR-12 (Particulars of appointment of directors and the key managerial personnel and the changes among them)**
   The requirement to attach the following documents has been done away with:
   - Letter of appointment
   - Declaration by the first director
   - Declaration of the appointee Director in Form DIR-2

**Revision of forms MSC-1, MSC-3 and MSC-4 under Companies (Miscellaneous) Amendment Rules, 2023 w.e.f. 23/01/2023**

1. **MSC-1 (Application to ROC for obtaining the status of dormant Company):**
   The form is amended to include additional information such as the following:
   - Date of approval/ NOC from regulator for obtaining status of dormant company
   - Date on which last financial statements and annual return was filed
   - Date on which last significant accounting transaction was made and nature of such transaction

   The requirement to attach the following documents has been done away with:
   - Statement of affairs of the Company duly certified by a Chartered Accountant or the Auditors of the Company
   - Consent of lender in case of an outstanding loan
   - Certificate stating that there is no dispute in management or ownership of the Company.

2. **MSC-3 (Return of dormant companies)**
   The form is amended to include the following details:
   - Directors and Key Managerial Personnel as on closure of the financial year
   -Break-up of paid-up share capital
   The requirement to file copy of board resolution authorizing to file the form is dispensed with.

3. **MSC-4 (Application for seeking status of active company)**
   The form is amended to include compliance related details such as non-compliance of any condition of Dormant company and the date of such non-compliance. The requirement to file copy of board resolution authorizing to file the form is dispensed with.

- **21-01-2023**

**MCA revises e-forms SH-7, SH-8, SH-9 and SH-11 under the Companies (Share Capital and Debentures) Amendment Rules, 2023 w.e.f. 23/01/2023**

1. **SH-7 (Notice to Registrar of any alteration of Share capital):**
   The form is amended to include the following details:
   - Voting by members at the general meeting

- Appeal to the Tribunal against the order of the Central Government
- Order of Tribunal- Date of passing of order and receipt of the same

It can now be filed for cancellation of unissued shares of one class and increase in shares of another class. Working for calculation of ratios in case of conversion is required to be attached to the form.

2. **SH-8 (Letter of offer):**
   The form is amended to include the following details:

   - Default in repayment of deposits, interest on deposits, debentures, preference shares, term loans to financial institutions or bank, interest of term loans and payment of dividend to shareholders

   - Default in compliance with sections 92, 123, 127 and 129 of the Companies Act, 2013

   Requirement to submit information such as objective of buyback and expected capital structure before and after buyback is done away with.

   The requirement to attach the following documents has been dispensed with:

   - Details of promoters of the Company
   - Notice of the general meeting along with the explanatory statement
   - Audited financial statements and buyback details of last 3 years

3. **SH-9-(Declaration of solvency):**
   The requirement to attach board resolution and special resolution has been done away with.

4. **SH-11 (Return in respect of buy-back of securities):**
   The form is amended to include the details such as source of buyback and Promoter wise shareholding details. Details pertaining to the stock exchanges where the company is listed and the merchant banker appointed by the Company are no longer required to be submitted. The requirement to submit the balance sheet and Certificate of compliance of buy-back rules is dispensed with.

5. **Form SH-15** (Certificate of compliance in respect of buy-back of securities) is omitted.

• **22-01-2023**

**BSE and NSE have issued clarifications w.r.t consequence of non-compliance of Structured Digital Database ("SDD") requirements under SEBI (PIT) Regulations, 2015**

An earlier SEBI circular dated November 04, 2022, specified consequences of non-compliance with Reg 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 stating that:

"Under the "Get Quote" page of the Exchange Website of the Listed Entity, it would be displayed that the company is non-compliant with SDD, from the next trading day till the Exchanges have satisfactorily verified that the company has completely complied."

It is now clarified that the details of the Compliance Officer will also be displayed on the "Get Quote" page of the Exchange website where the above information is disseminated. (Read more..)

**MCA amends the Companies (Incorporation) Rules 2014 w.e.f 23/01/2023**

**Key Highlights of the amendment:**

**I. Form INC-3 to file the Consent of the Nominee to act as Sole Member for One Person Company (OPC) has been omitted.**

The consent from the nominee of subscriber to the Memorandum of an OPC shall be filed as a declaration to Form INC-32 SPICe+, as opposed to in Form INC-3, earlier

In case the nominee withdraws their consent, the sole member shall nominate another person and this intimation shall be filed along with their written consent as a declaration in Form INC-4 as opposed to in Form INC-3 earlier.

Similarly, in the event of death or incapacity to contract and the sole member/ the nominee of such OPC, the company shall file with the Registrar an intimation of such cessation along with the written consent of the nominee as a declaration in Form No INC.4.

**II. Revision to filing of Form INC-6**
The company need not attach any documents other than the altered e- MOA and e-AOA to the form INC-6 for its conversion into Private or Public Company.

The company shall file an application in e-Form No. INC-6 for its conversion into an OPC by attaching the following details or documents, namely :-
(i) altered e-MOA and e-AOA;
(ii) copy of NOC of every creditor with the application for conversion;
(iii) affidavit of directors confirming that all the members of the company have given their consent for conversion.

**III. Form INC-14 & INC-15 to file the Declarations for registration as a Section 8 Company or shifting of registered office from one State /Union Territory to another are omitted.**
The company need not submit separate copy of application for shifting of registered office from one State /Union Territory to another with the Registrar and an intimation of filing of application in Form no. INC-23 with the Regional Director shall be shared with the Registrar through MCA system.

**IV. Form RD-GNL-5- to file the addendum for rectification of defects or incompleteness for change in financial year or conversion of public company into private company is omitted.**

**V. The details required from the forms omitted are incorporated into the revised formats for following forms:**
Form RUN, INC-4, INC-6, INC- 9, INC-12, INC-13, INC-18, INC-20, INC-20A, INC-22, INC-23, INC-24, INC-27, INC-28, INC-31, SPICE+ (INC-32), INC-33, INC-34, INC-35, and RD-1 as detailed in the notification.

**• 23-01-2023**

**MCA revises various e-forms w.e.f. 23/01/2023**

**Revision of e-forms MR-1 and MR-2 under Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2023**

1. **MR-1 (Return of appointment of managerial personnel)**
   The form is amended to capture additional information such as residential status of the appointee and Central Government's approval and has dispensed with attaching documents like resolutions/approvals and consent from the appointee.

2. **MR-2 (Form of application to the Central Government for approval of appointment of managing director or whole-time director or manager)**
   The form is amended to capture additional information such as type of company (public/private etc), listing details, IBC application details and has dispensed with providing details of financial parameters and managerial remuneration.

   The requirement to attach the documents like effective capital/estimated profit/turnover projection/excess remuneration paid calculation, Sec 196 Compliance certificate, certificate of no default on debts, agreements with the appointee and other appointee details have been dispensed with.

**Revision of e-forms PAS-2, PAS-3 and PAS-6 under Companies (Prospectus and Allotment of Securities) Amendment Rules, 2023**

1. **PAS-3 (Return of Allotment)**
   The form is amended to capture:
   - Key information on the valuation report- Name of the valuer, Method of valuation, Valuation amount and others.
   - Details of securities allotted in case of conversion- Class, number and total amount of securities allotted and conversion terms.

   The requirement to attach Board or Shareholders Resolution has been dispensed with.

2. **PAS-6 (Reconciliation of Share Capital Audit Report (Half-yearly))**

   The form is amended to capture details of shares in each class- Type of security, Class of shares and ISIN. Further, the requirement to furnish details with respect to excess dematerialized shares during the previous half year has been dispensed with.

**MCA notifies Companies (Registration Offices and Fees) Amendment Rules, 2023**

Rule 8A has been notified to provide for signing of e-forms by Insolvency Resolution Professional or Resolution Professional or Liquidator of companies under insolvency or liquidation.

**Revision of forms GNL-2, GNL-3, and GNL-4**

1. GNL-2 (Form for submission of documents with the Registrar) can now be filed for submitting documents as mentioned below:
   - Circular or Circular in the form of Advertisement inviting Deposits in DPT-1.
   - Final Report on Completion of liquidation process by Liquidator.
   - Affidavit under Section 59 of the Insolvency and Bankruptcy code,2016.

   The form is amended to also capture details pertaining to advertisement inviting deposits and Act under which the document is being filed.

   Further, the Audited financial statements & record of business operations along with valuation report are to be attached to the form.

**Revision of e-forms FC-1, FC-2, FC-3 and FC-4 under Companies (Registration of Foreign Companies) Amendment Rules, 2023**

- **FC-1 (Information to be filed by Foreign Company)** Facility to obtain details of the Director or secretary of the Foreign Company from 'Digi locker' has been enabled in the form.

- **FC-2 (Return of alteration in the documents filed for registration by foreign company)** Facility to obtain details of the Authorised Representative of the Foreign Company from 'Digilocker' has been enabled in the form.

  - The form is amended to also capture: Details of permission obtained from authority for setting up office in India

  - Particulars of the director or secretary for whom appointment is to be filed

  - Further, the following documents are to be attached to the form:
    -Copy of intimation filed with RBI
    - Audited financials till date of closure and detail of authorised representatives appointed and ceased since establishment till the date of closure in tabular form with challan numbers

- **FC-4: (Annual Return of Foreign Company)** The form is amended to also capture:
  - Address of the place in India where part of the Register of members or debentures is kept in India
  - Details of the person falling under section 379(2) of the Companies Act, 2013

- **27-01-2023**

**Filing of Disclosures in XBRL Mode**

Disclosures under the following regulations of the SEBI (LODR) Regulations, 2015 are now required to be filed by the listed entity in XBRL format within 24 hours of submission of the PDF filing w.e.f. 28/01/2023:

1. Regulation 29- Prior intimation of the Board Meeting
2. Regulation 30:
   - Change in directors, Key Managerial Personnel, Auditor, Compliance Officer and Share Transfer Agent
   - Outcome of Board Meeting for dividend, buyback, bonus issue and voluntary delisting (Read more..)

## 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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