

Independent Director's D A T A B A N K

HANDBOOK

AN INITIATIVE OF MINISTRY OF CORPORATE AFFAIRS FOR
CAPACITY BUILDING OF INDEPENDENT DIRECTORS



Ministry of Corporate Affairs
Government of India



Indian Institute of
Corporate Affairs

Partners in Knowledge. Governance. Transformation.

ABOUT THIS HANDBOOK

Ministry of Corporate Affairs, Government of India has authorized Indian Institute of Corporate Affairs notified under sub-section (1) of section 150 of the Companies Act, 2013 to create and maintain an online databank of Independent Directors under the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 and the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

This handbook provides an overview of the databank website including introduction, key objectives, empanelment and registration process, and available knowledge resources.

The handbook also provides overview on features of the databank website such as, availability of online eLearning courses, online proficiency self-assessment test, and corporate access to databank of profiles of Independent Directors.

This handbook is intended to be used by all Independent Directors who are required to empanel with this databank within 3 months of commencement of the rules stated above.

Aspiring independent directors and designated officers of companies can also use this handbook as a ready reckoner on various steps involved with empanelment, registration, and accessing knowledge resources.



INTRODUCTION

The Government of India is committed to bring continuous improvement in ease of doing business, ensuring market integrity, expanding corporate governance landscape, and enhancing investors' overall confidence.

Better Corporate Governance is central to the idea of improving market integrity and investors' confidence. The factor that strengthens the corporate governance framework the most, is the role played by the Independent Directors. To bring transparency and integrity to corporate boards, Independent Directors's conduct is seen as the benchmark.

Independent directors are seen as the catalyst of change who bring value to the board and provide the right balance with their diverse and cross-functional professional skills.

To empower and strengthen them further, Ministry of Corporate Affairs (MCA) has entrusted Indian Institute of Corporate Affairs (IICA) with creating and operating an online databank for existing and aspiring independent directors.

The databank aims to build an eco-system of serving independent directors, aspiring individuals and companies. Individual users will be able to acquire knowledge from diverse resource, develop distinct skills, and assess their understanding on company operations, regulations and compliance. Corporate users will be able to search, select, and connect with the individuals possessing right skills and attitude to become independent directors.



OBJECTIVES

- Develop an eco-system for independent directors and companies.
- Create and operate a verified databank of existing and aspiring independent directors.
- Empower and build capacities of empaneled individuals to acquire knowledge and develop skills.
- Facilitate knowledge at ease through online learning courses, regular newsletters, research and publications, video-based content, and reports.
- Provide a platform to self-assess the understanding and knowledge on various topics of corporate governance, regulatory and compliance framework, board essentials, board practices and other important areas.
- Provide a platform to companies requiring to appoint independent directors to search and select from databank of existing and aspiring individuals, by using variety of search tools.
- Enhance better corporate governance and responsible business conduct.



INDEPENDENT DIRECTOR'S EMPANELMENT PROCESS



- Login to **mca.gov.in** website and go to Independent Director's Registration Block
- Select Individual Registration from Independent Director's Databank Registration options.
- Enter the MCA21 registered DIN/PAN/Passport (whichever is applicable)
- Enter your PAN, Email, and Mobile Number (if not already registered with MCA21)
- Verify your mobile number and Submit



- Redirected to Independent Director's Databank website
- Use the login credentials shared on your email and/or mobile number
- Login to view your profile page
- MCA21 data will be pre-populated in your profile



Share more details:
Educational, Professional, and Directorship/Key Managerial/limited liability partnership experience information (not already available with MCA21)



- Select your privacy options and review your profile
- Select Subscription Plan and Pay Fee to complete the empanelment process
- Download the invoice and registration certificate for future reference



- Access the integrated Learning Management System (LMS) to explore the comprehensive eLearning course library
- The course library offers eModules on board essentials, board practice and case studies for professional development



- Explore options for online proficiency self-assessment test
- Book slot for the test
- Take a mock (practice) test
- Learn about test requirement and process from help guide and video



LEARNING MANAGEMENT SYSTEM

The databank website has an integrated Learning Management System accessible from the dashboard. The LMS has wide array of eLearning courses on various topics to help acquire knowledge, build new skills and apply knowledge.

The dashboard and reports within LMS provide complete insight on your learning journey including:

- Courses enrolled
- Courses completed
- Score/Grade in respective courses
- Average and Total time spent on each course and activity
- Feedback on each course
- Course completion certificate

Broad Category of Topics:

Board Essentials Courses

Board essentials courses will give a walkthrough of fundamental clauses of the Companies Act, 2013 and reinforce existing knowledge on concepts, processes and procedures involved.

Topics:

- Incorporation of Companies
- Share Capital
- Institution of Directors
- Liability of Directors and KMP
- General Meetings
- Board Committees

Many more...

Board Practice Courses

Board practice courses will give a detailed overview on how the company is incorporated, rules and procedures for the issue of shares, prospectus, many other important topics.

Topics:

- Exemplary Board
- Board Evaluation
- Managing Trough Financial Ratios
- Building Resilient Company: Board's Role
- Due Diligence Before Joining a Board
- Evaluation of Independent Directors

Many more...



Features of LMS & eLEARNING COURSES

- Bite size learning courses for easy and quick knowledge acquisition
- Interactive and engaging instructional design approach
- Visually enriched design experience to help knowledge retention
- Case study based application oriented methodologies
- Activity tracking and analytics, e.g., time taken to complete courses, grades and scores, leader board, evaluation matrices, learning evaluation and completion certificate
- Easier navigation, modern theme, interactive quizzes/assessment, and enriched user experience



ONLINE PROFICIENCY SELF-ASSESSMENT TEST

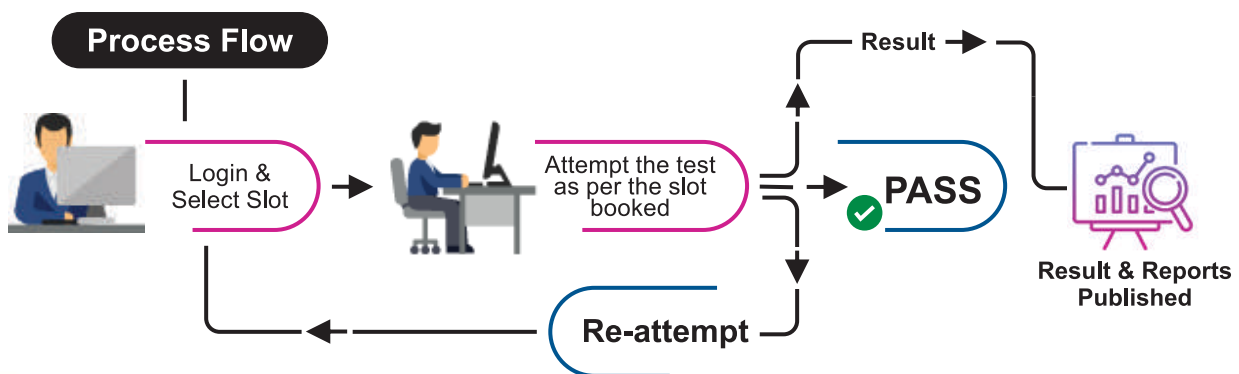
As per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, Every individual whose name is included in the databank shall pass an online proficiency self-assessment test conducted by the institute within a period of one year from the date of inclusion of his name in the databank, failing which, his name shall stand removed from the databank of the institute.

Rules have further provision for exemption from this test based on the certain conditions which will be duly calculated and notified to the empaneled Independent Directors well ahead of the test is made available on the databank.

This test will cover all the areas relevant to the functioning of Independent Directors, such as Companies Act, Securities Law, Basic Accountancy, Board Practice related topics.

Features:

- Online remotely proctored test
- Unlimited mock tests for familiarization with test environment and system requirement
- Multiple choice questions based on the topics available in the Learning Management System
- Convenient test slot booking
- Multiple attempts for improving test score and status
- Detailed summary and test report to assess areas of strength and further improvement
- Interactive and intuitive dashboard



Mock tests are available for sharing your feedback



CORPORATE ACCESS TO DATABANK

The Independent Director's Databank contains names, addresses, and qualifications of persons who are eligible and willing to act as Independent Directors. Databank of Independent Directors aims to provide single-point access to the corporate to search Independent Directors as per their needs and criteria.



REGISTRATION PROCESS



- Login to **mca.gov.in** website and go to Independent Director's Registration Tab
- Enter the MCA21 registered CIN
- OTP verification through email



- Redirected to Independent Director's Databank website
- Few basic details (Company name, current status, Registered address, etc.) will be pre populated in the company profile page



- Provide additional Information
- Add two designated officers from your company who will also have access to the databank site



- Review shared details
- Pay to access databank of independent director's profile and complete the company registration process



Access and search the profiles of Independent Directors by using several options
Shortlist and download profiles



Carry your own diligence while selecting and appointing independent directors from the databank



Important Dates

| | |
|--|---------------------------|
| Start date for empanelment/registration of ID's and companies: | December 01, 2019 |
| End Date for empanelment of existing Independent Directors: | February 29, 2020 |
| Start date for slot booking for online proficiency self-assessment test: | December 02, 2019 |
| Start date for Mock (Practice) Test: | December 02, 2019 onwards |
| Start date for online proficiency self-assessment test: | March 01, 2020 |
| Start date for corporate access and search facility: | March 01, 2020 |



Independent Director's

D A T A B A N K

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