

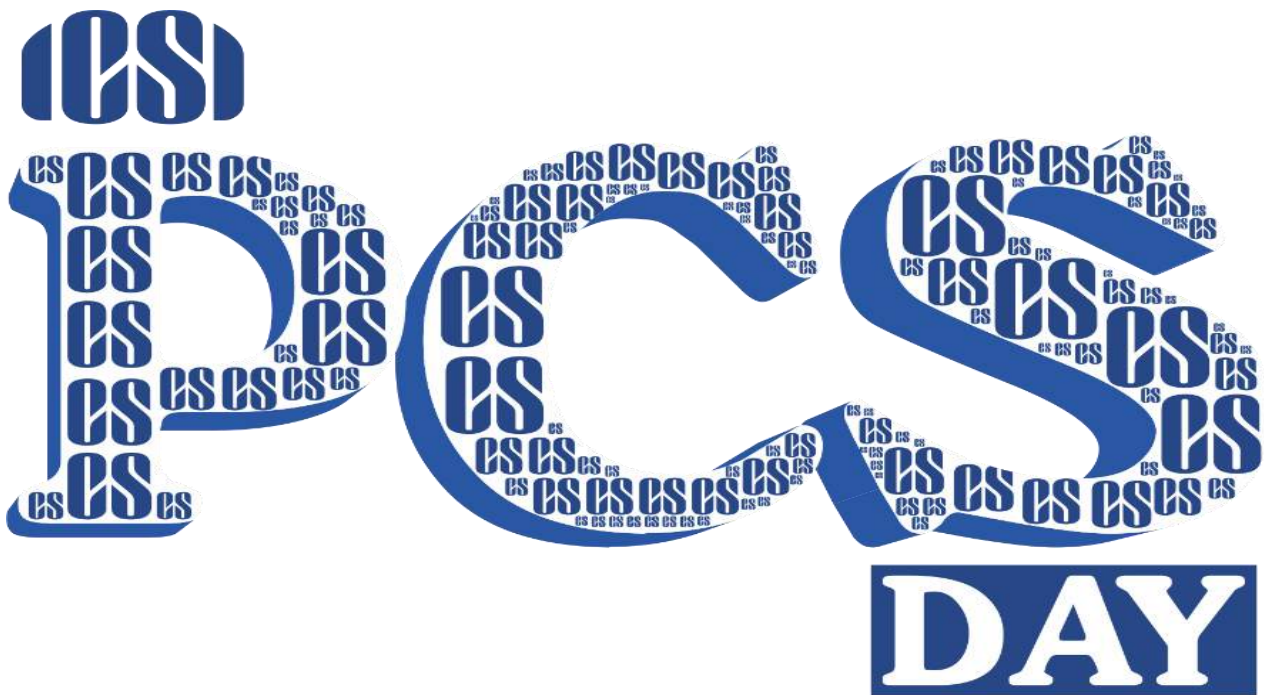


**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

WESTERN
INDIA
REGIONAL
COUNCIL

75
Azadi Ka
Amrit Mahotsav

e-Focus
ICSI-WIRC
e-Newsletter
MAY 2022



15th JUNE, 2022

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**From the Desk of the Chairman CS Rajesh Tarpara
for the year 2022.....**

“Not in doing what you like, but in liking what you do is the secret of happiness.”

Dear Members,

It gives me immense pleasure and extreme sense of pride to address my fellow professionals through this letter. Month of June is a very important month for the students of ICSI as this time is to prove their performance in the exam.

On 15th June, 1988, Company Secretaries in Practice were accorded with the most remarkable recognition of certifying Annual Returns under the erstwhile Companies Act, 1956. Since, then the Institute of Company Secretaries of India celebrates 15th June as PCS Day every year. Also, it has reminded me Late Cs Bipin Acharya, who originally conceived the concept of certification of Annual Return by a PCS.

Serving the profession is giving back to society and it's also one kind of worship. A life of Company Secretary is revolving around compliance. Not only compliance but for better compliance and implementation of corporate governance. We at WIRC are committed for betterment of the profession by taking various initiatives.

During the month of May WIRC has successfully conducted various programs across the region. One of the mega events “Saptadash Sammelan” (Two Days) was successfully completed at Indore with the support of 17 Chapters of the WIRC of ICSI. This is 1st time this kind of event is organized by the WIRC, wherein approx. 490 members were participated and many activities and initiatives were also undertaken during the program.

- In CSBF Drive – received more than Rs. 2 lakhs of voluntary donation.
- Special Issue of Focus was released.

- Walk for cause – with Zumba.
- CSBF cultural Evening (with participation of chapter's performance)

A detailed report of the event is prepared and compiled by CS Madhukar K Apte. The same is attached as annexure to this. I am thankful to CS Ashish Karodia, Chairman PDC - Outside Mumbai and All council members and all chapter's chairpersons, volunteers for giving their wholehearted support in this event.

A mega placement drive was also conducted at WIRO where 19 candidates and 11 recruiters have participated.

Friends in the month of June, we have planned many activities for the members and students.

Few among them are as under:

- On 3rd June at WIRO on "IBC" under AKAM
- On 9th June at WIRO "Plantation Drive"
- On 11th June, at Andheri "Critical Issue under the Companies Act;
- On 12th June at Mulund knowledge Centre on "Annual Report & Related Party Transactions"
- On 15th June at WIRO "on PCS Day" Opportunity for PCS in current changing scenario"
- On 15th June at WIRO a TOT for students
- On 15th June 15 Days Classroom mode EDP
- On 18th and 19th June at Lonavala National PCS Conference
- On 21st June Special Program on International Yoga Day
- On 21st June at WIRO "ODOP" at WIRO
- On 21st June 15 Days Classroom mode EDP
- On 24th & 25th June at Mulund "Recent Trend in Company Law"
- On 25th June at WIRO "ODOP" for one day.
- On 26th June at Andheri AKC on "Related party Transactions"
- On 28th June 15 Days Classroom mode EDP
- On 29th June at WIRO Training Mela
- On 30th June at WIRO "Campus placement for members with experience from 0 to 2 year's

And many more programs are under process and will be announced in due course in the month of June.

Apart from this, WIRC is also taking up various matter for betterment of the members and student by making various representations to ICSI Head Quarter.

You are requested to please give your suggestions, feedback at Chairman.wirc@icsi.edu, that will boost our moral and spirit.

Thanks & regards

Yours Sincerely

**CS RAJESH TARPARA
CHAIRMAN WIRC OF ICSI-2022**

=====

I personally request all of you please Donate or become a member of CSBF on your special occasions like Birthday or marriage anniversary, on completion of certain years in your career as CS etc. and make your event memorable.

Direct Link for Donation <http://icsi.in/icsidonation/>

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TWO DAYS' REGIONAL CONFERENCE AT INDORE:

Introduction:

Organizing a conference from the ground up requires a tremendous amount of forethought and data gathering. The entire process can take a couple of months depending on the size of the group, but it is conceivable to launch a successful conference in a sitting, only if you can make swift decisions.

The reality of planning a conference is that without any experience, you can lose a lot of time over-thinking each little detail while overlooking more important issues. The step required for successful conference is to:

- Craft vision of your conference
- Creating a plan
- Comparing venues and services
- Recruiting and Managing Registrants
- Planning on site-details

When an idea came in mind of arranging a conference, it was an idea came forward to arrange the same with all the 17 Chapters of 5 States comprised in the Western India Region. In the meeting of PDC (outside Mumbai) committee of WIRC and also all the Chairpersons of all the Chapters, it was discussed and decided to hold two days' conference of all the 17 chapters of 5 States and Indore grabbed opportunity to host this event. The whole responsibility of fixing the venue at Indore, and other facilities was taken by **Two Senior Members of Indore Mr. Ashish Garg, Ex- President of ICSI and Mr. Ashish Karodia, Ex-Chairman of WIRC of ICSI along with the Chapter Committee headed by Mr. Mina and his team and staff of WIRO and Indore Chapter.**

The name of the conference was fixed as **“SAPTADASH SAMMELAN”** (meaning seventeen).

With due efforts, the following arrangements were fixed by the team.

- Venue shall be **Ravindra Natya Grih, RNT Maarg, Indore**
- **Arrangement of hotels near the venue for outside delegates.**
- **Arrangement of Break Fast, Lunch**
- **Arrangement of taking delegates to Ujjain on trip**
- **Arrangement of Zumba Session and Walk of Cause with Dress Code.**

- **Fixing the faculties and their topics.**
- **Fixing the Chief Guests according to their available time.**
- **Arrangement for collection of fees from the delegates.**
- **Arrangement of Sponsors**

After the due efforts all the above plans were successfully arranged by above persons with co-ordination with the Chairman of WIRC and other Regional Council Members.

In all 490 delegates were registered

The programme is described in brief as under:

1st Day, 13th May, 2022

The program was scheduled as under:

Time	Description
9-30 a.m. to 10.30 a.m.	Break- fast
10-30 a.m. to 11.00 a.m.	Spot Registration
11.00 a.m. to 11.15 a.m.	

Sponsor's Session:

In this session Dr. Ishu Tayal Regional Head- West at NSDL took the session and described how NSDL will assist to the Customers to make the shares from physical form to dematerialize form. How the staff of NSDL will help the companies and professional in offering their services.

The Programme was handled by young lady member CS Sejal Maheshwari in a very nice manner.

FIRST TECHNICAL SESSION: (11.15. A.M. TO 12.30 A.M.)

SPEAKER: CA Tarun Mahajan, Chartered Accountant and CFA (America) and well known speaker in Indore.

Topic: Valuation under Companies Act for growing corporate:

After introduction Mr. Mahajan focus light on the provisions of the Act where the services of Registered Valuer are necessary and where it is voluntary. In very simple words and with enthusiasm he

explained in detail the methods to be adopted for valuation of shares and being an expert in Financial Management, his touch on the subject was appreciated by all.

After a vote of thanks and a certificate in the form of Shahid Ki Beti.

INAUGURAL SESSION: [Time 12.30 p.m. to 01.30 p.m.]

The Session was attended to by the following respected persons:

1. CS. Devendra Deshpande President ICSI
2. Shri. Madan B. Gosav, Guest of Honour Member (Judicial)
NCLT, Indore
3. **Shri. Shankar Lalwani, Guest of Honour Member
of Parliament, Indore**
4. **Shri. Omprakash Saklecha, Chief Guest Hon. Minister,
MSME, Science And Technology, Govt. of M.P.**

The other honorable members were CS Rajesh Tarpara, Chairman of WIRC, CS Ashish Garg, Mr. Ashish Karodia, Mr. Mina along with other central council members.

After lightening of Deep before MAA SARSWATI, the program of inauguration commenced. The Chief Guest, Guest of Honour and other dignitaries delivered their occasional speech. It was a memorable day for our conference because on the same day only, there was an opening of start-ups policy for M.P. under the blessings of Honorable Prime Minister Mr. Narendra Modi and Honorable Chief Minister Mr. Shivrajsing Chauhan.

The Chief Guest Honorable Minister for MSME focused on the role of the Secretaries for the development of MSMEs and Start-ups. Same views were expressed by Honorable Member of Parliament, Indore Shri Shankar Lalwaniji.

NCLT member expressed his views on the role of Secretaries on solving the disputes of the corporate world.

President of ICSI focused on the new roles coming forward for the secretaries in coming days.

Thereafter, there was an opening ceremony of issue of e- focus magazine of WIRC and e-Srujan of Indore Chapter. The flyer of National PCS 2022 of ICSI was also released during inaugural session.

After a vote of thanks, all were invited for lunch.

**SECOND TECHNICAL SESSION [Time 2.30 p.m. to 4.00 p.m.
This session was taken by Shri. Sanjay B Buch, Partner, Crawford Bayley and Company, Advocates and Solicitors, Mumbai**

The topic was Mergers and Amalgamations, The Whys and Where Mr. Buch discussed all the matters in detail and throws the light on all the provisions of Act on mergers and amalgamations and also on cross border mergers and amalgamations.

Both the professions CAs and CSs do have a crucial role in this topic. How they can help the transferor and transferee companies from the beginning till end. What are major difficulties come in the way.

In Q&A session, many questions came forward and were replied by faculty in a very blissful manner.

With vote of thanks this session concluded.

**THERE WAS A BREAK OF ONE HOUR FOR THE MEMBERS TO GET PREPARED FOR THE LAST PROGRAMME OF THE DAY-
“CSBF CULTURAL EVENING” FOLLOWED BY DINNER.**

There was a note that every delegate should follow a dress code.

**The Programme was enjoyed by all the delegates present and run from 5.30 p.m. to 8.30 p.m.
Many members participated in a program voluntarily and presented their skills which was enjoyed by all.**

This was the end of the first day and every delegate returned to their places with a dream of the next day.

2nd Day, 14th May, 2022:

Second day was started with Zumba Session and walk for cause.

There was a dress code for the same and it was White T-Shirt.

The Session was taken by Ms. Saloni Kochar and Mr. Ranjit Singh.

Ms. Saloni Kochar is a member of the Institute.

Mr. Ranjit Singh is well known traffic police and is very famous throughout the India.

Though this session was to start at 6.00 a.m. i.e., early in the morning. It was attended by many young and senior persons with enthusiasm. It was a fabulous morning as it was very unique things introduced in any of the seminars.

Thereafter, everybody went to their respective places. The next sessions were to start at 9.00 a.m.

9.00 a.m. to 10.30 a.m. was the time of attendance and breakfast.

At 10.30 the first technical session was started. It was taken by CS B. Narasimhan, Central Council Member of ICSI and having an experience of about 40 years and was a very well-known personality. He is the person who followed up with the SEBI to bring desired notifications. On this day only a Notification was issued by SEBI by allowing companies to send their annual reports to the members in e-form. This resulted in a saving of thousands of crores of rupees of companies and thereby stakeholders of the company.

He took the session on the subject **RECOGNITION FOR COMPANY SECRETARIES IN CAPITAL MARKETS.**

He explained it in his leadership voice, the duties, responsibilities and liabilities of a secretary in various segments of capital market. The session was enjoyed by all the participants. There was a question-and-answer session. Mr. B. Narshiman answered all the queries raised by the delegates who attended the session. Thereafter, with a vote of thanks the session came to an end.

Second Technical Session:

This session was from 11.00 a.m. to 12.30 a.m.

This session was taken by CS Dr. D.K. Jain, Practicing Secretary of Indore.

Subject: Adjudication and Compounding of Offences under the Companies Act, 2013.

Dr. D. K. Jain is a very well-known and intelligent faculty of Indore. He has written many books. He is in the Editorial Board of Chartered Secretary and always attend to the difficulties faced by the young secretaries and very enthusiastic in guiding these persons and a very well-known among the secretaries in Indore.

He took the subject in a very well manner with the use of screen and explained each and every provision of the Companies Act with the decided case laws. This topic was somewhat confusing topic and therefore, when members came to know that this is going to be handled by Dr. Jain. Everybody was very happy.

Many questions were raised by delegates from Mumbai and those were answered by Dr. Jain very politely.

The session was ended with a vote of thanks.

THIRD TECHNICAL SESSION:

TIME: 12.30 p.m. TO 1.30 p.m.

SPEAKER: CS Ranjeet Kejriwal, Practicing Company Secretary

SUBJECT: TAXABILITY OF VARIOUS CORPORATE ACTIONS.

Normally the taxation matters are handled by Chartered Accountants. But certainly, while dealing with Corporate Affairs, it becomes necessary for secretaries whether in practice or in employment to look the actions from the taxation point of view. Mr. Kejriwal very fluently and nicely touched each and every corporate actions from the taxation angles. It was reiterated by him the importance of taxability of various corporate actions.

This session was ended with a vote of thanks.

There was lunch break from 1.30 p.m. to 2.30 p.m.

FOURTH TECHNICAL SESSION:

TIME: 02.30 p.m. TO 4.00 p.m.

SPEAKER: CS. R. KALIDAS, Partner BNP & Associates, Mumbai

SUBJECT: THE FINE NUANCES OF CORPORATE GOVERNANCE, COMMUNICATION WITH BOARD OF DIRECTORS AND BEST PRACTICES RELATING TO MEETINGS.

Mr. Kalidas very senior secretary and having more than 40 years of experience and worked as a secretary and compliance officer in many well-known companies as ACC Ltd., Reliance Power Ltd., Ambuja Cement Ltd. etc. Afterward he entered into practice and is working with a firm having largest number of 50 auditee companies with them. His depth of knowledge cannot be comparable or explained in simple words.

His task was somewhat difficult to explain in a very short span of time. Since the topic covered many aspects of corporate governance on which a focus is very high throughout the world. But Mr. Kalidas with his vast

knowledge and mastery over the language explained the subject in very beautiful manner.

This session was ended with a vote of thanks.

LAST SESSION OF THE CONFERENCE:

TIME: 04.00 p.m. TO 04.30 p.m.

SUBJECT: VALEDICTORY SESSION.

The valedictory session was chaired by CS Rajesh Tarpara, Chairman WIRC along with all Regional Council Members and Central Council Members who were present at that time.

There was an opening a scheme of BETI Foundation run by CS Balkrishna Pradhan, Mumbai. The Specialty this scheme is that a girl from very poor family will be funded by this foundation up to Rs.1,00,000/- for her further education.

The chairman WIRC, gave his concluding on successful completion of this mega event. Thereafter a vote of thanks to all the sponsors was proposed and thanks to all the office bearers of all chapters, council members and especially staff of Indore Chapter, volunteers for the efforts put in by them for last 30 days to make this conference successful.

Thereafter, with singing national anthem the conference came to an end.

Every delegate left Indore with memories of meeting with such a large number of delegates and two days conference.

Prepared and Compiled by CS Madhukar K Apte, Indore

QUICK BITES- A MONTHLY BITE OF UPDATE

PAN-AADHAAR LINKING

Highlights

- PAN-Aadhaar linking must be done before June 30, 2022.
- If done after June 30, the person will have to pay a fine of Rs 1,000.
- If you do not link your Aadhaar PAN by March 31, 2023, your PAN will become inactive.



The Central Board of Direct Taxes (CBDT) made the announcement via a notification dated March 29, 2022, as well as a press release on March 30, 2022.

The **deadline** for linking a PAN to an Aadhaar number has been **pushed** up from March 31, 2022 to **March 31, 2023**.

New IT Rule 114(5A) PAN-Aadhaar Linking delay Penalty

You will be charged Rs.500 if you link your PAN to your Aadhaar on or before June 30, 2022. If the PAN-Aadhaar link is completed on or after July 1, 2022, a charge of Rs 1,000 would be required.

How to pay fine to link PAN with Aadhaar:

Step 1: **Visit**

<https://onlineservices.tin.egov-nsdl.com/etaxnew/tdsnontds.jsp>
Protean (NSDL) portal

Step 2: Click on

Proceed
CHALLAN
NO./ITNS 280 for
submission of
Aadhaar-PAN
linking request

Step 3: Select **tax** under applicable

<p>Step 4: Please make sure fee payment is done under Minor head 500 (Fee) and Major head 0021 [Income Tax (Other than Companies)] in single challan</p>	<p>Step 5: Select mode of Payment from Net banking or Debit card</p>	<p>Step 6: Enter PAN, select Assessment year and enter the address. Enter the Captcha code and click Proceed tab</p>
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Once the payment is done, taxpayers are recommended to try raising a PAN-Aadhaar linkage request after 4-5 days as payments made at NSDL (now Protean) take a few days to appear on the e-Filing site.

Things to note when submitting penalty

- On the confirmation screen, your name will be presented as it appears in the Income Tax Department database.
 - Challan No./ITNS 280 with Major head code 0021 (Income Tax (Other than Companies)) and Minor head code 500 (Other Receipts) must be used to pay the cost of Rs. 500 for late linking of PAN and Aadhaar as announced vide Notification No. On March 29, 2022, Notification No. 17/2022/F. No. 370142/14/2022-TPL was issued.
 - Under no circumstances can the fee paid u/s 234H for late PAN-AADHAAR linkage be refunded.
-



CS Amit Vyas

Email: amit.vyas@nocil.com

ARTICLE 1: “Mighty Oaks from Little Acorns Grow” – Global Evolution of the Profession

If we really have to gauge and measure the remarkable evolution of the role of Company Secretary (globally) we need to apply two universally applicable superb aphorisms and quotes:

- *“Something great can only come from a modest beginning.”*
- *“It is not the strongest of the species that survives, nor the most intelligent, is the one which is most adaptable to change” (propounded by Darwin)*

Truly, adaptation to change despite a modest beginning is what describes the evolution of a typical ‘Secretary’ as was known years back in India to the present-day recognition as a Corporate Secretary, Chartered Secretary, Governance Professional, Compliance Leader, Corporate Counsel, Conscience Seeker etc.

The word ‘secretary’ has originated from the Latin word ‘*Secretaries*’ which means a person who is entrusted with a secret. In England, the term *Secretarius* was used “from the beginning of the thirteenth century in the varying meanings of a *confidential clerk, an ambassador, or a member of the king’s council*”. In the fourteenth century, the title became strongly associated with the keeper of the king’s signet.

The whole concept of the term Company Secretary originated in U.K, though the term was not included in the Companies Act, 1855 wherein the principle of limited liability was first introduced in the law. Thus, historically the term ‘Company’ proceeded the term ‘Secretary.’

In the 1887 case of *Barnett, Hoares & Co v South London Tramways Co* (1887) 18 QBD 815, Lord Esher MR described the Secretary as “*a mere servant; his position is that he is to do what he is told and no person can assume that he has any authority to represent anything at all,*”

This led to the secretary being primarily viewed as an administrator, who would engage in tasks such as ensuring the filing of documents at Companies House, maintaining the statutory registers, preparing the agenda and minutes of board/general meetings, and ensuring that general meetings are conducted in accordance with the procedures established in the Companies Act.

Historically, Company secretaries were regarded as mere servants of the company. However, that narrative changed with a plethora of statutory and judicial recognition of the secretary as an officer of the company. This was, to a degree, recognised in the English case of ***Panorama Developments (Guildford) Ltd v Fidelis Furnishing Fabrics Ltd [1971] 2 QB 711 (CA)***, where Lord Denning MR stated:

“Times have changed. A company secretary is a much more important person nowadays than he was in 1887. He is an officer of the company with extensive duties and responsibilities. This appears not only in the modern Companies Acts, but also by the role which he plays in the day-to-day business of companies. He is no longer a mere clerk”

The present-day status of a Company Secretary at a Global level

A report entitled *The Company Secretary: Building Trust Through Governance* (2014) **states that the CEO, chairman, and company secretary form “the triumvirate at the top.”**

<p><i>In the United Kingdom (U.K)</i></p>	<p>Chartered Secretaries are high-ranking professionals with a diverse range of skills unique among the professions. Obtaining the qualification (which is registered on NQF level 8 – equivalent to an Honours degree) is a fast-track way of reaching the boardroom and becoming part of the senior management team. The scope of a Chartered Secretary is much more involved than a Company</p>
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	<p>secretary and more companies today seek company secretaries with the Chartered Secretary qualification.</p> <p>Chartered Secretaries are the sixth highest paid employees in the UK according to the Office for National Statistics Annual Survey of Hours and Earnings.</p> <p>Chartered Secretaries and Chartered Governance Professionals are the standard bearers for good business practice.</p>
<i>In the United States</i>	<p>Among public companies in North America, providing advice on corporate governance issues is an increasingly important role for Corporate Secretary.</p> <p>Many corporate secretaries of North American public companies are lawyers, and some serve as their corporation's general counsel.</p> <p>The Corporate Secretary is usually the executive to assist directors in these efforts, providing information on the practices of other companies, and helping the board to tailor corporate governance principles and practices to fit the board's needs and expectations of investors</p> <p>In some companies, the role of the corporate secretary as corporate governance adviser has been formalised, with a title such as Chief Governance Officer added to their existing title</p>
<i>In Australia</i>	<p>The Institute of Chartered Secretaries and Administrators — Australian Division changed its name to Governance Institute of Australia in 2013.</p> <p>The Governance Institute of Australia is an independent professional association for company secretaries, governance advisers and risk managers in Australia, committed to promoting sound practice in governance and risk management.</p>

<p><i>In New Zealand</i></p>	<p>Chartered Secretaries New Zealand (CSNZ) is now known as Governance NZ Incorporated. It is the New Zealand division of the Institute of Chartered Secretaries and Administrators, now known as The Chartered Governance Institute (CGI). CGI is an international professional body with 44,000 members worldwide</p> <p>Members hold administrative posts in most sectors of the business world. In New Zealand, over half the members are in industry and commerce, a third of them are in the company secretarial field, while the remainder are engaged in a wide variety of administrative and management roles. In the public sector, a high proportion are in local government. The qualification is widely respected in government service and other public sector organizations.</p>
<p><i>In China</i></p>	<p>In China, every listed company is required to have a Board Secretary. According to article 124 of 2005 Company Law, every listed company is required to have a secretary to the board of directors.</p> <p>Relevant listing rules in China further clarify that the secretary of the Board is a managerial position. Such listing rules discuss duties of board secretary in details. According to "<i>Special Provisions of the State Council Concerning the Flotation and Listing Abroad of Stocks by Limited Stock Companies</i>", "<i>Guidance for the Articles of Listed Company</i>", "<i>Stock Listing Rules of the Shanghai Stock Exchange</i>" and "<i>Stock Listing Rules of the Shenzhen Stock Exchange</i>", the secretary of the Board is classified as the senior management team.</p>

Evolution of the profession in India

It was in 1960 that the Company Law Board started a course in Company Secretaryship leading to the award of Government Diploma in Company Secretaryship. As the number of students taking up the Company Secretaryship course grew, the Government promoted on 4th October

1968, Institute of Company Secretaries of India under Section 25 of the Companies Act, 1956 for taking over from the Government the conduct of Company Secretaryship examination. The Institute of Company Secretaries of India (ICSI) is constituted under an Act of Parliament i.e. the Company Secretaries Act, 1980 (Act No. 56 of 1980). The Institute of Company Secretaries of India (ICSI) has since been converted into a statutory body w.e.f. 1.1.1981 under the Company Secretaries Act, 1980. **At present there are more than 68,000 members and around 3.5 Lakhs students on the rolls of ICSI.**

The responsibilities of the modern-day company secretary have evolved from that of a “note taker” at board meetings or “administrative servant of the Board” **to one which encompasses a much broader role of acting as “Board advisor” and having responsibility for the organisation’s corporate governance.**

In this article we will not dwell into the current role and scope of responsibilities and functions of a Company Secretary in employment and/or in Practice under the current Company Law and Securities Laws/Listing Regulations, we would focus on the challenges and proactive role coupled with dynamism expected of a C.S to be a value provider to business

Proactive role to be played by Company Secretaries in the coming times – Organizations expect substantial value addition

AS A TRUSTED GOVERNANCE ADVISOR:-

A truly valuable Co-Sec will function as advisor to the board in general and to each individual director, including the chairperson, on all matters related to governance. This includes being the voice of reason and governance conscience to ensure the board operates effectively while governance practices are upheld. The issues on which the company secretary must provide advice are many, including the following:

- Board succession, appointment, and removal of directors.
- Chair succession, both board and committee.
- Conduct of meetings.

- Compliance with corporate ethics.
- Conflicts of interest and trading in company securities (including ensuring that there is clear policy on these issues).
- Corporate structuring:
- Ensuring compliance with legislation and regulation and constantly considering legal and regulatory developments that may affect the organisation.
- Board, committee, and individual director evaluation.
- Trends in governance, which are key to staying ahead of the curve.
- Individual board members must feel comfortable in raising any issue with the company secretary and in seeking guidance in a confidential and constructive manner.
- To gain credibility with the directors, the company secretary should create a personal knowledge base not only of governance and regulatory issues, but also business-specific issues. the company secretary needs to take the lead on issues relating to governance. This would include ensuring the adequacy of the governance framework, including that for board committees, mandates as well as ensuring compliance with relevant legislation.
- Together with the chair, the company secretary must ensure that new directors are properly inducted into the organization and that there is an adequate and meaningful ongoing professional education program for directors.

AS A BUSINESS FACILITATOR-

A lack of understanding of the business will lead to a lack of understanding of the nuances of discussion that will result in an inadequate record of the Board and Committee meetings

A Company Secretary cannot function in isolation with the tag of legal and compliance specialist and remain ignorant of the business, the corporation vision, and goals of business leaders etc. If that happens then he would not be able to understand the business agenda items and would be simply 'lost' during board deliberations. The ability to capture the core elements of the discussion can prove invaluable should there be a later challenge from a regulator or shareholder or the board itself. Ultimately it is the Company Secretary who records the minutes and if he is unable to follow the discussions on business, he will have to run around collecting inputs from the CEO and other Function heads who attended the meeting to finalize the same. The real test of a Company Secretary's understanding of business comes from the way he prepares the first draft of the minutes immediately after the meeting. While he need not be an expert in business intricacies, it does make sense for him to keep reading the annual reports , quarterly investor presentations and other press releases to have a basic understanding of his company operates. In case of manufacturing companies the Company Secretary must visit the Plants to have a reasonable understanding of the processes and how the final product comes out of the machines, how it is packed and how is it finally transported to the consumer. In case of Press Releases on latest developments (disclosure requirements of Stock Exchanges), he must exercise his discretion in respect of usage of certain words which might be misconstrued by investors. He can do this only when he has understood the core business.

PROACTIVE CORPORATE SOCIAL RESPONSIBILITY(CSR)

FACILITATOR:-

A company secretary is in the best position to understand and apply the provisions relating to CSR, as contained in the Cos Act, and the CSR Rules made thereunder and ensure that the contributions are made to only genuine eligible entities and NGOs (after proper due diligence) and the funds are deployed for the objectives for which they are contributed before the end of the financial year. A mechanism can be worked out for onsite inspections, independent certification (by the auditors of the NGO) regarding the deployment of funds and periodic reporting regard the progress made by specific projects which are ongoing. This mechanism

also keeps a check on the tendency to divert the funds to fictitious entities operating under the guise of NGOs.

PROACTIVE COMPLIANCE MECHANISM:-

It has been observed that while company secretaries are very diligent at ensuring compliance with the provisions of the Cos Act, and the Rules thereunder and the SEBI Listing and other applicable Regulations, there are plethora of legislations and laws which apply to the company. The responsibility of compliance with these legislations is often left to the concerned Plant Managers (in case of labour laws, Pollution Control laws, Environment protection laws and other local laws) and other function heads in case of other applicable laws. Also company secretaries tend to overlook the language of section 205(1) of the Companies Act, 2013

"The functions of a Company Secretary shall include reporting to the Board about compliance with the provisions of the Act and all other applicable laws to the Company. It is clear that the responsibility of compliance extends to all applicable laws and not merely Company law.

Further, many companies have a typical archaic system of presentation of physical compliance certificates by the Group/Function Heads (including the C.S) to the Managing Director, who in turn submits a comprehensive compliance certificate to the Board on a periodic basis certifying that based on the certification by the Group/Function Heads the company has duly complied with all applicable laws. The C.S is so happy submitting compliance certification with respect the Cos Act, SEBI Listing Regulations etc which is his **forte**. However, this is an incomplete exercise since the C.S has to be a radical and kinetic driver of sound compliance systems (through dedicated software/tools/Platforms) which would encompass all the laws which apply to the company with proper classification of the risks into high, medium and low , segregate the compliance tasks (function wise), provide for regular trainings on ensuring compliance and operating on the system and finally conduct of periodic compliance audits to verify the degree of overall compliance. The system sends alerts and reminders in case of time bound regulatory filings to the concerned personnel responsible for compliance and throws up deviation reports to the superiors for control. As the Compliance Head the C.S must be able to keep himself thoroughly updated about the amendments in laws and also probable amendments in applicable laws to

take pre-emptive action and avoid non compliances. A major compliance area is also coming up in form of the FOUR LABOUR CODES (massive reformation of the labour laws) and a C.S is supposed to anticipate the impact on the workmen of the company and advise measures in the terms and conditions and labour practices,

SUPPORT TO ROBUST RISK MANAGEMENT & CONTROL SYSTEMS

The C.S is expected to play an active role in implementing Risk Management Policy and measures and in particular to capture in consultation with the relevant groups and functions/depts, and in particular to review Enterprise Risk; Competition challenges; Process technology updates; IT/Cyber security systems; the environment standards; FOREX risk; H.R initiatives and succession planning and finally the legal and compliance risks

ESG INITIATIVES & SUSTAINABILITY MEASURES

SEBI has made it mandatory for the top one thousand listed companies (by market capitalization) with effect from the financial year 2022-2023 to include a Business Responsibility and Sustainability Report (BRSR) covering ESG (Environmental, Social and Governance) parameters. The BRSR is intended towards having quantitative and standardized disclosures on ESG parameters to enable comparability across companies, sectors, and time. The BRSR shall be mandatory and shall replace the existing Business Responsibility Report (BRR) w.e.f F.Y 2022-23. The Company Secretary will have critical role towards the ESG initiative to ensure that a BRSR is duly put in place for the Annual Report for the F.Y 2022-23. This will involve creation of dedicated team for formulating policies, training programs etc and appointment of an independent rating agency.

ADAPTING TO TECHNOLOGICAL CHANGE: A DETERMINANT OF SUCCESS

This role has evolved in an era where technology is so deeply embedded in the organisation's operational and financial DNA. With the emergence of innovative technologies, company secretaries are also viewed, perhaps more than ever, as valued advisers to Boards for corporate governance, most notably in information technology.

The adoption, implementation, and deployment of technologies across the organisation brings about opportunities but also inherent risks. By keeping in step with relevant technological advancements and opportunities, company secretaries can bolster the Board's understanding of the organisation's key technology strategies, risks, and high-level controls and protocols. This is particularly evident when discussions revolve around **data privacy, cybersecurity, and regulatory compliance at the Board level**. By embracing this new facet of their role, company secretaries provide the Board with a level of confidence to make IT-related decisions that are strategic, feasible, and impactful – all which factors into effective governance at some of the technologies that facilitate this:

a.) Board Portals

As Boards go paperless with the adoption of board portals (or board meeting software), the administrative weight and burden on company secretaries is significantly reduced. Board pack creation, minute-taking, and remote collaboration can be accomplished with enhanced security, minimal effort, and less time. The company secretary can focus on responsibilities that have greater impact on organisational strategy – including risk management, corporate governance advice, and regulatory compliance.

b.) Blockchain

Blockchain's ability to disrupt technology with respect to board and shareholder matters (specifically the Annual General Meeting or AGM) has been a hot topic as of late.

This was brought about by Banco Santander's pilot project. The Spanish bank, along with a financial technology firm and custodian banks, facilitated an end-to-end proxy voting solution using blockchain technology:

"Santander tested the technology by creating a shadow register. While actual voting took place in the traditional way, the blockchain experiment was said to be a significant help in terms of transparency and agility at the AGM itself, providing a quick and easy voting platform for use by institutional investors."

The adoption of this technology will not only increase shareholder engagement but also reduce voting audits. How will blockchain impact the responsibility of company secretaries in other ways? To cite a couple (of many) potential repercussions, **blockchain technology will also reduce the burden on company secretaries as custodian of corporate records. The technology can be used as a corporate document depository accessible to shareholders and other parties. Corporate records, such as contracts and financial transactions, will be up to date – allowing individuals to place greater trust in the integrity of information. This positively impacts the process of due diligence of corporate activities. Blockchain technology is also expected to assume the responsibilities of maintaining statutory records.**

ROLE TO EXTEND TO COVER GENERAL COUNSEL or LEGAL HEAD

A company secretary is expected to be well versed and qualified in law (should necessarily have a Law degree from a reputed University of India) and function as the “**nucleus or nerve centre of legal support to the whole organization**.” Whether it is Litigation, Arbitration, Contracts Control, Contracts management, Legal documentation, regulatory challenges and Criminal prosecution, Competitor challenges, consumer complaints, Law suits, Insolvency proceedings, Recoveries, creation of Mortgages, Land or Plant acquisition/dealings, protection of Intellectual property rights and initiation of action for Infringement, Cyber Security vigil and guarding against cyber-attacks, Tackling anti-trust challenges under Competition Act, devising strategies to avoid anti-trust issues, Training programs on Prevention of Sexual Harassment, Prevention of Co-employment and safeguards in employing contract labour to avoid claims for regular employment and workmen disputes et

Imperative need to rechristen the term ‘Company Secretary’ to be in tune with the radical change in the criticality of his role, functions, contributions and ultimately his recognition in India as well as at a Global level

The need to change the classification stems both from the negative clerical perception associated with the term “Secretary,” and from the realization that a name that is focused on administrative duties alone is insufficient

to encompass the strategic governance aspects of the role. *Loren Wulfsohn* (An acclaimed corporate attorney in South Africa as quoted by the IFC Corporate Governance Knowledge Publication) views a company secretary as a **Polymath**. A polymath is "a person whose expertise spans a significant number of different subject areas; such a person is known to draw on complex bodies of knowledge to solve specific problems.

"The term Company Secretary has become outdated in the modern governance of companies. That the role of the company secretary has changed is both undisputed and understated. There is a wide recognition that the nomenclature falls short of the duties undertaken. Doubtlessly from a practical realm with the tremendous contributions of company secretaries the Industry, various Govt Bodies and the Judicial Bodies have recognized the role of a C.S as a multifarious professional, but still if we dissect the terms "**Company**" and "**Secretary**", it gives rise to an impression that a C.S performs only secretarial functions only for a Company or Companies, whereas the reality is altogether different when seen against the backdrop of the current day role,

Despite having an array of roles in different areas, it is a common belief that the role of Company Secretaries is confined to Company Law alone. There can be little doubt that the role of the company secretary has evolved much beyond the typical administrative role and has increasingly **become more strategic, compliance focussed** as has been abundantly elaborated in the above paras.

A Company Secretary has all along been conceived as an extended arm of the Government for the purpose of ensuring compliance of various laws and is recognized under the Companies Act, Securities Laws, Tax Laws, Foreign Exchange Laws, Competition Laws, and various other statutes as the principal officer of the company. The corporate sector has also recognized the role of the Company Secretaries as a Compliance officer and as a nodal point of contact between the company and its shareholders, debenture holders, depositors, financial institutions, the Government, and other stakeholders. Company Secretaries are not only conversant with the technicalities and provisions of the corporate legal areas but are highly specialized professionals in the matters of procedural and practical aspects involved in the compliances enjoined under various

statutes and the rules, regulations byelaws and guidelines made thereunder. With increasing emphasis on the principles of good governance and introduction of various provisions relating to corporate governance he has added responsibilities for safeguarding the interests of the stakeholders.

The role of a CS has become even more significant and critical one after the advent of the Companies Act, 2013 which recognises the CS as a Key Managerial Personnel (KMP) amongst Managing Director, Chief Executive Officer, and Chief Financial Officer. Further, Company Secretaries today engage themselves, not only with corporates, but also with diverse and multiple organisations – be it government agencies including MCA, SEBI, RBI, CBDT, CBEC, IBBI etc. or non-government organisations including Trusts, Cooperatives, Bodies corporates, Govt entities, and Societies etc. **Keeping in view these and other contemporary developments taking place, the ICSI of late has been focussing on larger perspective and thus broadening its efforts to encompass National Governance as well.**

There is an imperative need to rechristen the **Institute of Company Secretaries of India as the *Institute of Chartered Secretaries & Governance Professionals of India or The Institute of Corporate Secretaries of India*** or some such name to make it more relevant to the much wider and much more significant role being played by the members of the Institute. There have been suggestions from various quarters to rechristen the term Company Secretary as "*Chartered Secretary; 'Chief Compliance Officer, Compliance Director; 'Chief Governance Counsel', Chief Corporate Counsel'* ;etc .There is also a school of thought **which believes that** qualifying as a **Chartered Secretary or a Chartered Governance Professional** represents the gold standard of the governance profession.

The next question that arises in this context is how will the Companies Act call out this professional, if the nomenclature is proposed to be changed from "*Company Secretary*" to any of the other suggested nomenclatures?

The best way to address this could be as under:

Change in nomenclature of the ICSI :-It could be rechristened as_The Institute of Chartered Secretaries and Governance Professionals " or the Institute of Corporate / Chartered Secretaries and Governance Professionals of India

*For Company Secretaries in Whole time practice (holding certificate of practice from ICSI) :- the law should use a single nomenclature viz **Chartered Secretary** or a **'Compliance Auditor'** (since the core function is audit of the status of compliance) This will bring it on par with other professionals like *Chartered Accountants or Lawyers/Advocates*. Thus there will be no need to explain that the professional representing a particular client is a *Company Secretary in Whole time practice or a Practicing Company Secretary* (both the terms being confusing for non-C.S professional related persons). A **Chartered Secretary or a Compliance Auditor** would be defined as a member of the Institute holding a certificate or practice.*

*For Company Secretaries in employment (appointed by the Board and notified to the MCA as a Key Managerial Personnel) the appropriate term could be "**Chief Corporate Secretary** '(on par with Chief Financial Officer) who is a member of the Institute. Companies should be permitted to use nomenclatures like **Chief Compliance Officer, Compliance Director; 'Chief Governance Counsel ', Chief Corporate Counsel; Chief Governance Officer '.***

Reporting mechanism of a C.S and Prohibition on the same person from holding dual posts as CFO & C.S

Historically, the company secretary has reported to the Chief Financial Officer or the CEO/Managing Director. The following recommendations are forthcoming in this regard:

Reporting to the Chairman of the Board :- Given that the Board technically appoints the Company Secretary as a KMP on the recommendation of the Nomination & Remuneration Committee and that the role is heavily focused on-board performance, corporate governance, terms of reference of various committees and presentation of agenda items, suitable wording of the minutes etc it

is appropriate that a C.S should report to the Chairperson of the Board on all governance matters.

Reporting to the Managing Director/CEO:- Being in employment of the company , the C.S is bound to report to the MD/CEO on all critical matters concerning his functions including compliance, legal, interaction with stake holders, critical litigation or arbitration proceedings, regulatory action , laying down of important policies and updating on amendments and training programs, delegation of authority and internal controls , updates on developments in stock markets, changes in shareholding pattern and keeping a watch on regulatory updates, and other tasks as may be assigned to him.

The law should prohibit the same individual occupying dual positions as CFO & Company Secretary of a public company. **The roles of the CFO and C.S are distinct and involve specialized expertise and knowledge and need to be handled by different individuals with special skill sets and resources. Justice needs to be done to both the specific critical roles which are extremely critical from the viewpoint of the company, its promoters and various stake holders including shareholders, creditors, financial institutions, Banks etc. It is most advisable to let specialists focus on their respective areas of specialization instead of combining the roles and creating internal conflict between two professions.**

Can a Company Secretary be vicariously held liable for an offence committed by the Company? Latest S.C judgement

The Supreme Court ("Supreme Court") in the recent judgment of Ravindranatha Bajpe v. Mangalore Special Economic Zone Ltd & Ors., has held that the criminal proceedings cannot be kickstarted against the directors and other management personnel (including Company Secretary) of a company in absence of specific allegations and their role in the crime. Following its earlier judgments, the Supreme Court has added yet another piece in the long-standing jurisprudence on vicarious liability of directors and senior management in criminal cases. **The main principle being that if a company commits a crime involving a guilty intent, it would normally be the intent and action of the individual who acted on behalf of the company.** The Supreme Court in

passing this order re-affirmed its earlier judgments in *Sunil Bharti Mittal v. Central Bureau of Investigation*; *Maksud Saiyed v. State of Gujarat*; *Pepsi Foods Ltd. v. Special Judicial Magistrate*, and *GHCL Employees Stock Option Trust v. India Infoline Limited*, which provided that ***if a company commits an offence involving mens rea (guilty intent), it would normally be the intent and action of that individual who acted on behalf of the company.***

How does Company Secretary tackle situations of corruption on part of Regulators/Govt Bodies?

A company secretary must deal with various regulators and various Govt bodies in course of performance of his functions and the corruption levels in India hardly need any description. It has been the experience of many company secretaries (whether in employment or in practice) that Govt officials often demand ***speed money*** (to expedite applications for approvals, licenses etc). The current Central Govt is trying its level best to put in place maximum electronic systems and online filings and approvals under the various laws to curb this interaction between the Govt officials and professionals. It has to a considerable extent curbed such malpractices. However, there are still many regulators under other laws who stonewall permissions, licenses etc and issue show cause notices on flimsy grounds, conduct unnecessary inspections and file criminal complaints roping in all the Directors. The Company Secretary faces this menace often and the critical question that comes to his mind is "*what to do*"? The business cannot wait for legal remedies and time is the essence for business. In such situations, the pressure (in some companies) is on the Company Secretary to "*get the things done*". A C.S is often told that "***be a Roman in Rome.***" This dilemma haunts professionals who are ethics oriented and culturally opposed to such overtures. The best solution is to follow the ICSI motto "***Speak the Truth, Abide by the Law***". No exceptions are permitted.

Fundamental Rules for a Company Secretary to protect his own interests and ultimately the company's interests in precarious situations

There are some serious situations where the Regulators like the Enforcement Directorate (E.D), Directorate of Revenue Intelligence (DRI), RBI, Customs may launch criminal proceedings against the promoters and directors for corporate frauds and scams, money laundering, diversion of funds through group companies, price manipulation of the share price on the Exchanges, etc. In such cases the Company Secretary may also find himself roped in (being privy to Board and other proceedings). To avoid such situations, the C.S must follow the following fundamental rules:

(ii) Try his level best to ensure that the law is compiled in letter and spirit rather than a tick box theoretical approach. He needs to put things on record (through e-mails and notes) pointing out the possible violations if certain things are done or omitted to be done by the top management. **There is no need to be hostile or aggressive vis a vis his employer, but the message must go politely, firmly, and objectively to the effect that he is not a willing party to any violations and does not have any malafides.** Adequate measures to be taken for safe protection such e-mails and messages to prove his bonafides in case of prosecution.

(iii) A C.S should never be a consenting party to any **wilful violations** of the law. The best tactic is to avoid giving '*go ahead*', to such transactions on record on e-mails or on paper.

(iv) **No question of any Gross Negligence on part of the Company Secretary in matters of compliance with the Corporate and Securities Laws where he is directly accountable.** Any such instance will bring down the dignity of the profession and expose himself and the Board to prosecution. In case of other laws where any other functionary is responsible, the C.S should have ensured that adequate systems are installed to enable the functionary to comply with the law and has reported /certified compliance thereof. Such compliance certificates need to be kept in

safe custody of the C.S and in case of e-certificates; they should be saved and stored with adequate security systems to prevent manipulation.

Vision New ICSI

The Company Secretaries, as conscience keepers and torch bearers of good Corporate Governance, have an important part to play in educating and motivating corporates to play their role in promoting inclusive growth and discharge their Corporate Social Responsibility (CSR)

Conclusion:-

Strong challenges await the members of ICSI in the coming times which can be easily tackled so long as they remain firm on professional ethics and be loyal and committed to the profession rather than to please the client or the employer. ***“Love your profession in priority to your employer or client, your employer/client may leave you one day, but the profession never will “***

In an age of ever-increasing regulation and demands on boards, the importance of the governance role to be played by the company secretary is apparent. It is critical that there be a skilled governance professional in place who can help the directors navigate their fiduciary duties and facilitate board effectiveness by allowing the board to focus on decision making and strategy, knowing that there is taking care of the day-to-day governance arrangements. ***Notwithstanding the level of responsibility bestowed upon company secretaries in terms of new regulation or best-practice governance recommendations, the perception of the role of company secretary must keep pace with the expectations of the business and economic development of India.*** The varied expertise required from a company secretary is daunting. ***The best advice to emerging corporate governance professionals would be to remain steadfast in the commitment to implementing best of breed governance practices. In the words of Shakespeare, “to thine own self be true***



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ARTICLE: 2 THE NEW UNIVERSE – METAVERSE

In the first week of April 2022, Securities and Exchange Board of India. ('SEBI') website published some interesting "Scheme of information documents" filed under Mutual Fund section by: 1) ADITYA BIRLA SUN LIFE BLOCKCHAIN & VIRTUAL DIGITAL ASSETS ETFs FUND OF FUND (an open-ended fund of funds scheme investing in the units of ETFs focused on the global blockchain theme (including Virtual Digital Assets); and 2) NAVI Metaverse ETF Fund of Fund, an open-ended fund of fund scheme investing in units of overseas ETF's which provide exposure to companies that are positioned to benefit from the advancement of Metaverse.

For Navi's Metaverse ETF, the benchmark would be 'Solactive Metaverse Theme Index'. (Solactive is a Germany-based index provider operating globally). This index is designed to track the performance of companies that have, or are expected to have, significant exposure to the provision of products and/or services that contribute to the metaverse industry.

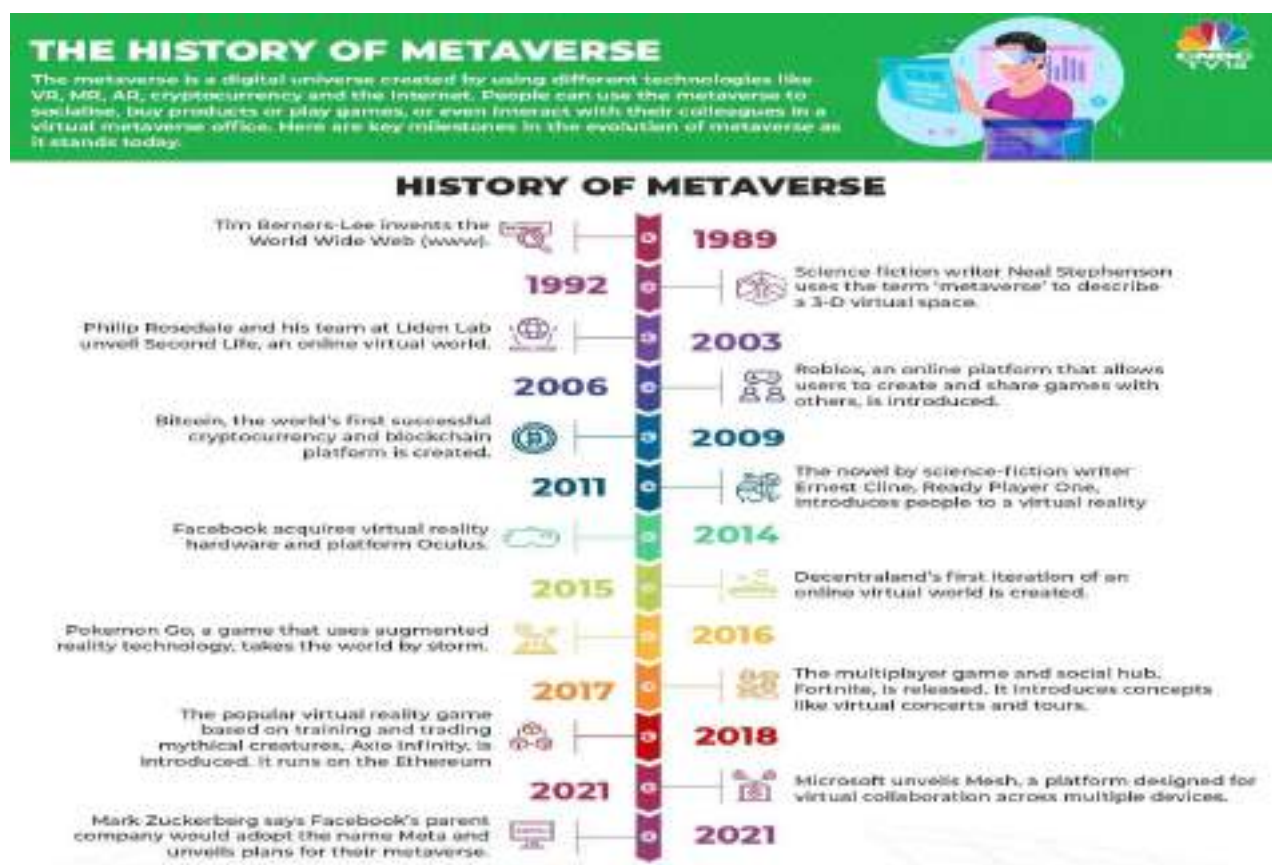
WHAT ARE WE TALKING ABOUT? WHAT IS METAVERSE ?



BRIEF HISTORY AND EVOLUTION OF METAVERSE:

Meta in Greek means with, across or after. Denoting a change of position or condition e.g., "metamorphosis" Interest in the metaverse spiked after Facebook announced it was changing its name to Meta to reflect its focus on the virtual world, where users will be able to work and socialise. The term metaverse was coined in Neal Stephenson's 1992 science fiction novel 'Snow Crash', where humans, as programmable avatars, interact with each other and software agents, in a three-dimensional virtual space that uses the metaphor of the real world. So, a blend of "meta" and "universe" makes it Metaverse.

The metaverse is best described as a future version of the Internet where people interact socially and professionally in persistent, shared, and immersive virtual worlds.



Credits: CNBC TV18

Numerous analysts are predicting a multi-trillion-dollar opportunity with far reaching implications for a broad range of industry segments. Indian

companies have also identified this transformative advancement and are focusing on building innovations and introducing new business capabilities to gain share in new market opportunities in digital world. Tata Consultancy Services Ltd., Tech Mahindra Ltd, Infosys Ltd are actively investing in metaverse.

IMPORTANT TERMS USED IN METAVERSE

1. **Metaverse Experiences:** Based on what users ENGAGE with, immersive social experiences, games, workshops, parties, or concerts. Because the metaverse is 3D, user will be moving through it rather than scrolling over it on a screen.
2. **Immersive Avatars vs Traditional Avatars**
Immersive Avatars are 3D representations of users and user's persona in the virtual world. The users themselves create personalized avatars that can interact with others and with the metaverse platform.
Traditional avatars in web 2.0 were commonly mere icons that represented a user, in a forum for example. They didn't interact or even move in most cases.
3. **Digital Twins:** A virtual object in the metaverse which represents a real-life object, being, or structure.
4. **Mirror worlds:** A digital version of the real world with virtually rendered equivalents of people, places, and things.
5. **Portals:** Access points that connect different virtual environments that are distributed in the same platform or metaverse.
6. **Digital Holograms:** The reproduction of a hologram, which is a realistic projection of a person, place, or object, within virtual space. This object is usually 3D and can be viewed from all sides, meaning that within the metaverse an avatar can walk around it and, in many cases, interact with it.
7. **Virtual Reality (VR):** Also, commonly written as VR, virtual reality is an immersive experience usually operated with a digital headset. VR

headsets give the users a 360° view in a virtual world that they can move in and interact with.

8. Augmented Reality (AR): A digital overlay that is projected on the real world. A good example of AR is Niantic's popular game, Pokémon Go.

9. Teleporting: The ability to be instantly transported across space to a remote virtual (or physical) location. In the metaverse, this usually happens via AR or VR technologies.

10. Telepresence: The sensation of being in a different place where not present physically. This allows a user to appear or feel present

11. Social Immersion: Metaverse experiences that provoke and create social interaction. Full social immersion is one of the main evolutions of the web to 3.0.

12. Mixed Reality (MR): MR is an immersive experience that incorporates elements of virtual reality and augmented reality and allows users to interact with virtual and real-world objects in real-time.

13. Extended Reality (XR): XR is a combination of all the 'reality' terms: VR, AR and MR. Over time, the individual terms will begin to mix, especially as technology evolves the metaverse starts to take form.

14. Blockchain: A blockchain is a structure that allows for the creation of digital ledgers of data. This distributed ledger uses cryptography to confirm and carry out transactions. Bitcoin and Ethereum were some of the first blockchains.

15. Public vs Private Cloud: A public cloud is a service in the cloud offered to multiple customers and runs on remote servers which are managed by a provider. It is common for Gaming and Entertainment services to be offered in a public cloud where 'control' is a bit loser.

A private cloud is a service that is NOT shared with any other company or organization. The benefits are tighter security which meet strict regulatory

compliance standards and companies, or organization have more control within these clouds.

16. NFTs: Non-Fungible Tokens are unique, blockchain-based assets that are a way to attribute ownership and are more and more commonly being used in the metaverse. NFTs represent items like digital art, virtual real estate, or music.

You can think of them as certificates of ownership that exist on the blockchain. They are created when a digital file (commonly an image, video or GIF) is minted. This means that a certificate of ownership and originality is generated via cryptocurrency (usually Ethereum) and sold/granted to the new owner.

While NFTs cannot stop somebody from stealing digital assets, they provide a neutral and unbiased confirmation of the designated owner. If we ever see NFTs integrated into copyright law, they may also serve as evidence against the misuse of digital goods.

If one is not aware of NFTs but wants to invest, then one could investment in Indian companies who are top NFT marketplace developers like Accenture, Infosys, Capgemini India, Zenzar Technologies, Tech Mahindra etc.

17. Digital Goods: This is a term to refer to anything sold or transferred in a digital, intangible form. For example, media and music files, video files, e-books, mobile apps, online courses, digital art, etc. Digital goods can also be virtual goods which are used in online games and communities within their economies.

18. Web3 / Web 3.0: Web 3.0 is the next generation of the internet. The goal of Web3 is to connect and engage users on a greater level. This is where the immersive metaverse comes in. Web 2.0 is how we know the internet today, 2D websites or e-commerce that we scroll through and click to interact. Web 3.0 will bring the users into these websites and stores where users will interact with digital content as avatars.

19. Massively multiplayer online role-playing game (MMORPG) are interactive games where millions of people play and interact in shared spaces. For example, Minecraft and Fortnite.

TYPES OF METAVERSE

Metaverse is no one centralised metaverse. In fact, there exists five different types of metaverse. And this number is only expected to go up soon.

1. Decentraland (MANA)
2. Sandbox (SAND) (Hongkong)
3. Axie Infinity (AXS) (Singapore)
4. Enjin Coin (AJC) (Singapore)
5. Horizon by Facebook.

Of the above, Decentraland is the biggest metaverse. It owns nearly 90,000 land parcels in the virtual world. You can buy and sell digital assets like land, avatar wearables, collectibles etc. So, a metaverse is not just for fun and games. It will also facilitate business transactions and create jobs. Metaverse is an amalgamation of the digital world in which physical, augmented and virtual realities are converged. Despite origins in gaming and social media, the Metaverse's application has extended beyond entertainment to traditional sectors and Banking and Financial sector is no exception. The virtual world promises to completely overhaul banking, both for the customers and the banks as well.

Experts predict that the metaverse can completely revitalise the working and perception of banking. And it's not hard to see why; you could visit your bank without stepping out of your home, just pop on a VR device and you're there! Some of the key changes Metaverse could bring to Banking sector:

- Engagement in a 3-D environment
- Provide loans and accept non-fungible tokens (NFTs) as collateral in the virtual space.

- Banks can also facilitate payments for NFTs by setting up dedicated NFT exchange points in the metaverse.
- Virtual real estate is another asset banks can latch onto. Already, virtual pieces of land in games like Decentraland and Sandbox are being sold for millions. Banks can provide business loans to customers for purchasing these virtual plots.

Other areas where users could join the metaverse space:

- Work possibilities
- Art and live entertainment
- Money investment
- Education
- Online socializing
- Gaming

Possible sector wise application on metaverse:

- Computer & IT
- Education
- Finance
- Marketing and Advertising
- Medical and health
- Technology and innovation
- Travel and hospitality

To be there, what steps have global Banks or Financial institutions already taken and how is India moving in that direction:

- Bank of America announced that it will launch virtual reality (VR) training for its employees in nearly 4,300 financial centers nationwide. The bank says that every financial center in its network will use VR headsets to practice a wide range of skills including strengthening and deepening relationships with clients, navigating difficult conversations, and listening and responding with empathy.

- The first bank to enter the metaverse with much fanfare was JP Morgan earlier this year. The US investment giant took a large plot in Decentraland and boasts a prowling tiger as a feature in its Onyx Lounge.
- South Korea's Kookmin Bank has opened up its customer services options by providing one-to-one consultations in the metaverse.
- HSBC then followed, opening a branch in the established Sandbox region of the metaverse, while the UK-based payments fintech Sokin recently announced its imminent foray into the augmented reality platform.
- Infosys announced the launch of Metaverse Foundry -- a service that aids enterprises in implementing strategies that enhance "virtual-physical interconnections". The platform "converges the power of domain and design expertise, platforms and digital accelerators, with strong relationships in a rich creator-partner economy". Infosys has also unveiled more than 100 use cases and templates that are "ready-to-apply" in the areas of Augmented Reality (AR), Virtual Reality (VR), the Internet of Things (IoT), Artificial Intelligence (AI), 5G and cybersecurity. The firm believes that this will propel "value-exploration in the metaverse".
- Tata Consultancy Services (TCS) have commenced investments in the metaverse with proposals already being presented to customers. TCS has already made the proof-of-concept to enhance the consumers' experience and augment the onboarding process for new employees. They are also working on recreating an office-like feeling in the metaverse by simulating workplace-like interiors, including the office cafeteria. Mass adoption of the metaverse may take time, but it will "eventually explode".

As recent as 16 May 2022, Tata group's jewellery arm Tanishq recently launched its new collection in the metaverse where guests could try on

bespoke pieces virtually. The company is also working on a solution to launch a museum metaverse for the Tamil Nadu government.

- Tech Mahindra: Tech Mahindra has marked its entry into the metaverse with the launch of the TechMVerse. The IT behemoth is deploying its technological capabilities in AI, blockchain, AR/VR, 5G and quantum computing to create Business-to-Business (B2B) use cases that can be applicable across sectors. Tech Mahindra has revealed three use cases, each with a specific purpose:
 1. Meta Bank -- a virtual bank as well as a gaming hub
 2. Dealer Verse -- a virtual car dealership set in the metaverse
 3. Middlemist -- a dedicated NFT marketplace

HOW IS THIS NEW UNIVERSE GOING TO BE REGULATED?

With a technology as complex as something that may succeed the internet, and that the machinery has been set in motion, it's a good time to start drafting regulatory framework as well. The Legal minds and machinery will have to frame regulations considering various aspects:

1. regulatory certainty about the treatment of digital tokens across various jurisdictions
2. legal rules pertaining to settlement, finality of transactions, reversing fraudulent transactions, traceability, and grievance redress.
3. positions on intellectual property rights associated with various aspects of the metaverse.
4. Since cryptocurrency is not a legal tender money and no legal registration deed is provided when a person buys a virtual asset, it will be an onerous task for the investigating agencies to bring the culprits of such a crime to book as the evidence against the culprits will be extremely weak.

5. Intellectual Property Rights - whether digital assets should qualify as "goods" for purposes of the trademark laws, and who should be held liable when the identity of the infringer is unclear. In January 2022, French luxury fashion house Hermès sued a Non-Fungible Token (NFT) creator Mason Rothschild, who marketed a line of digital assets called "Metabirkins," digital duplications of the Birkin bag created by Hermès that sell for tens of thousands of dollars or more, with prices even higher in the resale market. Hermès alleged trademark infringement and dilutive use of the Birkin name.
6. Data Security - Major technology companies are already facing significant antitrust scrutiny and increasing regulation around the world, and the development of the metaverse may spur additional scrutiny and action from antitrust enforcers.

DOES METAVERSE HAVE A FUTURE?

Just as in less than a generation, social media has evolved from direct electronic information exchange to virtual gathering place, to retail platform, to vital 21st-century marketing tool, metaverse could transform the way we work. For most of us, the meta verse will expect us to adjust to better approaches for working and interacting. Headways in innovation are difficult to opt-out of without falling behind, and resistance to the metaverse may leave us locked out of a flourishing, rich, virtual world. The next 10 years will bring more change than the previous 100 years. Experts predict by 2030, we will have approx. 9 billion people connected at high speed and very low cost, virtual/augmented reality will be as normal as WhatsApp or Signal, today; voice control will be how we interact with our devices, and generally a rapid convergence of online / virtual and real-life / physical worlds and the resulting Mega shifts will revolutionise pretty much everything we do, from working to traveling to shopping to healthcare to banking. The power of exponential technologies will become almost limitless. The future is better than we think – we just need to understand it better and decide what kind of future we want.

CONCLUSION:

As Mark Zuckerberg said in announcing his company's rebrand and metaverse initiative, "The best way to understand the metaverse is to experience it yourself, but it's a little tough because it doesn't fully exist yet." Certainly, it would be a difficult to predict which of the many metaverse projects being developed by tech firms and non-tech firms alike will succeed. As companies innovate, these developments will foster disputes among businesses, governments, and consumers and give rise to novel legal questions for years to come. In the meantime, let us explore and see whether the reality can live up to the hype, and experience the "meta" moment and on the other hand try not to reduce complex human life to data feeds, fancy graphics and AI-fuelled convenience.



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ARTICLE: 3 CONCEPT OF INDEPENDENT DIRECTOR UNDER COMPANIES ACT, 2013

This Article deals with various aspects of Independent Directors as per Companies Act, 2013.

Necessity to Have Independent Directors

To safeguard the interest of investors against unscrupulous persons because of whom a large number of people have lost their hard earned money all over the world.

Qualification of Independent Director

No formal education or degree is prescribed for being Independent Director.

However, Rule 5 of Companies (Appointment and Qualification of Directors) Rules, 2014 prescribe following qualifications of an Independent Director:

An Independent Director shall possess appropriate skills, experience, and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, technical operations or other areas related to business of company.

Data Bank of Independent Directors

Any person who wishes to be appointed as Independent Director is required to register in the independent director data bank maintained by

Ministry of Corporate Affairs (MCA) in association with Indian Institute of Corporate Affairs (IICA)

Those who are required to appoint independent director may choose from this Data Bank.

Person may get his name registered in Data Bank for 1 year or 5 years or for life time.

However, he or she is required to pass on line proficiency test conducted by the Institute (IICA) within 2 year from the date his / her name is registered in Data Bank, failing which, his or her name shall stand removed from the data bank of the Institute (IICA)

Selection by the Board

The Board may select an independent director from –

- 1) The data bank maintained by any body, institute or association as notified by the Central Government or
- 2) Other independent sources may be available to the Board.

The responsibility of exercising due diligence before selecting a person from the data bank will be with the company making such appointment.

As per regulation 25 (2A) of Listing Regulations, with effect from 01.01.2022, the appointment , re- appointment or removal of as independent director of a listed company, shall be subject to the approval of shareholders by way of a special resolution.

Profile of an Independent Director

The profile of an independent director reflects not only his credentials but also depicts some important aspects which are necessary for being independent.

The profile of an independent director proposed to be appointed should be attached to the notice in the form of explanatory statement to enable members to make appropriate decision.

Further, the profile should be uploaded on the website of the company.

Pursuant to SEBI circular dated 09.09.2015, in case of listed companies, the profile of director appointed should be filled with the stock exchanges as part of corporate disclosure.

No of Independent Directors on Board

Section 149 (4) of the Act requires every Listed Public Company to have at least one-third of the total number of directors as independent directors. Any fraction contained in such one-third shall be rounded off as one.

Rule 4(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides that following class of companies should have at least two independent directors :

- 1) Public companies having paid up capital of Rs 10 crore or more ; or
- 2) Public companies having turnover of Rs 100 crore or more ; or
- 3) Public companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding Rs 50 crore

As per the explanation to the said rule 4 (1) , these thresholds as existing on the last date of latest financial statements shall be taken in to account for the purpose of triggering the applicability of Section 149 (4) the Act.

Where a company ceases to fulfil any of the 3 conditioned mentioned above for 3 consecutive years, then it shall not be required to appoint independent directors until such time when it meets again any of these 3 conditions mentioned above.

Consent to Act as Director

Section 152 (5) of the Act provides that a person appointed as a director is required to provide his written consent in Form DIR-2 and after that only he can act as a director.

In case of Government companies, consent is not required where appointment is made by the Central Government or State Government as the may be.

Obtaining of Director Identification Number (DIN)

Section 152 of the Act mandates obtaining a DIN to become a director in a Company.

DIN is a unique identification number allotted to an individual who intends to be appointed as director of a company.

Any company proposing to appoint an individual as an independent director should ensure that he / she possesses valid DIN.

In cases where the proposed appointee does not have DIN, then suitable board resolution shall be passed indicating the intent to appoint such individual as independent director, so that he / she can apply for DIN.

Remuneration of Independent Director

An Independent Director is entitled to sitting fees for participation in Board and Committee Meetings.

In addition, Independent Directors are entitled to get reimbursement of expenses incurred by them for the purpose of participation in the Meetings.

The expenses may relate to travelling, accommodation, etc in connection with activities of the company.

Tenure of Independent Director

Section 149 (10) of the Act provides that an independent director can hold office up to five consecutive years.

The said section also provides that there after he is eligible for reappointment for which special resolution is required to be passed and disclosure of such appointment is required to be made in Director Report.

So Section 149 (10) specifies special resolution for reappointment, but it does not specify type of resolution for appointment for first term.

So, it may be interpreted that for appointment for first term, ordinary resolution is required whereas for reappointment for subsequent term, special resolution is required.

Section 149 (11) provides that independent director can be appointed for upto two consecutive terms with each term not exceeding five consecutive years.

Ministry of Corporate Affairs vide its General Circular 14/2014 dated 09.06.2014 provides that any person appointed as independent director has to demit office after two consecutive terms even if the total number of years of his appointment in such two consecutive terms is less than 10 years.

So, for appointment for first term ordinary resolution is required.

For appointment for second term special resolution is required.

Moreover, it follows that Independent Director can be appointed for maximum 2 terms with total tenure of 2 terms not to exceed 10 years period.

Retirement by Rotation

Section 149 (13) of the Act provides that the independent directors would not be liable to retire by rotation.

Role of Independent Directors

Independent Directors need not take part in daily affairs of the company.

However, they should raise appropriate red flags at the right time to avoid the occurrence of any unwanted situations and their consequences.

Separate Meeting of Independent Directors

At least one separate meeting of independent directors should be held in a financial year without the presence of non-independent directors

Declaration of Independence

Once appointed as independent director, it is mandatory to declare his independence in the first board meeting held after his appointment as independent director.

Moreover, in every subsequent financial year, he has to declare his independence in the first board meeting of that subsequent financial year.

Letter of Appointment

The appointment of independent director should be formalised through a letter of appointment which shall set out :

- 1) The term of appointment i.e., the tenure for which the independent director has been appointed
- 2) The expectation of the board from the appointed director
- 3) The fiduciary duties and liabilities that come with such appointment
- 4) The list of actions that such director will not do during his tenure
- 5) Company's code on PTI Regulations
- 6) The remuneration. Periodic fees, reimbursement of expenses for participating in board and other meetings
- 7) Provision for 'directors & officers' insurance, if any
- 8) Training and familiarization programmes
- 9) Board evaluation mechanism and expectation

Directors and Officers Insurance

Regulation 25 (10) of the Listing Regulations provides that :

- With effect from 01.01.2022, the top 1000 companies by market capitalisation calculated as on 31st March of the preceding financial year, shall under take Directors and Officers Insurance (" D & O ") for all their independent directors of such quantum and for such risks as may be determined by its Board of Directors.

Entry in Statutory Registers

After appointment of the Independent Director, entry in the statutory register-maintained u/s 170 of the act should be made promptly.

Form No DIR – 12

E Form DIR 12 shall be filed within 30 days the appointment by the Board.



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ARTICLE 4: Familiarisation Programme for Non-Executive Directors

Corporate Governance in India:



The concept of good governance dates back to the third century B.C. Chanakya, the Vazir of Patliputra, had propounded four duties of a king viz. Raksha, Vriddhi, Palana and Yogakshema. In modern corporates, the king can be equated with the CEO

or the Board of Directors, and the four principles of Corporate Governance would refer to (1) protecting shareholder's wealth (रक्षा), (2) enhancing the wealth by proper utilization of assets (वृद्धि), (3) maintenance of wealth through profitable ventures (पालन) and (4) safeguarding the interests of the shareholders (योगक्षेम).



The Securities and Exchange Board of India (SEBI) and the Confederation of Indian Industry (CII) took the lead in driving corporate governance – initially as a voluntary code, which subsequently was enshrined in Clause 49 of the Listing Agreement, to promote and raise the standards of corporate governance. Other regulators viz. the NHB (National Housing Bank) and the Insurance Regulatory and Development Authority of India (IRDAI) soon followed suit with their own set of governance guidelines and directions.

The report dated 8th February, 2003 of the SEBI Committee on Corporate Governance, chaired by Shri Narayana Murthy, had recommended

introducing a system of training of board members as one of the non-mandatory recommendations. The key facets of training expected to be covered were training on the business model and business risk parameters of the company, their responsibilities as directors and the best ways to discharge them.

Over the years, SEBI has, through various circulars¹, introduced:

- training of board members as one of the non-mandatory requirements
- disclosure of training details in the Annual Report of the company
- introduced familiarization programme for independent directors and disclosure of the details of such programmes on the company's website and provision of weblink of the same in the Annual Report of the company

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") replaced the Listing Agreement. The Regulations enshrined the same principles as that of the Listing Agreement save the fact that specific data points and disclosures were also mandated².



Also, the Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance state that *"in order to improve board practices and the performance of its members, an increasing number of jurisdictions are encouraging companies to engage in board training and voluntary self-evaluation that meets the needs of the individual company"*.

Presently, the provisions pertaining to the familiarisation programme are not included in the Companies Act, 2013 and hence unlisted companies are not required to comply with these requirements. However, the time is not far when the Ministry of Company Affairs (MCA) could extend these provisions to companies fulfilling certain eligibility criteria to boost Corporate Governance.

¹SEBI circulars dated 29th October 2004, 17th April 2014 and 15th September 2014

Emerging Issues in Corporate Governance:

The corporate scandals of Enron, WorldCom, and other scandals in 2001-2002 are different from the global financial crisis of 2008-2009. There are regulatory and investor pressures for governance changes specifically in respect of the following:

- Focus on director independence
- Shift from shareholder focus to *stakeholder* focus
- Competent and Diverse Boards
- Compensation Governance
- Focus on strategy and value creation
- Board performance evaluations

Why familiarisation is important:



Although the familiarisation programme is important for all the directors, it has greater relevance for non-executive directors since they are not involved in the day-to-day operations of the company. As these directors are required to give their advice to the board in their

professional capacity, they need to devote adequate time to get familiar with the organisation, business operations, risks, etc. so that they can effectively participate and contribute to the discussions at the board or committee meetings.

Simplistically speaking, a familiarisation programme can be said to have achieved its objectives, if it helps the directors:

- Increase their confidence and enthusiasm
- Ask the right questions and participate effectively
- Helps them bring fresh insights to the table

All companies should operate a tailored induction programme for all directors, whether first-time appointees or not. The programme should encompass continuing professional education to ensure that the directors

are aware of the business, operational, legal, and regulatory changes, and the impact thereof on their responsibilities. Some companies may even offer the directors an opportunity to see the operations at first hand to support their understanding of the business. Informal interactions with managers and non-managerial members of the workforce could also be encouraged. Another way of induction is partnering a non-executive director with an executive board member (like a mentor) which will help to speed up the process of him or her acquiring an understanding of the main areas of business activity, including the areas involving significant risk. A non-executive director should use these conversations to better understand the culture of the organisation and the way things are done in practice, and to gain insight into the experience and concerns of the workforce.

Company Secretaries ("CS") should take the lead in chalking out the Induction Programme for non-executive directors. At the time of appointment of a new director, he or she should be given a detailed induction programme with the documents as specified in the induction kit, along with the issuance of his or her appointment letter. This helps the new member to understand and appreciate the efforts being put in by the organisation for his or her familiarisation with the management and business. Also, the new director can slot time for the induction programme. It is advisable to keep the familiarisation programme for a minimum 8 to 10 days so that the new member can get adequate time to understand the nuances of the business and organisation structure.

Role of Chairman in the familiarisation programme:

Although CS is the key person responsible to devise and implement the familiarisation programme, this responsibility is equally shared by the Chairman of the Board to ensure that an effective induction happens. The Chairman's close involvement in director induction and ongoing director development helps to build directors' knowledge and ensure that the board has an appropriate mix of skills and experience. The Chairman needs to create an atmosphere conducive to effective decision making. Therefore, the chair should communicate what he or she expects of new directors during meetings as well as outside the boardroom. Setting a

climate of respect and civility in the boardroom is vital to the conduct of meetings. Clearly articulating the board's expectations of a new director's behaviour in the boardroom from the outset will allow the director to fit into the boardroom and organisational culture much more easily.

Important points for a CS to remember while designing the programme:

- CS should first communicate with the new director as regards the existing induction programme. Sometimes, it may so happen that the director may already be aware about certain aspects and may perhaps need only an update. The programme can be customised to that extent.
- CS should plan the schedule after checking the availability of the new director and to ensure that if there are any long sessions planned, whether the director is comfortable to attend the same. Time management is very crucial in effective implementation of such familiarisation programmes.
- CS should check preferences of the directors as regards having soft or hard copies of the familiarization programme and should also try to limit data heavy content presented to director.
- A review should be done mid-way through the induction programme to understand if there is any course correction or customisation of the programme required by the director.
- The first induction programme should happen before the director attends the first board meeting so that he or she is fully aware about the organisation.

A representative illustration of a Familiarisation Programme is provided in the table below:

Activity	With whom	Frequency
<i>Welcome to the Board:</i> <ul style="list-style-type: none"> • Governance processes 	Chairman	At the time of appointment with annual

Activity	With whom	Frequency
<ul style="list-style-type: none"> • Meeting structures (board and committees) • Roles and responsibilities offered to the director • Expectations from the director • Responsibility bestowed by Regulators on the Board of Directors • Any restriction on outside interests • Corporate Governance issues (if any such as succession planning, etc.) 		update / refresher on any changes
<p>Board and Governance:</p> <ul style="list-style-type: none"> • Composition of Board and various committees, frequency of meetings • Board Procedures • Meeting schedule for the current year • Minutes of previous meetings • Briefing on key policies • Process of performance evaluation by the Board • Significant litigation where the company is involved • Insider Trading Code and compliance involved • Framework on Related Party Transactions • Workshop on Corporate Governance by external speaker about principles and requirements • Details of Insurance including any directors' and officers' liability insurance. • Introduction with the major shareholders of the company. 	Company Secretary	At the time of appointment with annual update / refresher on any changes
<p>Business background:</p> <ul style="list-style-type: none"> • Introduction of Company's history 	CEO along with respective	At the time of appointment

Activity	With whom	Frequency
<ul style="list-style-type: none"> • Details about subsidiaries and joint ventures • Major events over past few years • Company mission or vision and current business plan • Key customers and markets, contracts, suppliers etc. • Overview of operations • Information on any current issues faced by the company • Updation on business logic 	Business Heads	
<p>Financial performance:</p> <ul style="list-style-type: none"> • Current performance of the business with respect to financial position, budgets and management accounts, key performance indicators. • Information regarding Statutory and Internal Audit • Adequacy of the control environment, including fraud controls 	CFO	At the time of appointment with annual update / refresher on any changes
<p>Human Resource & CSR:</p> <ul style="list-style-type: none"> • Introduction to Company's vision, mission, and values • Speed dating type (10 minutes) introduction to Key individuals (other than the board): senior executives, their roles and contact details • Key policies and procedures: e.g. health and safety; environmental management; disaster recovery • Brief on CSR and Sustainability initiatives taken • Details about Remuneration Policy 	Head Human Resources –	At the time of appointment with annual update / refresher on any changes
Social Media:		

Activity	With whom	Frequency
<ul style="list-style-type: none"> • Information on corporate communication policy- internal as well as external • How various social platforms are handled as such twitter, facebook, etc. • Transcripts or recording of concall with analysts 		
<ul style="list-style-type: none"> • Presentation regarding regulatory updates if any • Presentation by specialist on development of skills for the directors 	CEO/CS/CFO / Specialist	Quarterly
One to one meeting with Chairman to discuss on status of induction, if any issues faced by the director or to provide feedback on the existing programme.	Chairman	Annual

An Induction Manual containing the following, at the bare minimum, should be handed out to the Director. This serves as a reference document in case of any clarifications that the director may require and also minimises transmission loss:

- I. Vision, Strategic Priorities, History and Philosophy of the company
- II. Memorandum and Articles of Association of the company
- III. Copies of material contracts signed by the Company such as any Joint Venture agreement, Shareholder's Agreement, etc. and details of reserve matters if any.
- IV. Copies of any key licenses, approvals from regulators if any
- V. Key Policies of the company
- VI. Details of any material law suits filed against the company and status as on date.
- VII. Directors' Code of Conduct
- VIII. Contact details, CVs of Key people in the company

- IX. Organizational chart
- X. 10.Succession plans for the CEO and other key executives
- XI. 11.The organization's strategic plan, as well as information prepared by management or third parties regarding customer needs, the existing competitive landscape, and emerging competitors
- XII. Risk Management Plan including Company's major risks.
- XIII. Relevant press releases for key events occurred in the organisation.
- XIV. Financial statements for past 3 years including those of subsidiaries if any.
- XV. Detailed familiarisation program
- XVI. Board minutes for past 3 years
- XVII. Board evaluation process
- XVIII. Insurance policies
- XIX. Information on various committees of the board along with their charters
- XX. Analyst reports for past 3 years
- XXI. Calendar of board and committee meetings for the upcoming year

Appropriate updates should be made to the Induction Manual on a minimum annual basis. The induction should be updated according to the feedback received from the directors from time to time. This is very important and tends to be missed by many companies.

Role of Company Secretary in induction of Directors:

- Ensuring smooth and clear information flows within the board and its committees and between senior management and non-executive directors
- facilitating induction, arranging board training

- Ensuring that the questions raised by a new Board member are responded to within reasonable time or during orientation/induction sessions
- Ensure monitoring of process and outcomes by the Induction or Governance committee
- Facilitating audio-visual aids for the induction programme to make it more interesting
- Mentors should be assigned to help the newly appointed director with the process of induction.

The mentor can fill in any information gaps and be available to answer any questions a new director may hesitate to ask the chairperson or to raise in a board meeting. Mentoring can also help new director get to know other board members more quickly. The mentor can then provide feedback to the chairperson on the board's induction process to address any information gaps or other areas that may have been overlooked, which will be of benefit to future board members

- Continual updation of the induction programme.

In conclusion, it is of utmost importance for a board to establish a system of induction that familiarises any new director with both, the duties of the position and the operations of the organisation. The induction period is also a good opportunity to encourage director development and introduce the idea of performance evaluation as part of normal board process. The chairman and company secretary both have a role to play in the induction process. Through this article, a humble attempt is made to share a basic ready-to-use induction programme for fellow Company Secretaries. However, please note that this is not a "One-size fits all" program since the size, nature and type of business may vary from company to company.

ICSI- WIRC Program Activities for May 2022

(Workshops /Seminar / Professional Development Programmes)

Sl. No.	Activities Conducted	Remark		
01	WIRC of ICSI Jointly with Vadodara Chapter organized Program on LLP Amendments Act & Valuation	ICSI-WIRC jointly with Vadodara Chapter in the month of May organized Program on LLP Amendments Act & Valuation on 01.05.2022 at Tara Suns Banquets, Gotri Road, Vadodara. Sessions were conducted on the following key areas –		
		01.05.2022	LLP Amendment Act 2021 Filing of Form CSR 2	CS Divesh Goyal
			Valuation under the Companies Act, 2013	CA Utsav Hirani
This Program was through Physical mode received an overwhelming response and was attended by 100 delegates.				
02	ICSI-WIRC organized Insolvency and Bankruptcy Code Discussion Series 1/n Overview of IBC	ICSI-WIRC in the month of May organized Insolvency and Bankruptcy Code Discussion Series 1/n Overview of IBC on 06.05.2022 at ICSI-WIRC, Nariman Point, Mumbai. Session was conducted on the following key area –		
		06.05.2022	Insolvency and Bankruptcy Code	Dr. (CS) S. K. Jain Practicing Company Secretary, Mumbai
		This Program was through Physical mode received an overwhelming response and was attended by 56 delegates.		
03	ICSI-WIRC organized Discussion on The chartered accountants, the cost and works Accountants and the company secretaries (amendment) act, 2022	ICSI-WIRC in the month of May organized Discussion on The chartered accountants, the cost and works Accountants and the company secretaries (amendment) act, 2022 on 11.05.2022 at ICSI-WIRC, Nariman Point, Mumbai. Session was conducted on the following key area –		
		11.05.2022	Discussion on The chartered accountants, the cost and works Accountants and the company secretaries (amendment) act, 2022	Dr.(CMA) Ashish Thatte Central Council Member ,Institute of Cost Accountants of India
		This Program was through Physical mode received an overwhelming response and was attended by 55 delegates.		
04	ICSI organized Mega Placement Drive	ICSI organized Mega Placement Drive on 13.05.2022 at ICSI-WIRC, Nariman Point, Mumbai. Session was conducted on the following key area –		
		13.05.2022	Interview Skills	CS Chetan Gandhi Practicing Company Secretary, Mumbai
		This Program was through Physical mode received an overwhelming response and was attended by 11 Recruiters and 19 candidates.		

05	ICSI-WIRC jointly with Indore Chapter organized Two Days Regional Conference	<p>ICSI-WIRC jointly with Indore Chapter in the month of May organized Two Days Regional Conference on May 13 & 14, 2022 at Ravindra Natya Grah, RNT Marg, Indore.</p> <p>Sessions were conducted on the following key areas –</p>		
		May 13 & 14, 2022	Valuation under Companies Act for growing Corporates	CA Tarun Mahajan, Chartered Accountant, Indore
			Mergers and Amalgamations - The Whys and When	Shri Sanjay R. Buch, Partner, Crawford Bayley and Company, Advocates and Solicitors ,Mumbai
			Recognition for Company Secretaries in Capital Market	CS B Narasimhan, Central Council Member of ICSI
			Adjudication and Compounding of Offences under the Companies Act, 2013	CS Dr. D K Jain, Practicing Company Secretary, Indore
			Taxability of Various Corporate Actions	CS Ranjeet Kejriwal, Practicing Company Secretary, Surat
			The fine nuances of corporate governance, communication with Board and best practices relating to meetings	CS R Kalidas, Partner BNP & Associates, Mumbai
<p>This Program was through Physical mode received an overwhelming response and was attended by 490 delegates.</p>				
06	ICSI-WIRC organized Company Law Discussion Series - 2/n	<p>ICSI-WIRC in the month of May organized Company Law Discussion Series - 2/n on 20.05.2022 at Bajaj Bhavan.</p> <p>Sessions were conducted on the following key areas –</p>		
		20.05.2022	NCLT - A Court of Equity	CS Ninad Sahasrabudhe Practicing Company Secretary, Mumbai
		Supreme Court on Companies Act 2013		DR. (CS) K.S.Ravichandran Managing Partners, KSR & Co. Company Secretaries LLP, Kochi
<p>This Program was through Physical mode received an overwhelming response and was attended by 81 delegates.</p>				
07	ICSI-WIRC jointly with Thane Chapter organized Seminar On Trending Issues In	<p>ICSI-WIRC jointly with Thane Chapter in the month of May organized Seminar On Trending Issues In Corporate Law on May 21 & 22, 2022 at Thane Chapter, 201-202 Sai Plaza Complex, Ghodbunder Road, Kapurbawadi Junction, Thane (West)-400607.</p> <p>Sessions were conducted on the following key areas</p>		

	Corporate Law			
		May 21 & 22, 2022	Environmental, Social and Governance – Towards Sustainable Development	CS Pradeep Ramakrishnan General Manager, SEBI
			Return on and Return of Capital	CS Kumudini Paranjpe Partner, Makarand M Joshi & Company
			Role of Company Secretary in Managing IPR	CS Shrikant Sharma Company Secretary & Head – Legal, DIL Limited
			Critical Issues in Charge under Companies Act 2013	CS Shirish Shetye Practising Company Secretary
This Program was through Physical mode received an overwhelming response and was attended by 66 delegates				
08	ICSI-WIRC organized Discussion on The Nitty-Gritty of Shareholders' Agreement - Private Equity Investor's Perspective	ICSI-WIRC Discussion on The Nitty-Gritty of Shareholders' Agreement - Private Equity Investor's Perspective on 26.05.2022 at ICSI-WIRC, Nariman Point, Mumbai		
		Sessions were conducted on the following key areas		
		26.05.2022	Discussion on The Nitty-Gritty of Shareholders' Agreement - Private Equity Investor's Perspective	CS Sneha Ghuriani Manager Legal & Secretarial, Samara India
This Program was through Physical mode received an overwhelming response and was attended by 58 delegates				
09	ICSI-WIRC organized Trending Issues in Corporate Law	ICSI-WIRC organized Trending Issues in Corporate Law on 28.05.2022 at Mayor Hall, Andheri (W) Mumbai		
		Sessions were conducted on the following key areas		
		28.05.2022	Commercialization of Intellectual Property Rights	Advt. Shailendra Thatte Partner Shailendra Thatte & Asso. Advt and IP Attorneys
			Decoding Business Responsibility and Sustainability Report w.r.t. Sustainable Development Goals of UNDP	CS Sachin Mishra Head Legal and CS Tata Consulting Engineers Limited
This Program was through Physical mode received an overwhelming response and was attended by 242 delegates				
10	ICSI-WIRC Mulund Knowledge Centre organized Program on Critical Aspects of	ICSI-WIRC Mulund Knowledge Centre organized Program on Critical Aspects of LODR and related Compliances for Listed Entities on 29.05.2022 at Lions Club, Vithalbhair Patel Rd, Rohidas Nagar, Mulund West, Mumbai.		
		Sessions were conducted on the following key areas		
		29.05.2022	Critical Aspects of LODR and related Compliances for Listed Entities	CS Savithri Parekh, Jt. Company Secretary & Compliance Officer Reliance Industries Limited

	LODR and related Compliances for Listed Entities	This Program was through Physical mode received an overwhelming response and was attended by 63 delegates
11	ICSI-WIRC Announces 39 th One Day Orientation Program for Executive Students	ICSI-WIRC in the month of May organized 39 th One Day Orientation Program on May 06, 2022 This Program was through Virtual mode and was attended by 21 Participants.
12	ICSI-WIRC Announces 40 th One Day Orientation Program for Executive Students	ICSI-WIRC in the month of May organized 40 th One Day Orientation Program on May 20, 2022 This Program was through Virtual mode and was attended by 19 Participants.

**ICSI-WIRC jointly with Vadodara Chapter in the month of May
organized Program on LLP Amendments Act & Valuation on
01.05.2022**



WIRC organized Discussion on The chartered accountants, the cost and works Accountants and the company secretaries (amendment) act, 2022 on 11.05.2022.



ICSI-WIRC jointly with Indore Chapter in the month of May organized Two Days Regional Conference on May 13 & 14, 2022.





ICSI-WIRC organized Company Law Discussion Series - 2/n on 20.05.2022 at Bajaj Bhavan.





ICSI-WIRC jointly with Thane Chapter in the month of May organized Seminar on Trending Issues in Corporate Law on May 21 & 22, 2022





ICSI-WIRC Discussion on The Nitty-Gritty of Shareholders' Agreement - Private Equity Investor's Perspective on 26.05.2022



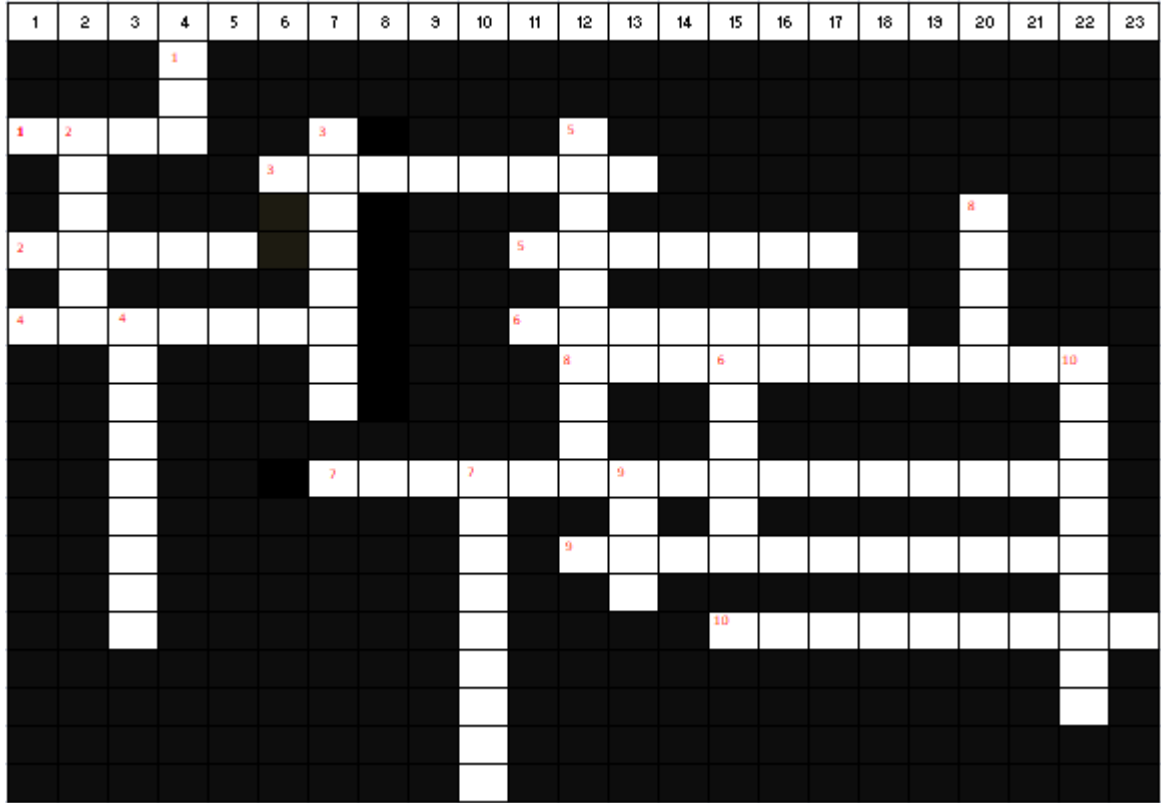


ICSI-WIRC organized Trending Issues in Corporate Law on 28.05.2022





CROSSWORD PUZZLE FOR THE MONTH OF MAY 2022



PUZZLE CLUE

HORIZONTAL
ACROSS

1	The company will be treated as a _____ if its financial assets are more than of 50% its total assets and income from financial assets is more than 50 % of the gross income. (4 letters)
2	As per SEBI (LODR) Regulations, 2015, a person shall not be an Independent Director in more than ___ listed entities. (5 letters)
3	_____ is a share of profits distributed to its shareholders by a Company . (8 letters)
4	India's first National Coastal Policing Academy was set up in the State of (7 letters)
5	_____ Directors are appointed by the Central Government or by any third party on the Board of Companies (7 letters)
6	Minutes are the official recording of the proceedings of the _____. (8 letters)
7	The _____ survey is conducted annually in cities and towns throughout India to measure the levels of cleanliness and sanitation. (16 letters)
8	A holding company holds 51% or more in the ownership of a _____ company. (10 letters)
9	A _____ is legal document offering subscription to the securities of a Company. (10 letters)
10	The Art of effective speaking. (9 letters)

VERTICAL
DOWN

1	An___cannot carry out Non-Banking Financial Investment activities including investment in securities of anybody Corporate. (3 letters)
2	Full form of CIBIL is Credit Information_____(India) Limited. (6 letters)
3	As per section 149 of the Companies Act, 2013, every listed company shall have at least one woman as a_____on its Board. (8 letters)
4	World Health Organization has awarded World No Tobacco Day (WNTD) Award-2022 , to the State of_____. In India. (9letters)
5	India defeated_____, the 14 time champions, in Badminton to win the Thomas Cup for the first time. (9 letters)
6	SEBI's Online platform for investors to lodge their complaints related to securities market. (6 letters)
7	CIN stands for_____Identity Number. (9 letters)
8	India's Largest Gold Reserve was found recently in____. (5 letters)
9	An enactment primarily preventing undesirable exchanges in securities and to control the working of Stock Exchanges in India. (4 letters)
10	A Company type of organization was also known as _____ Company, in England. (10 letters)

CROSSWORD ANSWER FOR THE MONTH OF APRIL 2022

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
			O																			
			P																			
¹ N	² B	F	C			³ D					⁵ I											
	U				³ D	I	V	I	D	E	N	D										
	R					R					D								⁸ B			
² S	E	V	E	N		E				⁵ N	O	M	I	N	E	E			I			
	A					C					N								H			
⁴ G	U	⁴ J	A	R	A	T				⁶ M	E	E	T	I	N	G	S		A			
		H				O				⁸ S	U	B	⁶ S	I	D	I	A	R	Y	¹⁰ J		
		A				R					I			C								O
		R									A			O								I
		K				⁷ S	W	A	⁷ C	H	H	⁹ S	U	R	V	E	K	S	H	A	N	
		H								O			C		E							T
		A							R		⁹ P	R	O	S	P	E	C	T	U	S	S	
		N							P			A										T
		D							O					¹⁰ E	L	O	C	U	T	I	O	N
										R												C
										A												K
										T												
										E												

**GUIDELINES FOR MEMBERS CONTRIBUTING ARTICLES TO BE PUBLISHED
IN FOCUS**

Western India Regional Council (“WIRC”) of The Institute of Company Secretaries of India (“ICSI”) is pleased to bring out a monthly magazine for corporate executives and other professionals, viz., “FOCUS” under the guidance of its newly formed Editorial Board. However, the Editorial Board wouldn’t be able to succeed in releasing FOCUS unless all the members of ICSI put in some efforts to make release of FOCUS a success. What better than writing articles for FOCUS and getting a ‘FOCUSSED’ recognition! “Start writing, no matter what. The water does not flow until the faucet is turned on.” — Louis L’Amour Well, if the above quote inspires you and you decide to author an article to be published in FOCUS, following are a few guidelines for authoring the articles for FOCUS (“Guidelines for FOCUS articles”).

The article must be original contribution of the author

The article must be an exclusive contribution for FOCUS. The article must not have been published elsewhere and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.

The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants. An article can be jointly written by not more than two (2) members. Case studies and research-based articles with empirical data which would be of practical relevance to the company secretaries are welcome. Unless a particular theme is provided by WIRC, articles on topics related to management, international trade, finance, tax and other related areas may be written and submitted for FOCUS.

Copyright of the article published in FOCUS shall vest with ICSI. However, in the event the article is hosted on some website/portal through ICSI or is reproduced elsewhere, prior intimation of the same shall be given to the author.

Extensive reproduction from other published works should be avoided. If the article contains any extracts from any other published work, reference to the original source should be given by way of foot notes. If prior permission of the original writer/publisher is required, it should be duly obtained by the author. The author alone would be responsible for the consequences arising from failure to do so.

ICSI or the Editorial Board of FOCUS has the sole discretion to accept/reject an article for publication in FOCUS or to publish it with modification and editing, as it considers appropriate.

The article submitted for FOCUS shall be accompanied by a ‘Declaration-cum- Undertaking’ by the author(s) in the format as prescribed below.

Any contravention of the aforesaid guidelines and breach of the undertaking furnished by the authors would be viewed seriously by ICSI and ICSI is entitled to take necessary action as it may deem fit in such cases.

Looking Forward Your Contribution

DECLARATION-CUM-UNDERTAKING

I, _____ have read and understand the Guidelines for FOCUS and affirm that: The article titled as " _____ " as sent by me for publication in FOCUS is my original contribution and no portion of it has been adopted from any other source.

The above article is an exclusive contribution for FOCUS and has neither been nor would be sent elsewhere for publication.

The copyright in respect of my aforesaid article shall vest with ICSI and that if I intend to make use of the article in any other manner, I shall obtain prior permission from ICSI and shall abide by the conditions as may be imposed by ICSI, including without limitation disclosure of the original source i.e., FOCUS and its copyright owner.

The views expressed in my aforesaid article are mine and I solely shall be responsible for the views expressed in the article.

I undertake that I:

1. comply with the Guidelines for FOCUS;
2. shall abide by the decision of the Institute, i.e., whether this article will be published and / or will be published with modification / editing; and
3. shall be liable for any breach of this 'Declaration-cum Undertaking'.

Signature of Author

Date:



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

Western
India
Regional
Council



Vision
"To be a global leader in promoting good corporate governance"

Motto
सत्यं वाचं धर्मं धरा। Speak the truth, abide by the law

Mission
"To develop high calibre professionals for thriving good corporate governance"

Announces a Unique Way to be a part of CSBF
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Integrating and caring for your well being



साथी हाथ बढाना

COMPANY SECRETARIES BENEVOLENT FUND
Be a proud member of CSBF -Saathi Haath Badhana

VOLUNTARY CONTRIBUTION TO CSBF

When I was a young man, I wanted to change the world.
I found it was difficult to change the world, so I tried to change my nation.
When I found I couldn't change the nation, I began to focus on my town. I couldn't change the town
and as an older man, I tried to change my family.
Now, as an old man, I realize the only thing I can change is myself, and suddenly I realize that if
long ago I had changed myself, I could have made an impact on my family. My family and I could
have made an impact on our town. Their impact could have changed the nation and I could indeed
have changed the world.

For the Online Voluntary contribution, please visit the link given below
<http://www.icsi.in/ICSIDonation/>



"The Grace of our good deeds is like Insurance,
It will help us in our time of need without any limit"

CS Rajesh Tarpara
Chairman, ICSI-WIRC
Chairman, CSBF Committee

CS Amrita DC Nautiyal
Secretary
ICSI-WIRC

Vision
"To be a global leader in promoting good corporate governance"

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सत्यं वाचं धर्मं धरा। Speak the truth, abide by the law

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**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

**Safeguarding and
caring for your well being**



COMPANY SECRETARIES BENEVOLENT FUND

**Saathi Haath Badhana
साथी हाथ बढाना**

CSBF

**COMPANY SECRETARIES
BENEVOLENT FUND**

What exactly is CSBF?

The Company Secretaries Benevolent Fund (CSBF) is a Society registered under the Societies Registration Act, 1860 and is recognized under Section 12A of the Income Tax Act, 1961.

The CSBF was established in the year 1976 by the ICSI for creating a security umbrella for the Company Secretaries and/or their dependent family members in distress.

The amount of ₹7,50,000 (in the case of death of a member under the age of 60 years) has been increased to ₹10,00,000

The subscription amount is being increased from ₹10,000 to ₹12,500 soon

The amount of ₹40,000 per child (provided in case of death of member under the age of 60 years) for education of minor child (upto two children) has been increased to ₹50,000

The amount of ₹60,000 (provided for reimbursement of medical expenses) has been increased to ₹75,000,

Advantages of enrolling into CSBF

1 To ensure that your immediate family has some financial support in the event of your unfortunate demise

2 To finance your children's education and other needs

3 To ensure that you have extra resource during serious illness or accident

4 Subscription/Contribution to CSBF qualifies for deduction under Section 80G of the Income Tax Act, 1961

Is it the right time to enrol in CSBF ?

CSBF is the protection you and your family need to survive the many ups and downs in life. Be it a serious illness or a road accident which derails your plans for the future.

Is it a requirement ?

Yes, as your dependents need the protection. Your dependents be it your parents, your spouse, or your children will have to bear the brunt of paying off your home/education personal loans and even for managing day-to-day expenses without your contribution. If you do not want to leave behind such a situation in your absence, enrol in CSBF today.

Become a proud Member of CSBF by making a one-time online subscription of ₹10,000/- (to be charged soon) through Institute's web portal (www.icsi.edu) along with Form 'K' available at link <https://www.icsi.edu/csbf/home> duly filled and signed.

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