

e-Focus ICSI-WIRC e-Newsletter APRIL 2022 SPECIAL ISSUE



**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**

Disclaimer:

You are receiving this e-Newsletter as you are a member of ICSI. Views expressed in this newsletter are of authors and not necessarily of ICSI or WIRC of ICSI. ICSI or WIRC of ICSI does not verify authenticity of legal provisions contained in this Newsletter. Neither Authors, Editors, Publishers nor Printers and Distributers would be liable in any manner to any person by reason of any mistake or omission in this newsletter or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this work. All rights reserved. All claims, Disputes or Complaints will be subject exclusively to Jurisdiction of Courts/ Forums/ Tribunal at Mumbai only.

Editorial Board e-Focus Committee	Focus Article	Coordination
CS Rajesh Tarpara	Chairman	Committee
CS Yash Mehta	Member	CS Rajesh Tarpara
CS Rajesh Lachhwani	Member	CS Yash Mehta
CS Dipika Kataria	Member	CS Rohit Gokhale
CS Surabhi Agrawal	Member	CS Jigar Shah
CS Kush Gupta	Member	CS Jaya Ankur Singhania
		CS Vibhuti Harsh
		CS Venkataraman Krishnan
		CS Vipul Goyal
		CS Shivam Baghel

WIRC of ICSI Premises:

13, 56 & 57, Jolly Maker Chambers No. 2 (1st & 5th Floors),
Nariman Point, Mumbai – 400021. E-mail: wiro@icsi.edu,
Phone Nos.: 022- 61307900 / 61307901 / 61307902

INDEX

FROM THE DESK OF THE CHAIRMAN CS RAJESH TARPARA FOR THE YEAR 2022.....	4
MCA AND SEBI UPDATES.....	6
KNOWLEDGE CORNER	
ARTICLE 1) THE COMPANY SECRETARY-THE PILLAR OF CORPORATE GOVERNANCE.....	13
ARTICLE 2) POLICIES – A STRONG LEVER FOR CORPORATE GOVERNANCE.....	19
ARTICLE 3) BEST BOARDROOM PRACTICES IN EMERGING TRENDS.....	24
ARTICLE 4) ENTREPRENEURS ONLY HAVE DREAMS AND IDEAS UNTIL THEY HAVE SOME CAPITAL TO PUT THEIR IDEAS IN MOTION.....	31
ARTICLE 5) CS: A CATALYST IN CORPORATE GROWTH--SOME PRACTICAL THOUGHTS.....	38
ARTICLE 6) IMPACTFUL POLICY DRAFTING, IMPLEMENTATION AND TYPES- GOING BEYOND COMPLIANCE.....	44
ARTICLE 7) CS: THE GROWTH STORY.....	50
ARTICLE 8) UNDERSTANDING ONLINE FANTASY SPORTS GAMING IN INDIA.....	55
ARTICLE 9) TRANSFER OF SHARES – UNLISTED COMPANIES.....	63
ARTICLE 10) CS: THE TRUE COMPLIANCE OFFICER.....	69
ARTICLE 11) CS: THE MAKER OF “NEW BHARAT”.....	73
WIRC ACTIVITIES AND PHOTOS.....	69
CROSSWORD PUZZLE ANSWER.....	84
CASE STUDY FOR APRIL 2022.....	85
GUIDELINES AND DECLARATION.....	86
CSBF.....	88

From the Desk of the Chairman CS Rajesh Tarpara.....



“Bringing together is a beginning, keeping together is a progress and working together is a Success”

Dear Members,

In the month of April, we have celebrated Gudi Padwa, Ram Navami, Hanuman Jayanti. The festivals of worship, Shakti and Victory.

Initiatives of WIRC:

- CSBF Drive – Scheme to donate Rs.1/- per day.
- Special Issue of Focus to have at least one article from each chapter
- Placement / Trainee Drive at WIRO
- CSBF Evening (with participation of chapter’s performance)

We at WIRC have also celebrated Secretarial Standard Week, and organized a full day seminar of Secretarial Standard in Mumbai. Another big program was organized on Trending Issues in Business and Corporate Laws on 30th April 2022 at Mayor Hall, Andheri (W) Mumbai. Where members have participated in large numbers.

As regard to student activities, 3 ODOP by virtual mode and two webinars with two Universities, one with Maharashtra National Law University for Students on the Theme: Ideas@75: Climate Change and Sustainability and second Webinar with Dr. D.Y. Patil Vidyapeeth (Deemed to be University for Students and Faculties on the Theme: Action@75: GST, where many students and professors have participated.

A unique initiative i.e. Two Days Regional Conference has already announced on 13th and 14th May, 2022 named as “ShaptaDasha Sammelan” wherein efforts are made to involve all 17 chapters of

WIRC. The event is hosted by Indore chapter and supported by chapters of the region. More than 350 members have already registered for the event.

In issue of Focus, we have tried to involve all the chapters by incorporating at least one article from each Chapters of WIRC.

Along with this event, to increase the corpus of CSBF, a CSBF Drive is initiated by WIRC of ICSI and by its chapters. Where members are motivated to donate voluntarily Rs. 1/- per day making total Rs.365/- for the full year.

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/>

Thanks to all my chapters chairpersons (Captains)for support and co operation for serving members and students in best way.

Thanks & regards

Yours Sincerely

CS Rajesh Tarpara
Chairman WIRC OF ICSI – 2022

MCA and SEBI Updates
MCA UPDATES - (1st March 2022 to 5th May 2022)

1	Notification	<u>NOTIFICATION S.O. 2134(E) [F.NO.PY-10024/6/2021-P AND G-DCMSME]</u>	SECTION 7 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 - CLASSIFICATION OF ENTERPRISES - NOTIFIED CRITERIA FOR CLASSIFYING ENTERPRISES AS MICRO, SMALL AND MEDIUM ENTERPRISES AND SPECIFIED FORM AND PROCEDURE FOR FILING MEMORANDUM KNOWN AS UDYAM REGISTRATION, WITH EFFECT FROM 1-7- 2020 - AMENDMENT IN NOTIFICATION NO. S.O. 2119(E) [F. NO. 21(5)/2019-P&G/POLICY (PT-IV)], DATED 26-6-2020
2	Notification	<u>NOTIFICATION NO. S.O. 2099 (E) [F. NO. 01/12/2009-CL-I (VOL.IV)]</u>	SECTION 435 OF THE COMPANIES ACT, 2013 - SPECIAL COURTS - ESTABLISHMENT OF - NOTIFIED SPECIAL COURT IN STATE OF JHARKHAND FOR PURPOSES OF PROVIDING SPEEDY TRIAL OF OFFENCES PUNISHABLE UNDER CLAUSE (A) OF SUB-SECTION (2) OF SAID SECTION
3	Notification	<u>NOTIFICATION G.S.R. 338 (E) [F. NO. 1/21/2013-CL-V]</u>	COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) AMENDMENT RULES, 2022 - AMENDMENT IN RULE 14 AND FORM PAS-4
4	Circular	<u>GENERAL CIRCULAR NO. 3/2022 [F. NO. POLICY-17/57/2021-CL- MCA]</u>	CLARIFICATION ON PASSING OF ORDINARY AND SPECIAL RESOLUTIONS BY COMPANIES UNDER THE COMPANIES ACT, 2013, READ WITH RULES MADE THEREUNDER ON ACCOUNT OF COVID- 19 - EXTENSION OF TIMELINE

5	Circular	GENERAL CIRCULAR NO. 2/2022 [F. NO. POLICY-17/57/2021-CL- MCA]	CLARIFICATION OF HOLDING OF ANNUAL GENERAL MEETING (AGM) THROUGH VIDEO CONFERENCE (VC) OR OTHER AUDIO VISUAL MEANS (OAVM)
6	Notification	NOTIFICATION NO. G.S.R. 335 (E) [F. NO. 1/04/2013-CL-V, PART-IV]	COMPANIES (SHARE CAPITAL AND DEBENTURES) AMENDMENT RULES, 2022 - AMENDMENT IN FORM NO. SH-4
7	Notification	NOTIFICATION NO. G.S.R. 320 (E) [F.NO. 01/10/2013 CL-V]	COMPANIES (REGISTRATION OF CHARGES) AMENDMENT RULES, 2022 - AMENDMENT IN RULE 3
8	Notification	NOTIFICATION G.S.R. 301(E) [F. NO. 5/28/2020-CL-VII]	NIDHI (AMENDMENT) RULES, 2022 - AMENDMENT IN RULES 3, 3A, 4, 5, 6, 8, 9, 10, 12, 14, 15, 20 AND 23A, AND FORM NOS. NDH-2, NDH-3 AND NDH-4; SUBSTITUTION OF RULE 18; INSERTION OF RULE 3B AND FORM NDH-5
9	Notification	NOTIFICATION G.S.R. 291(E) [F. NO. 1/13/2013-CL-V, VOL.IV]	COMPANIES (INCORPORATION) AMENDMENT RULES, 2022 - AMENDMENT IN RULE 12 AND FORM NO. INC-32 (SPICe+); SUBSTITUTION OF FORM NO. INC-20A
10	Notification	NOTIFICATION G.S.R. 288(E) [F. NO. C.2/1/2018-SEZ(PART)]	SPECIAL ECONOMIC ZONES (AMENDMENT) RULES, 2022 - AMENDMENT IN RULES 41 AND 42
11	Notification	NOTIFICATION NO. G.S.R. 279(E) [F. NO. 01/34/2013 CL-V (PT-II)]	COMPANIES (MANAGEMENT AND ADMINISTRATION) AMENDMENT RULES, 2022 - AMENDMENT IN RULE 14
12	Notification	NOTIFICATION G.S.R. 235(E) [F. NO. 1/19/2013-CL-V- PART III]	COMPANIES (ACCOUNTS) SECOND AMENDMENT RULES, 2022 - AMENDMENT IN RULES 3 AND 12
13	Notification	NOTIFICATION G.S.R 255(E) [F.NO. 01/01/2009-CL-V (PART. XI)]	COMPANIES (INDIAN ACCOUNTING STANDARDS) AMENDMENT RULES, 2022 - AMENDMENT IN INDIAN

			ACCOUNTING STANDARDS (IND ASs) 16, 37, 41, 101, 103 AND 109
14	Notification	NOTIFICATION NO. G.S.R. 220 (E)[F. NO. NFRA-05/6/2018-NFRA-MCA]	NATIONAL FINANCIAL REPORTING AUTHORITY APPOINTMENT OF PART-TIME MEMBERS, RULES, 2022
15	Circular	CIRCULAR F. NO. 286/IFSCA/PM(CMD-DMIT)/2021/3	NEGOTIATED LARGE TRADE FACILITY ON STOCK EXCHANGES

SEBI CIRCULARS – 1st March 2022 to 2nd May 2022

Dates	Particulars of SEBI Circular
May 02, 2022	<u>System and Network Audit of Market Infrastructure Institutions (MIIs)</u>
Apr 29, 2022	<u>Modification in the Operational Guidelines for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors - SEBI to generate FPI registration number and both the Depositories to host the CAF.</u>
Apr 28, 2022	<u>Reduction of timelines for listing of units of Infrastructure Investment Trust (InvIT)</u>
Apr 28, 2022	<u>Reduction of timelines for listing of units of Real Estate Investment Trust (REIT)</u>
Apr 20, 2022	<u>Streamlining the process of public issues and redressal of investor grievances</u>
Apr 13, 2022	<u>Updated Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper - Modifications in Chapters I, II and XIV, Introduction of Chapter XIX on Investor Charter and Introduction of Chapter XX on payment of fees</u>
Apr 11, 2022	<u>Comprehensive Risk Management Framework for Electronic Gold Receipts (EGR) segment</u>
Apr 11, 2022	<u>Circular on Risk value of commodities for risk-o-meter</u>
Apr 08, 2022	<u>Clarification on applicability of Regulation 23(4) read with Regulation 23(3)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions</u>
Apr 08, 2022	<u>Standard Operating Procedures (SOP) for dispute resolution available under the stock exchange arbitration mechanism for disputes between a listed company and its shareholder(s) investor(s)</u>

Apr 06, 2022	<u>Guidelines in pursuance of amendment to SEBI KYC Registration Agency (KRA) Regulations, 2011</u>
Apr 05, 2022	<u>Revision of UPI limits in Public Issue of Equity Shares and convertibles</u>
Apr 04, 2022	<u>Execution of 'Demat Debit and Pledge Instruction' (DDPI) for transfer of securities towards deliveries / settlement obligations and pledging / re-pledging of securities</u>
Apr 01, 2022	<u>Standardization of industry classification- Applicability to Credit Rating Agencies (CRAs)</u>
Apr 01, 2022	<u>Standardisation of Ratings Scales Used by credit rating agencies - Extension of timeline for implementation</u>
Mar 31, 2022	<u>Discontinuation of usage of pool accounts for transactions in the units of Mutual Funds, Two Factor Authentication ('2FA') for redemption and other related requirements: Extension of timeline</u>
Mar 30, 2022	<u>Clarification on applicability of regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions</u>
Mar 30, 2022	<u>Timelines for Rebalancing of Portfolios of Mutual Fund Schemes</u>
Mar 29, 2022	<u>Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT)</u>
Mar 28, 2022	<u>Circular on Calculation of investment concentration norm for Category III AIFs</u>
Mar 28, 2022	<u>Circular on Product Specifications pertaining to EGR Segment in India</u>
Mar 24, 2022	<u>Introduction of Options on Commodity Indices - Product Design and Risk Management Framework</u>
Mar 23, 2022	<u>Change in control of Sponsor and/or Manager of Alternative Investment Fund involving scheme of arrangement under Companies Act, 2013</u>
Mar 22, 2022	<u>Standardisation of industry classification - Revision in Chapter - XIV of Operational Circular for issue and listing of Non-</u>

	<u>convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</u>
Mar 17, 2022	<u>Revision in Orders Per Second limit for algorithmic trading in Commodity Derivatives Segment of the Stock Exchange</u>
Mar 15, 2022	<u>Discontinuation of usage of pool accounts for transactions in the units of Mutual Funds: Clarifications with respect to Circulars dated October 4, 2021</u>
Mar 08, 2022	<u>Change in UPI limits - Revision to Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</u>

AHMEDABAD CHAPTER

“ADALAJ STEPWELL”





CS Nidhi Shah

Email id - nshah0608@gmail.com

THE COMPANY SECRETARY-THE PILLAR OF CORPORATE GOVERNANCE

Historically, CS has been of a compliance officer related to secretarial compliance, statutory compliance and Due Diligence and Audit. In a decentralized and liberalized economic and legal environment, the role of a company secretary assumes greater significance and arduous responsibility.

Due to enactment of International Financial Services Centers Authority Act, IFSCA, 2019, the role of Company Secretary has continuously evolved into these specified areas. The main objective of the IFSCA is to bring back the financial services and transactions carried out by the Indian corporations in offshore financial centers and provide platform for the full range of international financial services at the entire region and global economy as well.

The Central Government recognized International Financial Service Companies (IFSC) under section 18(1) of the SEZ Act, 2005.

India's First International Financial Service Centre:

Gujarat International Finance Tech-city (GIFT) SEZ is India's first International Financial Services Centre (IFSC) under Special Economic Zone Act, 2005 ("SEZ Act 2005"). It is being developed as a global financial services hub.

IFSC reinforces India's strategic position as a global hub for financial services. Apart from providing a global financial platform, it provides easy access to the Indian economy, which is amongst the largest and fastest growing economies in the world.

IFSC is entitled to create institutions within the financial sector.

- Banks
- Insurance
- Capital Market
- Asset Management
- Allied/Support Services

For the first time, the regulatory powers of four financial services regulators in India, namely, Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), Insurance Regulatory Development Authority of India (IRDAI), Pension Fund Regulatory Development Authority of India (PFRDAI), have been vested in IFSCA with respect to regulation of financial institutions, financial services and financial products in the IFSC, making it a unified regulator for the IFSC.

The IFSCA is a unified authority for development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre in India in the areas of banking, insurance, securities and funds management.

Further, IFSC companies are incorporated as per the provisions of Company's Act, 2013. The Company Secretary is considered as the KMP as per Section 203 Companies Act 2013. Therefore listed company and other public companies having paid up capital of Rs 10 crore or more shall have whole time key managerial personnel (KMP) as per Rule 8 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2013.

As per Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2013, the every private company which has a paid up share capital of 10 crore or more shall have whole time company secretary.

IFSCA has recognized the **Company Secretary as "Compliance officer"** to be appointed under the Regulation 130 of the IFSCA (Issuance and Listing of Securities) Regulations, 2021.

Whatever type of organization the company secretary works for, he or she usually plays a valuable role as a “bridge” for information, communication, advice, and arbitration between the board and management and the organization and its stakeholders, including its shareholders. The company secretary can, among other things, help management understand the requirements of the board, help the board understand the challenges faced by management in meeting the requirements of the board, and help the organization manage stakeholder relations.

In addition to the in house Company Secretary the Role of Practicing Company Secretary also plays imperative role to the business organization.

Sr.	Statute/Authority	Regulation	Purpose
1	International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021	a) [FORM B, Point 12- Certificate from CA / CS]	(a) To certify that all the requirements of the Act read with IFSCA (Registration of Insurance Business) Regulations, 2021 and notifications issued under section 2CA of the Act have been complied with by the applicant.
		b) [FORM- C, Point 14- Certificate from CA/CS]	(b) To certify that all the requirements of the Act read with IFSCA (Registration of Insurance Business) Regulations, 2021 and notifications

			issued under section 2CA of the Act have been complied with by the applicant.
2	International Financial Services Centers Authority (Insurance Intermediary) Regulations, 2021	[Regulation 13 (6)]	To certify the net worth of IFSC Insurance Intermediary Office (IIIO) on half yearly basis
3	International Financial Services Centers Authority (Capital Market Intermediaries) Regulations, 2021	[Regulation 22 (1)]	(a) To conduct the annual audit of the registered capital market intermediary in respect of compliance with IFSCA (Capital Market Intermediaries) Regulations, 2021.
		[Schedule I, Part I, Point 12]	b) To issue Net-worth Certificate to the applicant willing to register as a capital market intermediary with the IFSCA.
4	International Financial Services Centres Authority (IFSCA)	[Circular 329/IFSCA/DPM/TS/QJ/2021-22/1]	To certify the average annual turnover and net worth of the entity which is required to fulfill the conditions as mentioned in the said circular to act as

			“Qualified Jeweller”
5	International Financial Services Centers Authority (Insurance Web Aggregator) Regulations, 2022	[Regulation 8(5)]	To certify the paid-up capital and net-worth requirements of the Insurance Web Aggregator

Conclusion:

It is clear that company secretaries have come to be accepted by all as an independent and indispensable professional. The role of company secretary has not merely changed; it has transformed itself into new dimensions.

AURANGABAD CHAPTER

“ELLORA CAVES”





CS Nidhi Pillai

Email Id – npillai@endurance.co.in

POLICIES – A STRONG LEVER FOR CORPORATE GOVERNANCE

Introduction

One question that is frequently posed when the concept of ‘growth’ is discussed is ‘what is the difference between barbarism and civilization’. One very poignant concept of civilization is documentation – a record that contains solution to any issues, dilemmas or problems posed to society.

In similar fashion, corporate growth is inherently linked to an organization’s capability of ensuring adequate intrinsic strength to stabilize its systems and processes in this dynamic environment of uncertainty.

Our regulators are continuously maturing towards ease of doing business by giving the reins of running the business to its owners and shareholders. In the past decade, we have witnessed landmark amendments tilting towards shareholders’ decision-making, stakeholder interests, active participation and role of independent directors.....to list a few. One noteworthy simultaneous change is the increasing emphasis on documentation of guidelines and principles in the form of ‘Policies’ on various aspects of governance.

Policies are principle documents formulated by apex body of an entity comprising its philosophy towards compliance, transparency and ethical responsibility.

Key Policies

Statutes like Companies Act, 2013 (“Cos. Act”), SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“LODR”), SEBI (Prohibition of Insider Trading) Regulations, 2015

(“PIT Regulations”) mandate companies fulfilling prescribed criteria to have certain policies duly approved by the Board. Apart from these, Ministry of Corporate Affairs (“MCA”) and Securities and Exchange Board of India (“SEBI”) have also prescribed guidelines on ESG principles, thus setting a context for companies to assess their performance on non-financial parameters like human rights (which includes POSH); environment, health and safety; quality; stakeholder management etc. duly enshrined in written policy documents.

Some of the key features of a desirable policy are:

1. Purpose – conveying the organization’s outlook and philosophy
2. Objectivity – it should convey a binary response to any situation, leaving minimal room for subjectivity and interpretation, thus leading to effective decision making;
3. Compliant with the law – deliverables laid down can be stringent that the prescribed provisions, especially with respect to consents / approvals, disclosures, reporting etc.;
4. In consonance with the goals and philosophy organisation – the procedures laid down in the policy should be in accordance with the organization’s structure and thought process. This will enable adherence to the same.
5. Comprehensive – scope of the document should focus on the industry in general and specific entity’s requirement. It should encompass all the stakeholders of the organisation.
6. Flexible – the document should define periodicity and circumstances for regular review of the document to modify the same with the changing dynamics.

A list of such some ‘must-have’ and ‘good-to-have’ policies are:

Sr. no.	Policy	Statutory provision
1.	Nomination and Remuneration Policy (include performance	Section 178 of the Cos. Act and Section 134(3)(p) of the Cos. Act

Sr. no.	Policy	Statutory provision
	evaluation of the Board, Committees and directors)	
2.	Corporate Social Responsibility Policy	Section 135 of the Cos. Act
3.	Dividend Distribution Policy	Section 43A of LODR
4.	Vigil Mechanism cum Whistle Blower Policy	Section 177 of the Cos. Act and Regulation 4(2)(d) & 22(1) of LODR
5.	Risk Management Policy	Section 134(3)(n) of the Cos. Act and Schedule II of the LODR
6.	Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015	Regulation 9 of PIT Regulations
7.	Code of Conduct for Directors and employees (may include Anti-bribery and anti-corruption policy)	Regulation 17(5) of LODR
8.	Code of Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information	Regulation 8 of PIT Regulations
9.	Policy for determination of Materiality of Subsidiaries	Regulation 16(1) of LODR
10.	Policy for Determination of Materiality of and Dealing with Related Party Transactions	Regulation 23(1) of LODR
11.	Policy for Determination of Materiality of Events/ Information	Regulation 30(4) of LODR
12.	Policy for Preservation of Documents	Regulation 9 of LODR
13.	Archival Policy for disclosures to Stock Exchanges	Regulation 30(8) of LODR
14.	Anti-Sexual Harassment Policy	Section 19 of the Sexual Harassment of Women at Workplace (Prevention,

Sr. no.	Policy	Statutory provision
		Prohibition and Redressal) Act, 2013
15.	Environment, Health and Safety policy	Internal requirement
16.	Quality policy	Internal requirement
17.	Contract management policy	Internal requirement
18.	Human Rights Policy (including Diversity, Equality and Inclusion Policy)	Internal requirement
19.	Policy / SoPs on internal procedures such as procurement policy	Internal requirement
20.	Data privacy and cyber security policy	Information Technology Act, 2000 and Data Protection bill

Conclusion

As we move towards an era of self-sustenance, corporate discipline and responsibility have become sensitive issues. Regulators such as MCA and SEBI have realised the importance of a strict and stringent policy document in implementing good tenets of corporate governance in an organisation.

BHAYANDAR CHAPTER “GLOBAL VIPASSANA PAGODA”





CS Yogesh Garodia

Email Id – YOGESHGARODIA@GMAIL.COM

BEST BOARDROOM PRACTICES IN EMERGING TRENDS

KEY ISSUES REQUIRING BOARDROOM ATTENTION IN LIGHT OF COVID-19

The prolonged COVID-19 and recession thereon has led to a paradigm shift in the needs of the business environment especially on the matters requiring focus and attention in the Board Room. Key issues for boards to keep in mind as they consider and carry out their 2022/23 agendas.

1. Maintain emphasis on management's response to COVID-19

The Boardroom will have to keep continued attention to human resource issues, particularly reopening plans, employee safety, engagement, and morale, as well as normalising work-from-home arrangements while focusing on diversity and equity in the workplace.

2. Human asset and CEO succession a priority

Boards will want to discuss with management the company's human capital resources disclosures in the annual report and accounts, including management's processes for developing any related metrics, and help ensure that the disclosures demonstrate the company's commitment to these critical human capital issues.

3. Re-evaluate the company's focus on ESG

ESG issues are of strategic significance i.e., key to the company's long term performance and value creation? How is the company embedding ESG into its core business activities (strategy, operations, risk management, incentives, and corporate culture)? Is there a clear commitment and

strong leadership from the top as well as enterprise-wide buy-in?

4. Reassess whether crisis readiness and resilience plans are effectively linked to the company's key risks

Even the best ERM isn't going to prevent every crisis. Companies need crisis response plans with a focus on agility, resilience and values – maintaining operations and company reputation in the face of disaster and learning from past crises.

5. Approach cyber security and data privacy holistically as data governance.

The broader challenge is data governance, encompassing compliance with industry-specific privacy laws and regulations, as well as new privacy laws and regulations that govern how personal data – from customers, employees or vendors – is processed, stored, collected, and used.

6. Build the talent in the boardroom around the company's strategy and future needs

Board composition and diversity should remain a key area of board focus in 2021/22 – as a topic for communications with the company's institutional investors, enhanced disclosure in the company's annual report and AGM notices, and to help position the board strategically for the future.

7. Help set the tone and monitor the culture throughout the organisation.

Closely monitor the tone at the top and culture throughout the organisation with a sharp focus on behaviours (not just results) and yellow flags.

8. Be proactive in engaging with shareholders and activists.

Boards and management must be thinking about engaging not only with shareholders but with their own employees, customers, suppliers, and community stakeholders.

9. Factor emerging and disruptive technologies into the boards thinking around strategy and risk

Clarify which business leaders are responsible for data governance across the enterprise – including the roles of the chief information officer, chief information security officer, and chief compliance officer.

Integrity of Board Members – Crucial Requirement:

Integrity is critical to an organization's culture and a requirement for effective dynamics in the boardroom.

Following are five principles for improving integrity in the boardroom:

- 1. Be active:** The board should be informed about the organization and vigorous in management oversight.
- 2. Provide organizational leadership:** The board, working with management, should set the organization's strategic direction, review financial objectives and establish a strong ethical tone.
- 3. Comply with laws, regulations and ethics policies:** The board should confirm that procedures and practices are in place to prevent and detect illegal or unethical conduct and to permit appropriate and timely action should such conduct occur.
- 4. Be informed, be transparent and listen:** The board should take steps to confirm that management discloses fair, complete, accurate and timely information and that the organization maintains a two-way communication channel with the board.
- 5. Engage in continuous monitoring:** The board should establish and review metrics related to ethical reporting and violations and remain aware of new developments in corporate governance that can help improve practices and procedures.

Diversifying the board – a step towards better governance

Diversifying the board is said broadly to have the following benefits:

1. More effective decision making.
2. Better utilisation of the talent pool.
3. Enhancement of corporate reputation and investor relations by establishing the company as a responsible corporate citizen.

Presentation to Boardrooms needs to be unique

Presenters must connect their subject with the primary business drivers of concern to the organization and its leaders. Data is invaluable here and having good data at hand can empower the presenter to navigate otherwise difficult questions.

Fundamental Factors for Effective Boardroom Culture :

An effective Boardroom culture will foster growth and scalability of the organisation but in short and long run. Fundamental factors include :

- a new approach on strategy-setting by the board;
- establishing mutual support and respect among board members;
- encouraging director preparation;
- fostering a board that is open to change; and
- bolstering the active listening skills of directors
- decision-making orientation;
- director satisfaction;
- curtailing rogue behavior; and
- director support for the chair when deserved.

Tapping the potential of boards:

Board induction

An induction programme should be mandatory for all directors, regardless of Experience

Mentoring

The practice of mentoring existing and aspiring directors is increasing. The mentoring is often done by an existing director or sometimes by an external professional.

Select the right chair

Signs you have the wrong chair include failure to accept feedback from their peers, dominating discussions or allowing discussions to stray from the decision at hand, and failing to include all directors in the decision-making process.

Think about behavioural competencies, not just skills

Where possible, a board should seek to ensure that its members represent an appropriate balance between directors with experience and knowledge of the organisation and directors with specialist expertise or a fresh perspective.

Accountable Actions and Clear Outcomes

The most effective boards are those with minutes that have clear individual accountabilities for each board member along with due dates and measurable deliverables.

Evaluate the board's performance

An effective board evaluation process can provide a forum for directors to review and reinforce appropriate boardroom behaviours and ensure that any issues that may lie below the surface are identified and addressed.

Preeminent Practices for Securely Using Video Conferencing Tools in the Boardroom

A few critical best practices can be adopted to make this essential communication tool safer and more private for everyone using it. These tips are great to keep top of mind whether you have been using video conferencing tools for years or if they are new to your organization.

1. Securely Communicate Conferencing Links
2. Avoid repeatedly using the same meeting ID or link
3. Lock the meeting once quorum is established.
4. Use chat rooms with caution.
5. Focus on Built-in Security.

Use of Intranet to Achieve Results

The company intranet is a great tool to help put the action plan into place. Here are three easy ways in which your intranet can support the boardroom's effective functioning:

1. Dissemination of Information

Set up a shared project space on the intranet and restrict access to only those personnel that need it through the intranet's rules and controls function.

2. **Keep an Access Log**

The intranet can also log and notify you when a board member has read the latest updated agenda or that revised background paper.

3. **Record of Key Actions and Outcomes**

Use your intranet to record and disseminate the key action points and outcomes for each boardroom meeting and to follow-up on progress.

BHOPAL CHAPTER “SANCHI STUPA”





CS Amit Kumar Jain

Email id - csamitkjain@gmail.com

FINANCIAL MANAGEMENT BY MSME

Entrepreneurs only have dreams and ideas until they have some capital to put their ideas in motion.

Introduction:

Finance is an indispensable for any business. It is foundation of sound management. Business finance is the provision of money at the time of need. Every enterprise big or small, private or public, sole trader or partnership, needs finance to carry on its operations, to run the business smoothly, to stand comfortable in the highly competitive market, to promote or establish the business, to acquire fixed assets for research and development for making investigations, create values, quality control, to keep right men at right job and for efficient management control system and finally to accomplish its targets. Moreover finance is needed for meeting short-term requirements (working capital) and for vital permanent investments in the fixed assets.

Part of your small business success involves how well you grasp the concepts of business finance or Financial Literacy. The world of business finance involves more than just knowing how to read a balance sheet or how to determine if your business is turning a profit. By gaining an understanding of some broader concepts, you can manage your operation more efficiently and also make wiser decisions throughout the course of your business venture. Business finance is a term that encompasses a wide range of activities and disciplines revolving around the management of money and other valuable assets. Small business owners must have a solid understanding of the principles of finance to keep their companies profitable.

Significance:

Financing, simply understood, is the act of bringing money into an organization. Business can be financed in a number of ways, each of which features its own advantages, disadvantages and unique features. Common methods of financing a business include taking on debt and taking advantage of credit arrangements, financing through equity investment or earning income through investment products that bear interest or increase in value. When some element of the finance process breaks down companies go out of business and the economy moves into recession. For example: If any business loses a significant amount of money and faces the risk of insolvency, other organizations and corporate customers will stop lending or depositing money to the organization in problem. It will then stop lending to its customers and they will not be able to purchase the goods or pay the bills for which they were seeking funding. The flow of money throughout the financial system slows down or stops as a result.

Options for Financing:

Selection amongst the various options of financing should be made with caution and vigilance. If you need to obtain finance for your business, you'll need to decide whether debt financing or equity financing is right for you. Taking too much of debt can dilute company performance metrics such as the debt-to-assets and times-interest-earned ratios, as well as reducing profit margins. Financing too heavily through equity can cause original company founders to lose control of the company completely over time. Investing too much money in risky investments can cause a company to lose its cash reserves quickly. With equity financing, you take on investors who supply the necessary capital. However, you may also need to relinquish partial control of your operation to the investors.

Properly managed debt can help a small business to finance steady or rapid expansion. Loans from banks and credit unions can be structured in a number of ways, borrowers with established reputations and high credit scores have access to larger amounts of debt capital at lower interest rates with more friendly fee structures. Small business owners should have a plan for building up their company's credit score over time.

Business Cycles:

No matter how well your business is doing, you have to prepare for rainy days and even storms. Business and economic cycles bring dark clouds you can't predict. That's why smart businesses create financial plans for downturns. Cash savings, good credit, smart investments, and favorable supply and real estate arrangements can help a business stay afloat or even maintain momentum when the business climate is unfavourable.

The Power of Cash Flow:

Cash flow is simply the amount of cash coming into a business via revenue versus the amount that is leaving in the form of payments. The higher the amount of revenue that is entering as opposed to the amount of cash being paid out, the healthier a company's financial picture. One common method of improving cash flow is to wait to pay bills until their final due date. Just as waiting to pay your bills can improve your cash flow, receiving money sooner can also aid in business finance. The more quickly you receive a payment, the sooner you can use the money for your company's benefit. You should also implement an aggressive collection policy to avoid the expenses associated with delinquent accounts.

Opportunity Cost:

Opportunity cost is the cost associated with taking one action over another. Using the example of a business expansion, the business owner has to evaluate the costs associated with funding the expansion and eventually generating increased revenues, as opposed to continuing their current method of operation.

General points to remember, which reduce your cost and in turn increase your profit.**Stock Statement:**

Actually Cash Credit(CC) Limit is funding for working capital i.e amount invested in Stock & Book

Debts/Debtors and with the help of stock statement, monthly drawing power of the account is calculated. Always try to submit Stock Statement before 05th of the month.

Consequences: -Non-Submission of Stock Statement leads to:

- Penalty ranging from Rs.250- Rs.1000 (differs from bank to bank).
- Non-Submission for continuously 2 months or more may leads to charging of penal interest ranging from 1% -2%.

Annual Accounts

Point to be kept in mind while submitting annual accounts to banks.

Current Ratio

Ideal current ratio is 2:1, which means current assets (mainly Stock & Book Debts) should be double of Current Liabilities (mainly creditors and Bills Payable), and the gap between Current Assets and Current Liabilities should also be equal or greater than CC Limit.

Debt-Equity Ratio

This is ratio which is showing ratio of promoter's contribution and outside liabilities main long-term loans. Ideally liabilities should not be more than double of Equity, but according the nature of business/industry, it can be maximum upto 5 times.

Turnover

CC Limit Account should have good turnover in the bank, where they are availing limit. Ideally it should be atleast 4-5 times of the CC Limit availed like, if the CC limit is Rs.1 Cr then Turnover should be atleast Rs.4-5 crores. With this scope of increasing the CC limit in annual review got enhanced.

Timely Repayment

Timely payment not only saves organization from penal charges but enhance the credit rating. When we opt for ECS option, Installment automatically got due through system when the date changes in the system, For Example, if the Installment date is 05th and we opted for ECS clearing, it will hit our account automatically without human intervention on the midnight of 04th@ 12'o clock when date gets change.

Management of Term Loan

Term Loan normally granted for funding of long term Fixed Assets with moratorium period required for construction/installation or covering the time required for starting commercial usage. To save

the interest cost in the Term Loan, try to deposit atleast one installment extra in first 3 years, because in the initial years, interest component is higher in Installment as compared to principle and whatever extra we are paying is directly deposited in the principle which reduce our period of loan to great extent.

Factors which help in reducing Financial Cost

Normally business keeps their eyes on reduction of Processing Fees which do not affect very much as it is a onetime event, rather we should ask bank for the way and means by which we can the long term benefit of interest rate reduction. Some of the factor, which may help in reduction of interest rates are:

- ISO Certification
- Credit rating from recognized agency.
- Better collateral coverage
- Better Financial Ratios specially DSCR, ISCR, D/E Ratios, Current Ratios etc.
- Constitution of Organization like Proprietor/Partner/Private Limited Company/Public Limited Company.
- High Turnover in account (Ideally more than 75% of turnover of Turnover in Audit)
- Past Track record of loan repayment.

Optimum Utilization of the funds raised

To get the maximum advantage of the debt fund, there should be optimum utilization of the resources. Business should be enhanced after putting in the debt fund, otherwise it will drain the existing profit of the organization. There should be corresponding increase in the business after introduction of debt fund, For Example, If the business is already having Turnover of Rs.1 crores and making profit @5% which comes to Rs.5 lacs, After introduction of CC Limit of Rs.10 lacs, its business should atleast grown up to Rs.1.4 to 1.5 crores otherwise additional interest cost will eat up its existing profit. Suggestions for Optimum utilization of funds raised are:

□□Timely Collection of Book Debts.

□□Optimum Stock/Inventory Management.

□□Proper Cash Flow Management.

□□Keeping some high turnover item in product mix, which generates daily cash flow.

Disclaimer: This is the personal opinion of the writer, which may differ on case to case basis according to the industry/business/trade/need of the client.

INDORE CHAPTER

“RAJWADA PALACE”





CS IP Rajesh Lohia

Email Id - RLohiaAndCompany@gmail.com

CS: A CATALYST IN CORPORATE GROWTH-- SOME PRACTICAL THOUGHTS

The first and foremost responsibility of a Company Secretary includes effective company administration especially when it comes to ensuring the compliance with statutory and regulatory requirements and enforcing the Board of Directors' decisions in the company. CS holds a very decisive & influential rank or position in a corporate and also comes right next to the CEO and Managing Director and whole-time directors.

A company secretary can be the CEO of the company too, which keeps his/her position close to the board of directors. Therefore, a CS is someone who is engaged in multiple areas for the effective administration of the company so as to act as pivotal in the execution of the top management thoughts to the corporate success by virtue of position assigned to him.

How Do Skills of Top Management Influence a Corporate Growth?

Pedro Matos University of Virginia – Darden School of Business, ECGI Abstract of Research finding shows that corporates with chief executive officers (CEOs) who gain general managerial skills over their lifetime work experience acts as a catalyst to corporate growth. The research addressed that the managers draw on skills gained throughout a career when they make corporate decisions; researchers have emphasized two types of managerial capital: general human capital (i.e., skills not specific to any organization and transferable across corporates) and corporate-specific human capital (i.e., skills valuable only within an organization). The

detailed empirical research concluded that interpersonal skills and decision making abilities of the directors of corporate and immediate connected administrative personnel do act as a catalyst to corporate growth.

Role of a CS in Corporate Growth

As a CS also occupies position of CEO or at least is directly interacting with BoD of the corporate requires involvement in multiple functional areas of a company; thus for successfully retaining the position of a CS one needs to be highly organized personnel with excellent time-management and interpersonal skills. Being a multi-tasker many administrative skills are required so as to enhance corporate growth and discharge his duties.

Corporate CS: Practical Working Tips

Discussing the importance of role of CS and pertaining importance of interpersonal skills can be lengthy; whereas the implementation aspect thereof is of paramount importance. Hereunder are the consolidation of thoughts from classical success gurus who has set principles around a century ago, however, still holds good in this era of technological development and digitalisation. Hereunder is gist of such thoughts:

#1. Success Consciousness: CS being directly in touch with the BoD is the one of the master catalysts of the fate of a corporate, the captain of corporate soul. Success and growth is a state of mind. It exploits the power of thought to manifest strong desires and a definite purpose into reality. Turning all-consuming obsession (definite purpose of the corporate) into a reality is not an easy task. However, if the collective desire of administration is strong and willing to raise the stakes, the organization will win. The author of the “Secrets of Success” projects the following formula: Desire + Ideas + Plans + Massive Action = Success

#2. The starting point of all achievement is DESIRE:CS should keep this constantly in mind. “Weak desire brings weak results, just as a small fire makes a small amount of heat.”— Napoleon Hill, Book: Think and Grow Rich. Those who value excellence and hard work generally do better than others on specific tasks when they are reminded of those values. A CS is to ignite the burning desire for professional & corporate success as the starting point to act as catalyst for corporate growth.

#3. Set the Table; SET THE GOALS; Set Corporate Goals as well as Personal Goals: Decide what you want. Crystal clear about what is expected and in what order of priority. Write it down. Think on paper. Set a deadline. A goal or decision without a deadline has no urgency.

#4. Make a list. USE GOOGLE KEEP. Add everything you are going to have to do to achieve your goal. As you think of new activities, add them to your list. Keep building your list until it is complete.

#5. Plan Every Day In Advance: Plan ahead. Make your list the night before or at the end of the workday. Let your subconscious process it while you sleep. Often you'll wake up with great ideas to get the job done faster and better than you initially thought. Use Ever Note for password protected planning.

#6. Organize your list by priority and sequence. Decide what you need to do first and what you can do later.

#7. Take action on your plan immediately. Do something. Anything. An average plan vigorously executed is far better than a brilliant plan on which nothing is done. Execution is everything. Take action every day. Build this activity into your daily schedule. Use Habit Tracker App on mobile to watch habit success. Apply rules as set in the Book Atomic Habits by James Clear.

#8. Review your goals daily. Every morning, start with your biggest frog to achieve your most important goal at the moment.

#9. Apply the 80/20 Rule to Everything. The 80/20 Rule: 20% of your activities will account for 80% of your results. Often, one item on your list of ten things is worth more than all the other nine items put together. Prioritise. Apply rule: First thing First of Book by Stephen Covey. First Things First shows you how to stop looking at the clock and start looking at the compass, by figuring out what's important, prioritizing those things in your life, developing a vision for the future, building the right relationships and becoming a strong leader wherever you go.

#10. Obey the Law of Forced Efficiency: You cannot eat every tadpole and frog in the pond. But you can eat the biggest and ugliest one, and that will be enough, at least for the time being. (Book: Eat That Frog by Brian Tracy) *"There is never enough time to*

do everything, but there is always enough time to do the most important thing.”

The 3 questions to ask on a regular basis to keep yourself focused:

- *“What are my highest value activities?”*
- *“Is there something that I and only I do, that if done well, will make a real difference?”*
- *“What is the most valuable use of my time, right now?”*

#11. Leverage Your Special Talents: Some things that you can do (or can learn to do) make you extraordinarily valuable to yourself and to others. This is your ability to eat specific frogs faster and better than others. Commit to becoming great at them.

How to identify your special areas of uniqueness:

- *What am I really good at?*
- *What has been most responsible for my success in the past?*
- *If I could do any job at all, what job would it be?*

#12. Do the Most Difficult Task First: (Book: Eat That Frog by Brian Tracy)

Start your work by doing your most difficult task first. This is truly “Eating your frog.”

How to develop the habit of eating your frog:

1. At the end of your workday, or on the weekend, make a list of everything you have to do the next day
2. Review this list using the ABCDE Method combined with the 80/20 Rule
3. Select your A-1, your most important task
4. Assemble everything you need to start and finish this job and lay it out ready for you to start work in the morning
5. Discipline yourself to start on your biggest frog. Work without interruptions

#13. Use AUTO-SUGGESTION: The medium for influencing the subconscious the principle of auto-suggestion communicates our desires directly to the subconscious mind in a spirit of unshakable faith. Through routine repetition of our conscious thoughts and desires (as mentioned in the book Think and Grow Rich by Napoleon Hills) to ourselves, we can regain absolute control over the material which reaches our subconscious mind, exercising control over our decisions, feelings, and actions.

#14. Use SUBCONSCIOUS MIND: The subconscious mind is the connecting link between the finite mind of a human and infinite intelligence. (Book: The Power of Subconscious Mind by Joseph Murphy) The subconscious mind can be used as a medium for transmuting your desires into their physical or monetary equivalent. However, if you fail to plant your own desires into it, as a result of your neglect, it will feed upon any thoughts that reach it. To gain control over your subconscious mind, form the habit of applying and using to your advantage the following 7 major positive emotions: Desire, Faith, Love, Sex, Enthusiasm, Romance, Hope. Eventually, the positive emotions will dominate your mind completely, so that the negative ones cannot enter.

Conclusions /Key Takeaways

A Company Secretary being multi-tasker and acquiring position to top administration can act as a think-tank for organizational growth and can act as cataliser to others for helping corporate growth by applying time-tested classic thoughts from various books mentioned above. As a CS he is to apply the power of thought to manifest strong desires and a definite purpose into reality. Faith is the glue that holds it all together. Every achievement starts with a strong desire, workshopped to reality through imagination, followed by an organised plan. As a successful CS he has to reach decisions promptly and definitely, changing their mind slowly. Lack of persistence is one of the major causes of failure. To acquire great power & succeed, a CS need the help of a mastermind. A drive to transmute into creative and productive outlets, can be a powerful force for success.

NASHIK CHAPTER

“PANDAV LENI CAVES”





CS Shreshthi Surana

Email Id – shreshthi30@gmail.com

IMPACTFUL POLICY DRAFTING, IMPLEMENTATION AND TYPES- GOING BEYOND COMPLIANCE

Policies are statements that convey and communicate an organisation's values, culture and philosophy. These are expectation setters for employees, customers, community and company. A policy is a clear reflection of a company's vision and acts as an irreplaceable tool in creating trust and confidence amongst its stakeholders.

By making a policy, the management guides and directs all the actions towards the same goal. In absence of the same, it will become extremely difficult for business to continue and result in unaligned actions with objectives.

Policies are to be understood in a broader perspective and not just read as a mandate of law. A well drafted and a promising policy can take a company to places in the long run.

WHAT IS THE IMPORTANCE OF CORPORATE POLICY?

- Consciously formulated policies give a direction in which all management pursuits are targeted.
- Serves as a standard for analysis of performance
- Boosts employees' commitment and loyalty for the business
- Aids in developing goodwill amongst public at large
- Sets clear targets for future plan of action
- Offers transparent courses for achievement of company's goals
- Provides a decision making platform

- Risk Reduction

With this, we see that a sound and well drafted policy sets a benchmark for internal and external stakeholders and disseminates a sense of satisfying working conditions, authority, responsibility and organisational culture.

QUALITIES OF A GOOD POLICY

- It is written in clear language and simple terms
- It includes well defined procedures indicating instructions for carrying out the policy
- It should be easy to understand so that policies can be implemented at grassroot level
- It should be a set of fair rules considering the benefits of targeted stakeholders
- It shouldn't be absolutely restrictive. It should be presented with options that makes people choose resulting in a sense of ownership.

PRINCIPLES OF DRAFTING IMPACTFUL POLICIES

1. CULTURE

For policies to be an integral part of governance, it has to have its origin from the top and eventually pass on to the bottom. It has to be an inseparable part of the working culture of a company. Hence, avoid policy making being marginalised. It should be drafted in a manner that reflects the company culture in the most transparent way.

2. CLARITY WITH CONTENT

A policy must be written in clear, simple language. It must be unambiguous, directive and actionable. It must be drafted in manner which is consistent with other policies and clearly structured. Content is the key of any policy and hence, deserves the first place. Clarity should be incorporated in the content.

3. CONSISTENCY

This operates on two parameters. The first being consistent with the laws, rules and regulations and second being consistent with other policies. Nothing contained in the policies of the company shall go beyond the boundaries of

laws. Also, all policies of a company should be in sync and not be of contrary nature.

4. COMMUNICATION

A policy holds no importance if not communicated. There has to be a dedicated and streamlined channel available for communicating company-wide policies. It can influence stakeholder behaviour only when they know the existence of policy, how to and where to find these policies

5. COMPLETENESS

This principle demands a continuous review and check over policies of company. A complete set of policies today might seem to have a gap tomorrow. Hence, a periodical review is must so as to keep bridging the gaps that evolve with time. Complete Completeness is not perpetual.

6. CONTINUITY

Policy making and implementation should never be a celebration day in the year that management would work for. It should not be construed as a finish line. Policies should be a style of thinking and working in a company. A direction to every day at work that is consciously adhered to.

HOW TO IMPLEMENT POLICIES EFFECTIVELY?

1. HAVE A SINGLE ECOSYSTEM

Policies are classified department-wise and have different terminologies.

To make them consistent, have a common template, format, and language.

2. ESTABLISH APPROVAL PROCESS

There has to be a team of people to manage policies wherein Company Secretaries come into picture. Top level Management along with representatives of various departments having expertise and knowledge can be delegated with powers to approve the policies.

3. TRAIN TO YOUR POLICIES

The effectiveness of your policies rests largely in how well your company communicates, and trains to, your policies. Educate the employees on the company's expectations and reinforce concepts outlined in the policies.

4. COMMUNICATE POLICY REVISIONS

Business environment keeps changing with new risks that demands nimble approach to policies. Change or modify the policies as needed. Do not assume the luxury of time in policy updations. Once done, prompt communication about such revisions needs to be communicated along with reasons and its impact.

ROLE OF COMPANY SECRETARY IN POLICY DRAFTING

We Company Secretaries are known for our expert legal knowledge and expected to have top-notch drafting skills. However, it is a gradual process and evolves with time. We hold the privilege of helping the board convey their values and vision in impactful and tangible words.

To highlight a few policies that can add value to a company's vision, mission and overall working culture, I have an illustrative list below.

ILLUSTRATIVE LIST OF POLICIES

Sr. No.	Policy Type	Important points for consideration
1.	Committee Charter	consisting of principles and objects of committee, roles and responsibilities of committee members, their powers and functions
2.	Whistle Blower Policy	laying down guidelines for reporting of protected disclosures, by employees, directors and other stakeholders, relating to violation of code of conduct.
3.	Terms of appointment of IDs	consisting of broad terms and conditions of appointment of Independent Directors, their roles, duties and responsibilities, disclosures, training, evaluation process and disengagement.

4.	CSR Policy	Ideology on CSR, strategies, programs, projects, implementation modality and schedule
5.	Policy on Related Party Transactions	Materiality thresholds, pricing, manner of dealing, approvals and disclosures
6.	Code of Conduct for Non-Executive Directors and IDs	Defining scope of actions, guidelines on responsibilities, roles, functions and duties
7.	Dividend Distribution Policy	Statutory requirements, parameters for declaring dividend, Circumstances under which shareholders of the Company may or may not expect dividend, how the retained earnings will be utilised, specific clause with regard to dividend on shares with differential voting rights
8.	Policy on Unpublished Price Sensitive Information	Disclosures and reporting, responding to market rumours, special reference to analysts, institutional investors, recording of discussions, medium of disclosure/ dissemination etc.
9	Risk Management Policy	Philosophy and approach to risk management, framework, rollout, risk culture and adoption, alignment with other lines of defence, periodic maturity assessment, improvement, and innovation.

It is the need of the hour that we as company secretaries, see policy drafting and its implementation as a role beyond compliance. **The impact of well drafted policies is unmatched and has a silent yet the most powerful elemental position in a company's success. Let us make conscious shift in the lens of seeing policies as 'just a compliance' to 'a commitment for betterment'**

NAVI MUMBAI CHAPTER

“UTSAV CHOWK”





CS Sudeshna De

Email Id - sudeshnade.cs@gmail.com

CS: THE GROWTH STORY

Introduction

The Company Secretary (CS) is an important part of the management and administration of the Company. Being a representative of a company, CS carries out and manages various regulatory functions, such as company incorporation, preparation and audit of business reports; filing annual returns; compliance with relevant amended laws regularly, etc. CS also acts as a management consultant to the Company's board of directors and guides them in corporate governance, strategic management; project planning; capital market and securities law. In a nutshell, the Company Secretary provides expertise services on secretarial, legal, and financial matters of the Company.

Section 203 of the Companies Act, 2013 ('Act') and Rules 8 and 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), states that the following companies must appoint a Company Secretary as a Key Managerial Personnel (KMP):

- All listed companies with a paid-up share capital of more than Rs.10 crores.
- All public companies with a paid-up share capital of more than Rs.10 crores.
- The following companies must appoint a Company Secretary in a Whole Time Employment:
- All private limited companies with a paid-up share capital of more than Rs.10 crores.

The Role of Company Secretary

- Is a vital link between the company and its Board of Directors, shareholders, government and regulatory authorities.
- Ensures that Board procedures are both followed and regularly reviewed and provides guidance to Chairman and the Directors on their responsibilities under various laws.
- Commands high position in the value chain and acts as conscience seeker of the company.

The outside environment

It turns out that in these times of global pandemic and economic slowdown, not everybody fares the same. It was found that a few percent of companies fared materially better than the rest. Those companies are called “resilient”—and the factors which lead these companies striving are not only efficient supply chain management and finance augmentation but also having a sturdy backbone of effective governances practices accompanied with acumen of legal resilience, under the guidance of a Company Secretary.

The Company Secretary acts as a catalyst in the Corporate Growth Story by virtue of the Companies Act 2013 and acts as a guardian of the regulators and shareholders.

Effective Role of Company Secretary in Implementation of Good Corporate Governance Practices ensures highly functional Boards which retain control over the business and are clear in the division of their responsibilities, as well as maintaining a system of risk management. Corporate governance is the cornerstone of any good business. It encompasses the processes, practices and policies that a company relies on to make formal decisions and to manage the company. In case of the corporate restructuring scenario and in M&A cases investors and buyers look for a well-organised business model. A company without up-to-date books and registers is unlikely to attract the finest buyers. The company secretary is responsible for duties such as ensuring that board procedures are followed and that all pertinent rules and regulations are abided by. Thus he directly plays a pivotal role in enhancing the corporate valuation and thus has a huge contribution in the corporate growth story.

Voluntary reporting regime is rapidly transitioning into mandatory reporting in many countries. According to KPMG International’s Survey of Sustainability Reporting 2020, 80% of the world’s 250 largest companies now report on sustainability, while sustainability reporting in the Asia Pacific has grown by 6 percentage points since 2017 to 84%. Amidst such a rapidly evolving landscape in the **environmental, social, and governance disclosure (ESG)**, the Company Secretary has a pivotal role in framing and delivery of ESG reporting in India though it is now in a nascent stage. Enterprises are trustees of societal resources. The aim is to sensitise the business about what they are doing to the environment and therefore what kind of risks it poses on their business so that investors could seek accountability and help correct things and move things along the right path. Positioned with a bird’s eye view of all organisational and board practices, the Company Secretary will be able to support internal efforts to drive the ESG changes and collaborate with the Board and relevant departments and can help the board improve its corporate governance and bring additional value to the organization.

Organizational resilience is the watchword of today’s disrupted environment, and Company Secretary as a General Counsel have a critical role to play as their organization’s disruption risk guide under Companies Act, Competition Law, FEMA, SEBI regulations, or Insolvency Code— working quickly with the business to (re)define the limits of legally, ethically and reputationally appropriate actions for business partners as organisations pursue new business models and opportunities to drive growth or often under the alternate dispute resolution framework.

As Peter Drucker said “the most serious mistakes are not being made as a result of wrong answers. The truly dangerous thing is asking the wrong question.”-

A board can control the information it receives. If there was an information overload, it could have been prevented. If there was a huge amount of information, then more time may need to be taken to read and understand it. The complexity and volume of information cannot be an excuse for failing to properly read and understand the financial statements. It may be for less significant documents, but not for financial statements. The directors were in possession of the information. The information was provided to the directors by management for a reason. Maintaining board efficacy in a remote working environment is a challenge but there is a silver

lining to it. It is transitioning towards a better normal. Ensuring the board is equipped and enabled to ask the right questions...is one of the concern of the Company Secretary as a Statutory Auditor or Independent Director.

Conclusion

Company Secretary is an important managerial and administrative resource for a organisation. He is the legal representative of the entity and performs and manages various regulatory functions like incorporation of the entity; preparation and audit of business reports; filing annual returns; dealing with amended regulations on a steady basis, etc. He also plays a key role as a Business Advisor to the board of directors of the company guiding them with regard to laws, corporate governance, strategic management, project planning, capital markets & securities laws , foreign collaborations & mergers, acquisition, takeovers, setting up of subsidiaries and joint ventures within and outside India etc. In short, a Company Secretary offers a One Stop holistic Professional Advisory Services to a company and thus plays a catalyst in the growth story of any entity.

RAIPUR CHAPTER

“JUNGLE SAFARI”





CS Shubham Kankani

Email Id - shubhamkankani.cscma@yahoo.com

UNDERSTANDING ONLINE FANTASY SPORTS GAMING IN INDIA

INTRODUCTION-

Amidst that mundane and tedious 9 to 5 job, sports are the only way to entertain and rejoice ourselves, whether be it watching, playing or discussing it in the social gatherings. India being the second most populous country in the world, there is no such sport which is not being played or watched in India. Everyone has their own interests and opinions when it comes to sports. Earlier, people used to gather at a playground to play sports. However, increasing population, shortage of open spaces and public playgrounds and lack of proper infrastructural facilities have led to sports being digitized. This has led to narrowing the differences between the two terms-“sports” and “games”. Usually, a “sport” is a physical activity carried out under an agreed set of rules for the purpose of recreation, competition or self-enjoyment or a combination of these and a “game” is a recreational activity involving one or more players, defined by a goal which the players try to achieve with some set of rules to play it. The country’s young demographic coupled with technological boom, rising penetration of affordable smart phones and internet data connectivity in every nook and corner of the country and introduction of artificial intelligence in gaming has further contributed in ever-rising popularity of fantasy sports in India and blurring the differences between the terms-“sports” and “games”. Though the concept of Fantasy sports came into existence in the west in early 2000, but it was introduced to the Indian market in 2008 during the first season of the Indian Premier League (IPL). Various factors, such as interest, likeliness towards sports, knowledge, escape, monetary benefits, competition, and entertainment, etc. have attracted the consumers

and changed the psychology of the people towards playing fantasy sports.

Globally, India ranks as one of the top five online gaming markets with the user base estimated to be upwards of 36.5 Crore people. The consumers have increased from seven times in 2016-2018 to 25 times in June 2016-February 2019. Needless to say, fantasy gaming has now piqued the interest of Indians of every age group across the country, resulting in the fantasy sports sector emerging as one of India's most popular online gaming sectors in the last few years. Further, this boom hasn't gone unnoticed. With a large number of fantasy gaming platforms, apps and new sports leagues coming into existence in the last couple of years looking to make the most out of this exponential and a revolutionary growth in the popularity of fantasy sports in the country, it wouldn't be an exaggeration to say that India could well become the global hot spot for fantasy gaming in the next few years.

MEANING-

For the uninitiated, "fantasy sports" is a skill-based & research-based online game wherein participants assemble an imaginary or virtual team from 2 teams competing against each other in an upcoming live match. Based on the players selected and their real-life performance in the match, points are allocated or cash rewards given to the participants, based on which the winners are determined.

Fantasy sports are different from other sports because they are based on the real (using statistics from actual games and players) and the virtual world (engaging in a stimulated league on the internet). It is played on the internet via an app or website where a customer can bid for its team and pay registration fees which are called subscription charges. Fantasy sports also serve as a tool for fan engagement. In a fantasy sports, a customer plays the role of a manager and the owner who has the opportunity to choose the playing team and select the captain, vice-captain amongst may other options. Returns and rewards depends on various factors such as knowledge of the sport and its players, prediction made by the participants based on the performance statistics of the players or other related data and strategies used by them.

TYPES OF ONLINE GAMES-

Fantasy gaming is a sub-genre in the world of online gaming. The world of online gaming can be classified into three key segments, viz. Real money games (RMG) such as Daily Fantasy Rummy, Poker, Quizzing, Dream 11, My 11 Circle, Gamezy, My team 11, Mobile Premier League, etc. The second segment consist of Mobile centric games or casual games such as Candy Crush, Subway Surfers, Temple Run, etc. The third segment is of e-sports comprising of games such as Counterstrike, FIFA, PUBG, etc. There are two models of fantasy sports platforms, namely- “Free to play” and “Pay to play”. The users play free contests, which may or may not have cash prizes associated with them in the Free to play model. However, in the Pay to play model, Users usually have to pay an entry fees to participate in the paid contests. Operators charge a service/platform fees of around 15-25% from the total pool before winnings disbursal.

INDIAN SCENARIO-

The OFSG industry is growing rapidly in India. However, it has also witnessed various legal complications and various unfortunate odds with Indian regulatory bodies. Most of the popular OFSG gaming apps and even some of the top personalities in the sports industry have faced legal notices for endorsing these OFSG apps. Most of these criticalities have to do with the Indian Government’s concerns with inadvertently exposing its public, especially minors, to gambling via gaming apps.

The resemblance of these OFSG apps with betting and gambling, makes us question their legality in India. Though the Seventh schedule of the Constitution of India mentions nothing about the Fantasy gaming, yet the Constitution has recognized betting and gambling as legislative issues and has included them in List II, Entry 34 of the Seventh Schedule, giving the State the authority to make their own laws on the subject. Betting and gambling are largely prohibited in India and are somewhere governed as per various State legislations in India. The Public Gambling Act, 1867, prohibits the operation of gambling houses, visiting a gambling house, as well as being in the possession of a gambling device.

The legality of OFSG have been challenged in various courts in India. The Courts in India, in order to resolve the question as to synonymity of OFSG and betting and gambling, have drawn a

distinction between “Games of Chance” and “Games of Skill”. A game is said to be a “Game of Chance” if the results in a game are predominantly determined by luck. However, if the skill and knowledge of the player can influence the outcome or the result of the game, then it is said to be a “Game of Skill”. While the former refers to gambling and is prohibited in India, the activities falling within the purview of “Games of Skill” can be excluded from the ambit of gambling in India and therefore, would be considered as legal activities. Further, the Supreme Court, in the case of Dr. K.R. Lakshmanan Vs. State of Tamil Nadu, explained that the “Game of Skill” is one in which success depends principally upon the superior knowledge, training, attention, experience and adroitness of the player. “Game of Chance” is one in which the element of chance predominates over the element of skill, and a “game of skill” is one in which the element of skill predominates over the element of chance. Thus, it is the dominant element- “Skill” or “Chance”- which determines the character of the game.

The Apex court has used this classification in several cases in the past, terming games such as Rummy, Poker, Dream 11, My 11 Circle, My team 11, horse racing, etc. as games of skill, and hence deemed legitimate and legal. The decisions of the courts in the two famous cases of Varun Gumber v. Union Territory of Chandigarh and Gurdeep Singh Sachar v. Union of India, have made it more clear that the Online fantasy sports games such as Dream 11 fall under the definition of “Game of Skill”. While most of the states allow the above classification of skill vs. chance, there are a few exceptions:

1- Goa, Daman and Diu (The Goa, Daman and Diu Public Gambling Act, 1976) – The legislation permits casinos and other games of chance. Amendments to the Act in 1992 and 1996 added Section 13A, allowing the state to authorize games of ‘electronic amusement/slot machines in Five Star Hotels’ and ‘such table games and gaming onboard in vessels offshore as may be notified’.

2- Sikkim (The Sikkim Casinos (Control & Tax) Act, 2002) – The state allows granting licenses for setting up casinos in the state. However, a notification in 2016 prohibits the local population of Sikkim from playing in these casinos.

3- Sikkim (The Sikkim Online Gaming (Regulation) Act, 2008) – The Act allows certain online games including betting on sports. However, an amendment to the Act in 2015 restricts these games

to the physical premises of gaming parlors through intranet gaming terminals within the geographical boundaries of the state.

4- Telangana (The Telangana Gaming Act, 1974) – The amendment to the Act in 2017 prohibits any risking of money on an uncertain event, including games of skill.

5- Assam (The Assam Game and Betting Act, 1970) and Orissa (The Orissa (Prevention Of) Gambling Act, 1955) – The two states do not permit any game for money or other stake, including skill based games for stakes.

However, there is still a lot of confusion regarding this glaring distinction between the two categories, one legal while the other being deemed illegal. To bring some clarity to this extremely lucrative business sector and to smoothly operate OFSG in India, the government think-tank Niti Aayog published some rules and guiding principles with respect to advertising, immunity against criminal prosecution, policies as to non-promotion of gambling services, uniform, formulation of clear and transparent rules and other terms and conditions as to opportunities and rewards, emulation of real-world contests and games, prohibition of services to minors, promoting skill based games and to maintain vital statistical data of all their players and submit them to a self-regulatory body, etc.

Further, the monetary rewards won from the Online fantasy games such as Dream 11 or Rummy or My Team 11 attract various legal compliances such as compliance w.r.t deduction of TDS @ 30% under 194-B of Income Tax Act, 1961 on winnings above Rs 10,000 and payment of GST @ 18% by Dream11 on supplies made by it (considering them as other online services).

OFSG V/S SPORTS BETTING:

Aspect	Fantasy Games	Sports Betting
Dealing with monetary transactions	Transparent and secure, only digital transactions are allowed	Unregulated with no legal records of transactions, potential of black money dealings
Transaction sizes	Small, regulated and verifiable. Average	Large outlays of cash, unregulated in nature

	Transaction Sizes (ATS) range at INR25-40	
Monetary benefits to state	Corporate tax, Income Tax, TDS & GST earnings to the exchequer	No earnings to the exchequer
Playing environment for the users	Age restricted (18+ only) and the Government of India (GOI) approved proof required to claim wins	Operating in the grey market with no restrictions
User interests	User interests protected with checks and balances in place	No protection for bettor interests
Corruption in Sports	The outcome of a match or a singular event, independently, has no impact on winnings/losing in fantasy sports, thus it does not lead to match or spot fixing	The outcome of a match or a singular event impacts the sports bet directly, which could foster match & spot fixing
Legality	Dream11's format of fantasy sports approved by the Punjab & Haryana HighCourt and later validated by the SupremeCourt of India	Considered illegal in India

However, apart from the monetary rewards and benefits, there are various key benefits of playing fantasy sports from a business perspective such as they make you better at team building, decision making, time management, makes you better at turning data into insights, better at planning, both short-term and long-term, increase your learning ability, make you focus on results, equal opportunities for women. There are also some risks and limitations of the online fantasy gaming apps such as lack of reliability, ruthless competition, risk of losing money due to lack of knowledge, low ratio of winning the matches, less margin, etc.

FUTURE OF OFSG IN INDIA

Cricket is the most played game in the fantasy gaming platforms in India followed by Football, Kabaddi and basketball among the others. In India, Dream 11 is the pioneer and leader in the OFSG

industry, Some other popular OFSG platforms are Mobile Premier League (MPL), Paytm First, Cricplay, 11 wickets.com, Halaplay, My Team 11, Fancy 11, Rummy circle, My 11 Circle, Fanfight, Ballebaazi among various others. The consumers in the OFSG industry are fairly distributed among all the age groups and income groups, millennials, youngsters and middle class income people comprising the majority of it.

Statistics show that the OFSG market in India is the fastest-growing in the world. In 2019, there were 357 million gamers in the country, but this number is continuously rising in multiples. Further, due to the nation-wide lockdown caused by the Covid-19 pandemic, introduction of various new sports leagues, positive marketing techniques, increased sponsorship and partnerships with premium global sports leagues, digitization and increased investor interest, the OFSG industry has witnessed an exemplary growth in terms of entry of new platforms, startups, new leagues and increased number of players and users.

The OFSG Fantasy sports, though a nascent industry in India has been taking necessary steps to achieve self-regulation through its industry body – Indian Federation of Sports Gaming (IFSG). Formed in 2017, IFSG is a self-regulatory industry body for the protection of consumer interests and creation of standardised best practices in the OFSG industry. Thus, growth in fantasy sports and its related ecosystem is helping drive the growth of a sports culture in India and helping increase the investment towards sports; in a completely legal way.

RAJKOT CHAPTER

SHRI RAMKRISHNA ASHRAM



**CS Nikhil Gajjar**Email Id - gajjar.nikhil@gmail.com

TRANSFER OF SHARES – UNLISTED COMPANIES

Legal Background:

The principal statute governing the administration of limited as well as private limited companies was reformed & reshaped before few years to be called as the Companies Act, 2013 (hereinafter referred to as “the 2013 Act” for short). The Capital of a Company (whether limited or private limited) is divided into Shares. Each share forms a unit of Ownership and is offered for sale so as to raise the capital required for doing business in the Company.

In terms of Section 44 of the 2013 Act, the shares or debentures or other interest of any member in a Company shall be a “movable property”, transferable (from one person to another) in the manner provided by the Articles of Association of the Company. Previously, the securities were transferred only through physical mode, however, after the beginning of depository system in the country in the year 1996-97, the shares and securities are transferred in dematerialized form, to a large extent.

According to the Company Law, shares of a Public Limited Company are freely transferable whereas a Private Limited Company is required to restrict the right to transfer its shares by its Articles of Association (Section 2 (68) of the 2013 Act). Hence, in view of the importance of transfer of shares, which is as equivalent as to transfer of ownership, provisions for regulation of their transfer have been enacted in Section 56 to 59 of Companies Act, 2013 and the Companies (Share Capital & Debentures) Rules 2014.

Method for Transfer of Shares under Companies Act, 2013:

The inclusive provisions covering the procedure for transfer of shares are spared under the Articles of Association of the Company. In general, below mentioned procedure is followed by a private limited company to give effect to the transfer of shares. Here, transferor is the person desiring to sell the shares (Seller) and transferee is the person who desires to buy those shares (Buyer).

1. First of all, the Transferor is required to give a written Notice in writing to transfer his shares to the Company in which he/she holds shares.
2. On receipt of the said Notice, the Company in turn, notifies about the offer to the other members along with the price at which such shares would be available to them for purchase. More often, this right of members is eventually called as a “Right of Pre – Emption”.
3. Determination of the price at which the transfer shall be held. (Being an important part of the whole transfer process, the same is dealt with in thorough detail at the later part of this write up).
4. Written intimation sent by the Company should contain the timeline within which the buying members should revert. If the existing members did not reply in the given timeline, it is deemed to be taken as unacceptance of offer and shares are then offered to the outsider.
5. The Company will then have no other option, except accepting the transfer of shares to the outsiders who in turn may have or use this as an undue advantage as in the private limited company, sometimes entire shareholding is owned by a family or group of friends or any other such private group.
6. Pursuant to Section 56 of the 2013 Act, on final acceptance of offer for purchase of shares by the transferee; the transferor or the transferee has to deliver the instrument of transfer in Form SH 4 as specified in Rule 11 of the Companies (Share Capital & Debentures) Rules, 2014 along with the Share Certificate or Letter of Allotment (if the certificate is not in existence) within 60 days from the date of execution.
7. Form SH 4 should be duly filled, stamped, signed and certified by/on behalf of the transferor and by/on behalf of the transferee containing all the detailed as required therein.

The signatures of both the parties are also required to be personally witnessed.

8. To be called valid, it should also bear stamps in accordance with the notified Indian Stamp (Collection of Stamp Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 with effect from 1st July 2020 & prescribed Uniform Stamp Duty across the Country. These stamps are called as “share transfer fees” & the same are available with Stamp Vendors or at the Treasury Office of respective district/town. These stamps are then required to be cancelled so that it cannot be misused. The methodology of cancellation is given in respective state stamp laws.

9. Rate of Stamp Duty on transfer of shares is now 0.015% on the value of consideration.

10. On receipt of Form SH 4, the Board of Directors considers and verifies the same, mostly, in a duly convened Meeting and if all the documents are in order, the transfer of shares is registered by passing a Resolution.

In case of a Public Limited Company, Section 58 of the 2013 Act provides that the shares or debentures and any interest therein shall be freely transferable. Hence, the process of making an offer by invoking the Right of Pre – Emption or any other such rights to the existing members and applying the Company for approval of registration for transfer of shares, does not come in performance unless stipulated in the Articles of Association of the Company.

Determination of the Value of Share as on the date of transfer:

The principles governing the determination of the value of unlisted shares and securities are laid down under Section 56 2 (x) of the Income-tax Act, 1961 read with Rule 11UA of the Income-tax Rules, 1962. The Finance Act, 2017 inserted clause (x) in Section 56 of the Act to widen the scope of taxability and restrain the practice of receiving shares without consideration or for inadequate consideration by all types of persons (previously it was limited to individuals and HUFs). Clause (x) applies to all kinds of properties defined therein which also includes shares and securities.

Besides, presently, the income chargeable under the head Capital Gains is computed by taking into account the amount of full value of consideration received/accrued on transfer of capital asset. In

order to curb foul practices resulting in the avoidance of capital gain tax on transfer of shares, a new section 50CA is inserted in the Income-tax Act, 1961 through the Finance Act, 2017 which provides that where consideration for transfer of the unquoted equity share of a Company is less than the Fair Market Value (FMV) of such a share, the FMV shall be deemed to be the full value of consideration for the purposes of computing income under the head “Capital Gains”. The section further provides that FMV should be determined in the manner as prescribed and laid down under the Rules framed thereunder.

Before moving forward, it is important to understand what is “Fair Market Value”?

Fair Market Value is defined under Section 2 (22B) of the Income-Act, 1961. It is confined in relation to a capital asset. Meaning thereby;

- the price, the asset would ordinarily fetch on sale in the Open Market on the relevant date; and
- where the price is not ascertainable, such value be determined in accordance with the rules made under the Act;

The transfer of quoted shares (*meaning -the shares quoted on any recognized stock exchange with regularity from time to time, where the quotation of such share is based on current transaction made in the ordinary course of business*) is done through trading that takes place at the transaction value in the secondary market of the stock exchanges which is said to be its Fair Market Value. However, if such securities are transacted through a medium other the recognized stock exchange, then the basis for determination of FMV would be the lowest price quoted as on the said date.

The transfer of unquoted shares is however subject to determination of a “Fair Market Value (FMV)” calculated in accordance with the method (formula) as prescribed in Rule 11U & 11UA of the Income-tax Rules, 1962. More or less, the value comes near to the Book Value. The said valuation has to be supported, reported and certified by a Category I - Merchant Banker OR a Chartered Accountant who should be a Fellow Member of the Institute of Chartered Accountants of India & not a Statutory Auditor of the Company.

Let us understand the above referred provisions with an assuming example:

Mr. A is holding 2000 Equity Shares in ABC Limited as on 2nd September, 2017. He (Mr. A) further transfers those shares to Mr. B for a consideration of Rs. 15,00,000/- on 6th September, 2017. Further, Mr. A acquired those shares on 17th August, 2016 at the Cost of Rs. 10,00,000/-. As on the date of transfer, the Fair Market Value comes to Rs. 17,50,000/-.

In the hands of Mr. A, Capital Gain shall be calculated as follows:

Full Value of Consideration	-	Rs. 17,50,000/- (FMV)
Less: <u>Cost of Acquisition</u>	-	<u>Rs. 10,00,000/-</u>
Short Term Capital Gain-		Rs. 7,50,000/-

In the hands of Mr. B, it is sustained that the shares whose FMV is Rs. 17,50,000/-, are purchased for inadequate consideration of Rs. 2,50,000/- (being the difference between FMV and the Cost of Acquisition). This, Rs. 2.5 Lacs is taxable in the hands of Mr. B.

Conclusion: Section 50CA of the IT Act, taxes the difference between the FMV and the consideration received for transfer of shares as Capital Gains in the hands of "Transferor", whereas Section 56 (2) (x) taxes the difference in the hands of the "Transferee" of such shares. The aforesaid computational mechanism may lead to taxation of the same amount of consideration in hands of two tax payers i. e. the transferor and transferee. However, it is pertinent to obtain the Fair Market Value and then execute the transfer process so as to avoid unnecessary tax obligations.

SURAT CHAPTER

“DUTCH CEMETRY”





CS Kiran Goklani

Email Id - cskirangoklani@gmail.com

CS: THE TRUE COMPLIANCE OFFICER

The role of Company Secretaries (“CS”) has been transitioning from being a support person to becoming one of the key governance positions in Corporates. The Companies act 2013 has given the recognition to Company Secretaries as “Key Managerial Personnel” (KMPs). Being diligent in what they do and responsible for their act makes the company achieve its goals. It is their responsibility to ensure that the company and its directors operate within the law. In simple terms, they are the professionals who act as power boosters for the companies to encourage their plans and ensures its smooth accomplishment with complying all applicable laws in the field. Beyond their normal course of duties, company secretaries provide advice and counsel to the board of directors, company’s shareholders and serve as confidantes.

Company Secretaries have transitioned to one of the key governance positions within a Company and can help align the Company’s policies, the management functions, various regulatory compliances and the mutual ethics and trust in a Company to achieve corporate growth. It has been very rightly said that “the profession of Company Secretaries has an important part to play in the introduction of professionalism in the area of corporate management” by Shri P Shiv Shankar, the erstwhile Minister of Law, Justice and Company Affairs.

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. However, over the years it has been observed that Company Secretaries have ventured into areas beyond Company Law and have emerged as experts in taxation, financial market

services, mergers & amalgamations, etc. Many of the Corporates find it useful to consider Company secretaries with a Master's Degree in Commerce or Business Administration or a degree in Law for that added advantage.

Apart from being an expert in their own field, it is the ethics and the values that make Company Secretaries distinct as a professional. Being diligent in what they do and responsible for their act makes the company achieve its goals.

A good Company Secretary should be able to assist the organization with identifying what should make up the correct infrastructure for each organization. In addition, and some would say more importantly, once the correct infrastructure has been identified, the Company Secretary should be able to assist the organization with the creation of the culture and the relationships required to ensure that the infrastructure is implemented, managed, and maintained effectively for the success of the organization. Hence, as professionals, it is a constant endeavour to develop themselves to be better at their job and have the knowledge to be able to guide not only the Board of Directors of a Company but also each individual who help run the show. Whatever type of organization the Company Secretary works for, he or she usually plays a valuable role as a "bridge" for information, communication, advice, and arbitration between the board and management and the organization and its stakeholders, including its shareholders.

In view of the increasing emphasis on adherence to norms of good corporate governance in today's business environment in India, there has been increased focus on the professionals who support and guide the management team in generating long-term added value for the shareholders and society at large, and also those who are accountable to the shareholders for the companies' long-term performance.

The role of company secretaries is at the pace of growth in Indian companies; with an increase in number of compliances the need and responsibilities of CS cannot be neglected. If a company does not comply with the advent procedures of Companies Act and other authoritative laws; it may run into a number of penalties which negatively impacts the Corporate as a whole. Additionally, A CS is an officer responsible for compliance with numerous legal requirements under different legal acts, including the Companies

Act, 2013 as applicable to companies. Since it is the CS who is also “an officer in default”, therefore, the onus to ensure timely compliance of law is on her similar to any member of the board. Company secretaries are the eyes and ears of an organisation, ensuring that crucial information flows securely to the correct people, that board meetings are effective and that proper records are kept. Working in such close proximity to the board of directors inevitably means being privy to some of the most important decisions made within the Company. In a self-regulated regime, a Company Secretary subjected to a strict code of conduct is looked upon by the regulators, as an ethical and trustworthy professional whose professional judgment and competence has made a mark in the corporate sector.

In addition to the in-house Company Secretary, the Practising Company Secretaries (PCS) also play a key role which aids the Corporates to take various decisions which impact the Business in long run. The Role of PCS can be defined in the following ways:

- **CS as a Business Supporter:**

The Companies act gives specific right to a company secretary– to exercise promotion and incorporation of companies; to handle company audit and certification services; to sign annual returns; to handle corporate restructuring and takeovers; to scrutinize reports and voting procedures in a transparent manner; to administer revival of sick companies; to become a technical member of Company Law Tribunal; to investigate cases of taxation and corporate affairs.

- **CS as an Auditor:**

To ensure corporate discipline and compliance with the laws; the Companies Act confides a company secretary to annex a Secretarial Audit Report to the authorities in form MR-3 ensuring compliances of the company with procedures defined in general laws and legal acts.

- **CS as an Advisor:**

CS works as advising agent in cases of – issue of shares; drafting of prospectus/sale letter/issues related to securities/private placement and buyback of shares; raising funds from international markets; loan syndication and documentation; income tax planning; drafting of legal documents; in matters of intellectual property rights; guiding in policies of merger; amalgamation and joint ventures, etc.

VADODARA CHAPTER

“LAXMI VILAS PALACE”





CS Dharmesh Vankar

Email Id – dharmeshvankar22@gmail.com

CS: THE MAKER OF “NEW BHARAT”

The dictionary meaning of facilitator refers to a person or thing that makes an action or process easy or easier. Company Secretary works on the same line for growth of a corporate entity and at the end, growth of oneself and its Nation. Company Secretary is a bridge between a corporate entity and its vivid stakeholders and different authorities (Registrar of Companies, Tax Authorities, Revenue Authorities, etc.). Company Secretary is a channel for joining dots for the ultimate success of a Corporate Vehicle and it's nation's development.

Some of readers who are not familiar with Corporate law and Corporates' real working might question why Company Secretaries are considered as facilitators of growth for Corporate entity. Please find below references for the same:

Section 203 of the Companies Act, 2013 defines appointment of Whole time Key Managerial personnel in specified companies like every listed company and every other public company having a paid-up share capital of ten crore rupees or more. Further, rule 8A of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 directs that every private company which has a paid up share capital of ten crore rupees or more shall have a whole-time company secretary. Section 204 of the Companies Act, 2013 puts enormous duty on Company Secretary related to audit of various compliances applicable to related Company and inform the authority about its status and discrepancy in it, if any. Moreover, Section 205 of the Companies Act, 2013 has specifically defined functions of Company Secretary.

Further, regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, instructs that a listed entity shall appoint a qualified company secretary as the compliance officer.

Furthermore, Company Secretary is considered as facilitator in obtaining various approvals in cross border foreign transactions under FEMA regulation and under other related statutes.

The recent image of the Company Secretary has changed via judgment of Panorama Developments (Guildford) Ltd. Versus Fidelis Furnishing Fabrics Ltd. which was decided in 1971 wherein presiding Judge Mr. Lord Denning highlighted that Company Secretary is a much more important person now than he had been in the past. He is the chief administrative officer of the Company with extensive duties and responsibilities. He is no longer a mere clerk. He regularly makes representations on behalf of the company and enters into contracts on its behalf which come within the day-to-day business of the Company.

Furthermore, Company Secretary is more like an agent of the Company who represents company at many fronts like before various authorities and get the work done on behalf of the Company. We can say that Company Secretary is like God Hanuman for the Company (GodShri Ram).

Sometimes, Company Secretary has to act as a tutor to the Board (Board of Directors) of the Company by educating the Board about various provisions to ensure good corporate governance; even have to become mother and play reward / punishment game to encourage the Board in doing compliance on time.

Even our beloved Prime Minister Mr. Narendra Modi at the time of inauguration of Golden Jubilee year celebrations of the Institute of Company Secretaries of India (ICSI) at Vigyan Bhawan, New Delhi congratulated the ICSI members, students and employees and remarked that "I am happy that I am sitting with so many geniuses, who make sure that the companies of India follow the laws and regulations, do not mishandle the accounts, are honest in their work. "This remark shows the key value of Company Secretary in real world and for real growth of entity.

A Company, without the assistance of Company Secretary, is like a child without the mother who does not know how to survive / excel in real world.

ICSI- WIRC Program Activities for April 2022
(Workshops / Seminar / Professional Development Programmes)

Sl. No.	Activities Conducted	Remark															
01	ICSI-WIRC jointly with Indore Chapter Announces Full Day Seminar	<p>ICSI-WIRC jointly with Indore Chapter in the month of April organized Full Day Seminar on 2nd April 2022</p> <p>Sessions were conducted on the following key areas –</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">02.04.2022</td> <td style="text-align: center;">Interactive Session “Samvaad”</td> <td>CS Devendra Deshpande, President, the ICSI</td> </tr> <tr> <td></td> <td style="text-align: center;">Interactive Session.</td> <td>CS Manish Gupta, Vice President, the ICSI CS B. Srikumar</td> </tr> <tr> <td></td> <td style="text-align: center;">Corporate Social Responsibility</td> <td>CS Ranjeet Pandey</td> </tr> <tr> <td></td> <td style="text-align: center;">Related Party transactions (As per Companies Act, Listing Agreement & Accounting Standards</td> <td>CS Y C Rao</td> </tr> <tr> <td></td> <td style="text-align: center;">Raising of Funds & recent Amendments in SEBI LODR</td> <td>CS Savithri Parekh</td> </tr> </table> <p>This Program was through Physical mode received an overwhelming response and was attended by 139 delegates.</p>	02.04.2022	Interactive Session “Samvaad”	CS Devendra Deshpande, President, the ICSI		Interactive Session.	CS Manish Gupta, Vice President, the ICSI CS B. Srikumar		Corporate Social Responsibility	CS Ranjeet Pandey		Related Party transactions (As per Companies Act, Listing Agreement & Accounting Standards	CS Y C Rao		Raising of Funds & recent Amendments in SEBI LODR	CS Savithri Parekh
02.04.2022	Interactive Session “Samvaad”	CS Devendra Deshpande, President, the ICSI															
	Interactive Session.	CS Manish Gupta, Vice President, the ICSI CS B. Srikumar															
	Corporate Social Responsibility	CS Ranjeet Pandey															
	Related Party transactions (As per Companies Act, Listing Agreement & Accounting Standards	CS Y C Rao															
	Raising of Funds & recent Amendments in SEBI LODR	CS Savithri Parekh															
02	ICSI-WIRC Announces Seminar on Recent Trends in Corporate Laws	<p>ICSI-WIRC in the month of April organized Seminar on Recent Trends in Corporate Laws on 8th April 2022</p> <p>Sessions were conducted on the following key areas –</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">08.04.2022</td> <td style="text-align: center;">Role of Company Secretary in Environmental, Social and Governance Compliance</td> <td>CS Pradnyesh Kamat</td> </tr> </table>	08.04.2022	Role of Company Secretary in Environmental, Social and Governance Compliance	CS Pradnyesh Kamat												
08.04.2022	Role of Company Secretary in Environmental, Social and Governance Compliance	CS Pradnyesh Kamat															

			Amendments in LLP Act	CS Raj Kapadia
		This Program was through Physical mode received an overwhelming response and was attended by 76 delegates.		
03	ICSI-WIRC jointly with Bhayander Chapter Announces Full Day Seminar	ICSI-WIRC jointly with Bhayander Chapter in the month of April organized Full Day Seminar on 17 th April 2022 Sessions were conducted on the following key areas –		
		17.04.2022	Journey From CSR Spends to SDG Projects – Indian CSR Rules and Integration of SDG	CS Sachin Mishra
			Secretarial Preparation & Process	Audit- CS K Venkatraman
		This Program was through Physical mode received an overwhelming response and was attended by 140 delegates.		
04	ICSI-WIRC Announces Seminar on Secretarial Standard ”	ICSI celebrated the maiden “Secretarial Standards Week” during 18-24 April, 2022. On the same occasion ICSI-WIRC organized Seminar on Secretarial Standards on 23 rd April 2022 at Bajaj Bhavan. Sessions were conducted on the following key areas –		
		23.04.2022	“Overview and Significance of Secretarial Standards and Guidance Notes	CS Narayan Shankar
			Secretarial Standard 1 - A tool in furtherance of Corporate Governance	CS Savithri Parekh
			General Meeting Procedures	CS Geetika Anand

		(Secretarial Standard 2)		
		Secretarial Standards -Regulatory Perspective (Would be joining through Virtual Mode)		CS Pradeep Ramakrishnan
		Interplay between LODR and SS		CS Kalidas Ramaswami
		This Program was through Physical mode received an overwhelming response and was attended by 146 delegates.		
05	ICSI-WIRC Announces Seminar on “Company Law Discussion Series 1/n - Analysis of Key Recommendations of Company Law Committee Report (2022) ”	ICSI-WIRC in the month of April organized Seminar on Company Law Discussion Series 1/n - Analysis of Key Recommendations of Company Law Committee Report (2022) on 29 th April, 2022 at ICSI-WIRC Premises		
		29.04.2022	Company Law Discussion Series 1/n - Analysis of Key Recommendations of Company Law Committee Report (2022).	CS Gaurav Pingle & CS Anshul Kumar Jain
		This Program was through Physical mode received an overwhelming response and was attended by 58 delegates		
06	ICSI-WIRC Seminar on Trending Issues in Business and Corporate Laws	ICSI-WIRC in the month of April organized Seminar on Trending Issues in Business and Corporate Laws on 30 th April 2022 at Mayor Hall, Andheri (W) Mumbai		
		Sessions were conducted on the following key areas		
		30.04.2022	Contract Monitoring Management Drafting, and	CS Anant Amdekar

		Fund Raising Avenue for Corporates	CS Renganathan B
		This Program was through Physical mode received an overwhelming response and was attended by 249 delegates.	
07	ICSI-WIRC Announces 36 th One Day Orientation Program for Executive Students	ICSI-WIRC in the month of April organized 36 th One Day Orientation Program April 12, 2022 This Program was through Virtual mode and was attended by 11 Participants.	
08	ICSI-WIRC Announces 37 th One Day Orientation Program for Executive Students	ICSI-WIRC in the month of April organized 37 th One Day Orientation Program April 21, 2022 This Program was through physical mode and was attended by 36 Participants.	
09	ICSI-WIRC Announces 38 th One Day Orientation Program for Executive Students	ICSI-WIRC in the month of April organized 38 th One Day Orientation Program April 25, 2022 This Program was through Physical mode and was attended by 21 Participants.	
10	Study Centre MoU with Yashwant Memorial Trust (Private Institution)	ICSI-WIRC entered Study Centre MoU with Yashwant Memorial Trust (Private Institute), Panvel on March 05, 2022	
11	Academic Collaboration MoU with Dr. D. Y. Patil Vidyapeeth (Deemed to be University)	ICSI-WIRC entered Academic Collaboration MoU with Dr. D. Y. Patil Vidyapeeth (Deemed to be University) on March 13, 2022	

12	Joint Webinar with Maharashtra National Law University	ICSI-WIRC organized Joint Webinar with Maharashtra National Law University for Students on the Theme: Ideas@75: Climate Change and Sustainability on April 26, 2022 This Program was through virtual mode and was attended by 50 Participants.
13	Joint Webinar with Dr. D. Y. Patil Vidyapeeth (Deemed to be University)	ICSI-WIRC organized Joint Webinar with Dr. D.Y. Patil Vidyapeeth (Deemed to be University for Students and Faculties on the Theme: Action@75: GST on April 30, 2022 This Program was through virtual mode and was attended by 130 Participants.

**ICSI-WIRC jointly with Indore Chapter
Organized Full Day Seminar
02.04.2022**



**ICSI-WIRC Organized Seminar on Recent
Trends in Corporate Laws
08.04.2022**



ICSI-WIRC jointly with Bhayander Chapter Organized Full Day Seminar 17.04.2022



ICSI-WIRC Organized Seminar on “Secretarial Standard” 23.04.2022





**Seminar on Discussion on Company Law
Discussion Series 1/n - Analysis of Key
Recommendations of Company Law
Committee Report (2022)
29.04.2022**



Seminar on Trending Issues in Business and Corporate Laws

30.04.2022



CASE STUDY FOR APRIL 2022

This Appeal is before NCLAT

The name of the appellant company was struck off by the Registrar of Companies, as the company had not been carrying on business or nor in operations for two immediately preceding financial years and the company had not obtained the status of dormant company under Section 455 of the Companies Act, 2013 (“Act” in brief).

The appellant filed the appeal before NCLT claiming that it had not been served with Notice under Section 248(1) of the Act and the Registrar of Companies (ROC) had proceeded to issue notice under Section 248(5) of the Act and the name of the appellant company was then struck off.

The appellant claimed that the company had been doing business and was in operation and audited financial statements for the year financial year 2012-13 to FY 2020-21 were filed. The NCLT considered the case put up before it as well as the documents and came to the conclusion that the appellant company failed to prove that it was carrying on business or was in operation when its name was struck off and dismissed the appeal which was filed before it. Against the dismissal the present appeal has been filed and the same claim is put up by the appellant referring to the documents which were filed before NCLT.

What should be the decision of NCLAT????

(Your Answer with Reason should be mailed to anil.tale@icsi.edu)

**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 understood 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)


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

Motto
साथं वदः दर्शं वदः *Speak the truth, abide by the law*

Mission
"To develop high caliber
professionals facilitating
good corporate governance"




Western
India
Regional
Council



75
Azadi Ka
Amrit Mahotsav

Announces a Unique Way to be a part of CSBF
By Contributing Re: 1/- Per Day




Saathi Haath Badhana

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"

Motto
साथं वदः दर्शं वदः *Speak the truth, abide by the law*

Mission
"To develop high caliber
professionals facilitating
good corporate governance"



**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.

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.

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

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

Decide Now! Decide Wise!

Connect with ICSI

www.icsi.edu | | Online Helpdesk : <http://support.icsi.edu>