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ICSI-NIRC NEWSLETTER

INSIGHT

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NIRC-ICSI NEWSLETTER

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FROM THE CHAIRMAN

FROM THE CHAIRMAN

Dear Professional Colleagues,

Greetings from NIRC-ICSI !

I hope this message finds you all in good health and high spirits. It gives me great pleasure to share with you as we celebrate a significant milestone in our journey towards educational excellence and professional development – the completion of another month.

The pursuit of knowledge is a remarkable endeavour, and I am delighted to see our NIRC fostering an environment where curiosity thrives and learning knows no bounds. Our commitment to providing quality educational programs has already started yielding promising results, evident in the positive feedback we've received from our members & students.

As we look ahead, let us continue to build upon this strong foundation we have laid. Let us remain open to innovation, dedicated to our craft, and steadfast in our pursuit of excellence. Each day presents us with new opportunities to learn, grow, and inspire. Let us embrace those opportunities wholeheartedly.

I extend my sincere gratitude to the faculty members who have passionately shared their expertise, the NIRC staff members who have tirelessly supported our operations and most importantly, to our students & members, who have chosen to be a part of this professional journey. Your commitment to learning will undoubtedly shape the future, not just for yourselves but for the world at large.

ICSI-NIRC SEMINAR ON GOODS & SERVICES TAX (GST) AND NEW PROFESSIONAL OPPORTUNITIES

ICSI-NIRC organized a Seminar on Goods & Services Tax (GST) and New Professional Opportunities on July 1, 2023 at Hotel Eros, Nehru Place, New Delhi. CS Bimal Jain, Executive Director, A2Z Taxcorp LLP took session on 'How to develop expertise and practice in GST' & CS Pavan Kumar Vijay, Past President, ICSI & Founder, Corporate Professionals took session on CS – New Opportunities and Challenges & Need to Embracing New Technology.

I wish to place on record my sincere thanks and gratitude to the Guest Speakers for sparing their time & sharing their words of wisdom with the participants.

HIMACHAL STATE CONFERENE AT KUFRI, SHIMLA ON 8TH JULY 2023.

ICSI-NIRC organized Himachal State Conference, hosted by Shimla Chapter of NIRC of ICSI on theme 'Company Secretaries - The Governance Professionals' on 8th July, 2023 at Kufri, Shimla, Himachal Pradesh. CS Gopal Sharma, CFO, Nasscom and CS Yogesh Kumar, Secretarial and Legal Head, Religare were the Guest Speakers. They covered Artificial Intelligence in CS Profession and RPT respectively.

I wish to place on record my sincere thanks and gratitude to the Guest Speakers for sparing their valuable time & information with the participants. My appreciation for NIRC and Shimla Chapter for organizing the Conference.

MEGA PROGRAM ON ALTERNATE DISPUTE RESOLUTION ON 22nd JULY, 2023 AT SCOPE COMPLEX, LODHI ROAD, DELHI.

ICSI-NIRC organized a Mega Conference on Alternate Dispute Resolution on July 22, 2023 at SCOPE Complex, Lodhi Road, New

Delhi. Justice Ms. Rekha Palli, Hon'ble Judge, Delhi High Court, Chief Guest, Dr. Rajiv Mani, Additional Secretary, Ministry of Law and Justice, Government of India, Guest of Honour, Shri P.K. Malhotra, Advocate & Legal Consultant, (Former Union Law Secretary), Key Note Speaker and CS Manish Gupta, President, ICSI, graced and addressed the participants during the Inaugural Session. CS Devender Suhag, Chairman, ICSI-NIRC, CS Himanshu Harbola, Vice-Chairman, ICSI-NIRC and CS Jatin Singal, Regional Council Member, ICSI-NIRC & Program Director also addressed the participants.

Shri Chirag Balyan, Assistant Professor (Law), Maharashtra National Law University, Mumbai was the Guest Speaker for the technical session on topic Practical insights, challenges and way forward of ADR.

42nd ANNUAL GENERAL MEETING 2022-23 OF NIRC OF THE ICSI

42nd Annual General Meeting of Northern India Regional Council of the Institute of Company Secretaries of India held on 22nd July 2023 at 3:30 pm at Scope Complex, Lodhi Road, Delhi and through online mode. In addition to the agenda set out for the meeting, we also highlighted the performance of NIRC for the financial year 2022-23 and elaborated in detail on the recent initiatives taken by NIRC. The queries received from Members of NIRC were replied.

STUDY CIRCLE MEETINGS OF NIRC

ICSI-NIRC organized a Study Circle Meeting on Practical aspects of Corporate Restructuring and Stamp Duty Implications at Hotel Eros, Nehru Place, New Delhi on 1st July, 2023. CS Satwinder Singh, Former Council Member, ICSI was the Guest Speaker on the occasion.

Further, Hybrid Study Circle Meeting on How to Incorporate a Company in Singapore including Pre and Post Compliances was organized on 13th July, 2023 at ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi and through online mode. Mr. Kenneth Chee, CEO, Fastcorp Pte Ltd. was the Guest Speaker on the occasion.

NIRC PLACEMENT DRIVE 2023

NIRC organized Placement Drive for fresher CS on 14th July, 2023 at NIRC Premises at ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi 110 005. I am thankful to all the recruiters including PSU's, Listed companies, Private Companies, PCS firms, Law firms etc. and candidates for joining the initiative of Institute.

NIRC also organized CS Trainee Drive 2023 on 20th July, 2023 at NIRC Premises at ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi 110 005.

CAREER AWARENESS PROGRAMS

NIRC organized Career Awareness Programs for Students and Teachers of various Schools & Colleges. We apprised the students and their parents about the Role of Company Secretary, Company Secretary in Employment, Company Secretary in Practice and Eligibility, Validity and Cut-off Dates for Registration in CS.

Members can also contribute their bit by simply providing us the contact details of your School/College/Institute of which they are the Alumni. NIRC will arrange the Career Awareness Program and members may address the students. I am sure that with the support of our members these efforts could yield tremendous results. You may share the details of schools/colleges at himanshu.sharma@icsi.edu .

FORTHCOMING ACTIVITIES

NIRC is organizing various professional development programs in the month of August & September, 2023 on the various topics of professional interest for our members. For details of all the programs please visit www.icsi.edu/niro.

I request all of you to attend all these Programs.

- Rajasthan State Conference at Jodhpur on 19th and 20th August
- Haryana Research Conclave at Gurgaon on 25th August
- Punjab State Conference at Ludhiana on 9th September
- UP State Conference in the month of September
- Rajasthan Research Conclave at Udaipur on 1st and 2nd October
- Kashmir State Conference in the month of October at Srinagar
- Moot Court for members on 2nd September at NIRC
- Ladakh State Conference in the month of September

CSBF

I appeal to all the members, who have not yet enrolled for the Company Secretaries Benevolent Fund, to become members of the Benevolent Fund. The details of CSBF are published elsewhere in the newsletter for your reference.

Friends, it is my earnest desire to have continued interaction with all of you. I sincerely solicit opinion and suggestions from all of you for further betterment of the activities of NIRC. Please send your suggestions at chairman.nirc@icsi.edu

With best regards,

CS Devender Suhag
Chairman, NIRC-ICSI
Mob. 8130586611

GLIMPSES

GLIMPSES


SEMINAR
ON
GOODS & SERVICES TAX (GST) AND
NEW PROFESSIONAL OPPORTUNITIES
New Delhi


GOODS & SERVICES TAX (GST) AND
NEW PROFESSIONAL OPPORTUNITIES
, 2023
New Delhi
CS DEVENDER SUHAG
CHAIRMAN,ICSI-NIRC


SEMINAR
ON
GOODS & SERVICES TAX (GST) AND
NEW PROFESSIONAL OPPORTUNITIES


HIMACHAL PRADESH STATE CONFERENCE

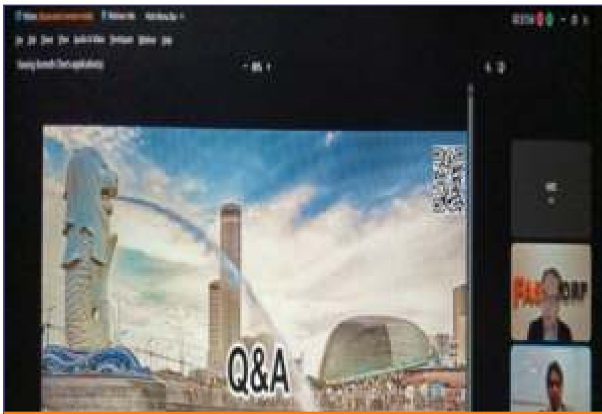
GLIMPSES


SCOPE
G20
THE INSTITUTE OF Company Secretaries of India
Mega Conference
on
Alternate Dispute Resolution
22nd July, 2023
New Delhi


SCOPE
JATIN SINGAL
CHIRAG BALYAN
CS DEVENDER SUHA


42nd Annual General Meeting
of
Northern India Regional Council (NIRC) of the ICSI
ICSI

GLIMPSES



ARTICLES

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Exploring the Opportunities – Confronting the Challenges in Banking Sector

Indian banking has a lengthy history, yet it has weathered global economic downturns quite well. Furthermore, the Indian banking system is keenly followed by both domestic and international players due to the country's reputation as an economic powerhouse.

As the nerve centre of the Indian economy, the banking sector faces complex problems, but the possibilities that lie ahead have the potential to bring about transformative change by positioning banks as leaders in the creation of wealth and the narrowing of income gaps. Given India's ambitions and possibilities, it's important to consider the outsized impact that banking will have on the country's economy.

Opportunities are found in the arena of challenges

The Indian banking industry has been one of the country's primary development drivers, displaying remarkable agility in the face of globalization and showing remarkable endurance in the face of global economic downturns, most notably the sub-prime mortgage crisis of 2008–09. The country's banking industry is strong and stable thanks to the RBI's credible monetary policy and vigilant regulatory scrutiny. Despite its much strength, however, the country is still in the early stages of developing into a major global power and must contend with a wide range of obstacles. These range from policy problems to strategic shortsightedness to operational gaps to external forces. In this article, we want to discuss three significant difficulties and the discourses around them that affect India's banking industry.

Opportunities may be found in challenges. This is also true of India's banking industry. As the nerve centre of the economy, the banking sector has the potential to foretell a shift in India's economic climate via the exploration and adoption of novel and cautious approaches.
Whether it's an automated teller machine, a mobile banking app, or a computer, the objective is to save you time and effort. In other words, the focus has been on making it possible for customers to do banking transactions from whatever location they want. Transparency in the financial services sector, however, stands to gain enormously from the advent of cutting-edge technologies. Through the use of digital interfaces, we may considerably reduce the likelihood of banks merging as a result of rising NPAs and fraud cases. In a nutshell, the future holds both obstacles and potential benefits made possible by technology progress.

Challenges

There is another aspect to both AI and Block chain. Due to the need of consistent data for AI and other financial technology, any discrepancies might have a detrimental impact. Given the current workforce's lack of knowledge on these technologies, the chance for people and institutions to infuse the learning environment is heightened. However, this comes with the additional difficulty of spending more money before any technological benefits are realized.

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There is a lack of proper infrastructure for the implementation of block chain, which will only make it more difficult for businesses to store or mirror data in India. This is a particularly pressing issue for foreign banks and other institutions with operations in India, as they have recently been required by the regulator to localize data that mirrors data from their home country.

The stability of the financial system might be jeopardized if too much trust is placed in intelligent systems. AI's inner workings are a mystery since it may make catastrophic mistakes and have a pro cyclical impact owing to its mechanical nature. In high-stakes situations like a crisis, this may be disastrous.

Since block chain is more of a business process shift than a technological installation, a considerably more creative strategy is required to seize possibilities and execute the change, necessitating a full overhaul in the regulatory framework of the banking sector. As a result, new regulations and shifts in the law will need to be implemented alongside these technologies.

NPA

Nonperforming assets (NPAs) have long been one of the banking industry's main problems. This is why these loans are classified as "bad" in the banking industry. When broken down, the business sector accounts for around 70% of the problematic loans. Less than 7% of the general population is connected to NPAs. Banks understandably feel more powerless when it comes to recovering large portions of nonperforming assets (NPAs) involving business entities. Only by keeping up with adequate transparency through cutting-edge technology can the banking industry overcome such obstacles.

Corruptions and NPAs

It's worth noting that incidents of fraud or corruption are treated differently from NPAs in the banking business, which is an intriguing distinction. There has been enough time for the introduction or revision of financial services regulations. Unfortunately, the outcome has never been satisfactory. There is now a pressing need to split the issues of NPAs and corruption onto distinct tracks, if necessary. The similar effect may also be achieved with the help of cutting-edge technology solutions. Although sometimes NPA occurs unintentionally (when farmers fail to repay loans, for example), in most cases, corporations plan for it. However, fraud is always perpetrated on purpose. It's not always about money, though; fraud may also include taking advantage of a weakness in a system's functionality or functioning. It might have anything to do with accounting, demand draughts, or anything similar. Clearly, the banks' problems won't be solved by lumping together fraud and NPA cases. Promising in terms of preserving openness, these cutting edge technicalities may provide efficient answers to the challenges faced by commercial banks.

Reaching Below the Pyramid Customers

One side of the story suggests that the banking sector is hoping for a technological revolution, while the other side contends that banks still need to do a better job of reaching those at the bottom of the pyramid. In addition, the reach is negligible in less populous areas. As a result, the largest concentrations of consumers may be found in the world's smallest and most out-of-the-way communities. A lack of familiarity with banking rules is sometimes cited as a contributing factor. Before ATMs were commonplace, things in the state were far worse than they are now. For all types of consumers, the moment has come for banks to use digital technology at the same level of prevalence as ATMs.

Opportunities

Artificial intelligence (AI) will usher in a new era in which consumers actively interact with machines, yielding improved outcomes over the current state of affairs. AI will remove the need for conversations with the consumer, safeguarding regulations and ensuring compliance.

Thanks to AI, we can use our resources more efficiently. Big data stored in spreadsheets is useless unless it can be interpreted. Numerous companies have begun developing tools to analyse a person's vocal intonations in order to ascertain their mood; these tools will be especially useful in service industries, where they can be used to better handle situations in which a consumer is dissatisfied. Banks may utilize AI apps to streamline the process of submitting the necessary paperwork for a variety of transactions, as well as providing clients with information about a number of programmes and services.

Since the block chain is a collection of blocks, its history may be reconstructed block by block in the event of an accident. Financial organizations, like as banks, may save money and time by transferring money domestically and internationally via ACH. The Society for Worldwide Interbank Financial Telecommunication (SWIFT) is one of the current transfer technologies that might be replaced by this one. ICICI Bank and Emirates NBD, a Middle Eastern banking consortium, have started leveraging block chain technology to execute international trade financing and remittance transactions in real time. This usually takes a few days to complete. The distributed ledger-based client identification system is another area that may be replaced by this technology. Every credit company that accepts applications must first do Know Your Customer (KYC) verification to ensure that they are dealing with a legitimate business or individual. Users may be verified across all participating banks on a single, secure platform made possible by block chain technology. It has also aided in shortening the duration of several procedures.
It is cheaper to purchase a platform where everyone can examine, audit, and solve security problems in block chain implementations since the block chain is based on open source software such a multi chain and open chain. Avoiding fraud losses in a sophisticated payment and settlement system is yet another perk of identity verification prior to transaction authorization. Lightweight nodes in block chain use Simplified Payment Verification (SPV) to confirm transactions, since there are two kinds of nodes in block chain: full nodes and lightweight nodes. A full node acts as a bridge for lightweight nodes to connect and transmit their transactions to the current network and also notifies whenever transactions affect nodes, while SPV allows nodes to verify whether the transaction has been recorded in block chain or not without downloading the entire block chain. Block chains may reduce their storage needs further by merely downloading block headers when using lightweight nodes.

Block Chain Technology

In the financial sector, block chain technology seems to have a bright future with great potential. The widespread use of crypto currencies here is undeniable. Block chain's capacity to drastically reduce costs is one of its most appealing features. In fact, a major technology firm has estimated that this technology may save the worldwide banking sector roughly $20 billion annually. Many financial institutions have adopted the technology. However, the banking sector still has leadership issues that prevent it from reaching its full potential and attracting new, mainstream clients.

The system not only offers cost savings, but also increased data security. Common tasks, including Know Your Customer (KYC) requirements, may be simplified with the use of technology. The platform's commitment to openness is highlighted as its primary selling point. From a safety and transparency point of view, it has to be the most promising alternative for the banking sector right now, with phases like private keys and features of recording the requests.

P2P Lending

Indeed, P2P lending offers the financial sector the most potential. Peer-to-peer (P2P) lending is a method of debt financing that eliminates the need for a middleman in financial dealings between borrowers and lenders. Since it cuts out the intermediary, it has the potential to be the most open and honest method. Studying the banking business in any way that reduces the need for middlemen or keeps the process at a minimum of steps is an apparent way to increase openness.

Artificial Intelligence Bringing Major Revolution

Worldwide, AI is the most talked-about technological advancement. The rapid pace of AI development is, without a doubt, its greatest strength. Companies all around the world are investing heavily in this technology because of the personalized experience it can provide. The banking industry's adoption of AI is, without a question, the most impressive. However, rapid exploration is required. The most significant benefit of AI is the increased utility it offers to end users. Artificial intelligence (AI) has revolutionized several areas, including cutting-edge chat features and improved customer service. There was a lot of conjecture in the beginning about how secure customers' personal and financial information would be. However, there is no basis for such assumptions in actuality. The technological ability to access data is intended only to improve the service provided to the consumer. In particular, robots employed to provide an ultra-smooth experience for paying clients.

In addition, AI has proved useful in a variety of areas, including as fraud detection, risk management, automation, and the simplification of financial administration. The integration of facial recognition technology into ATMs is anticipated to further simplify the process. The only thing the banking sector has to watch out for is the safety of customer data. This shouldn't be a big deal in our digitized, cloud-based future. If the right infrastructure is in place, you won't have to worry about anything, from data access to data optimization. With the help of AI, the financial sector faces far fewer instances of cyber hacking risks.

Introducing Innovative Products

The vitality of the consumer base affects every aspect of the technology, infrastructure, and more. If there isn't enough demand, investing vast sums on infrastructure is pointless. As we've already shown, the banking industry can't afford to disregard the pyramid's patronage. And the same applies to launching novel, high-profit financial offerings. Strategic technological methods provide yet another avenue for distribution of such goods. The necessity for intervention from established players in the field to streamline the process has therefore become urgent. Indeed, the financial services sector is quite different from what it was even a decade ago. Rigid development, however, is certain to alter the circumstances much more. Banks should use their imagination to design innovative products for such situations.

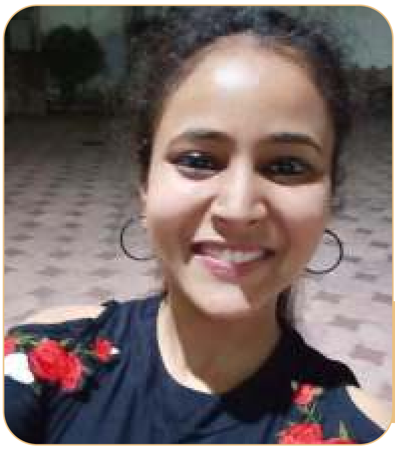
Conclusion

Similar to how the printing press altered the way we record and disseminate information, block chain and AI have the potential to usher in the next industrial revolution by fundamentally altering the banking system. In the not-too-distant future, we may be sitting on our couches, wondering how we ever survived in a world without convenient and efficient banking. India's early technological development need international cooperation to fill in data gaps and introduce growth-promoting reforms; whether or not the economy needs time to adapt quickly to these changes is an open question. Distributed and managed blacklists/white lists and privacy-controlled transactions on the block chain will be available to current and new data suppliers, vendors, banks, and other financial organizations. Both technologies have the potential to revolutionize the financial services industry if they are used consistently and at scale.

Suggestions

Since block chain is an open source system, it may be implemented with either proprietary or freely available software. Since block chain is ubiquitous on the web, its maintenance expenses are typically covered by the mining of crypto currencies like Bitcoin and others. However, the current regulatory climate in India restricts crypto currency transactions, posing a new challenge in the form of the need to invent something like cryptos to compensate for these expenses.

Modern technology calls for a robust infrastructure that can store the vast amounts of data generated by India's people. Using the SPV (Simplified Payment Verification), it may be stored on nodes (block chain lightweight nodes and full nodes) and used as a means of verifying payments using Aadhar numbers. Tighter rules are needed to boost efficiency, encourage innovation, and spur the banking industry's further expansion.



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EXPLORING THE OPPORTUNITIES – CONFRONTING THE CHALLENGES IN BANKING SECTOR

INTRODUCTION:

In today's rapidly evolving banking sector, company secretaries play a crucial role in ensuring compliance, governance, and effective administration. With the increasing complexity of financial regulations and the growing demand for transparency, company secretaries face numerous opportunities and challenges. This article aims to delve into these aspects, providing insights through case studies and incorporating the opinions of the general public.

OPPORTUNITIES IN THE BANKING SECTOR FOR COMPANY SECRETARIES:

Regulatory Compliance: As financial regulations become more stringent, company secretaries have an opportunity to contribute their expertise in ensuring banks comply with laws, regulations, and ethical standards. This role is crucial in minimizing legal risks and maintaining public trust.

The implementation of the General Data Protection Regulation (GDPR) in the European Union necessitated the appointment of company secretaries in banks to oversee data privacy compliance, leading to increased employment opportunities in the sector.

Corporate Governance: Company secretaries play a pivotal role in upholding strong corporate governance practices within banks. Their expertise in maintaining transparent reporting mechanisms, facilitating board meetings, and ensuring adherence to corporate governance codes enhances the overall effectiveness and credibility of banking institutions.

The scandal surrounding Wells Fargo's fraudulent account openings highlighted the importance of company secretaries in detecting and preventing unethical practices. Company secretaries can strengthen governance frameworks to prevent such lapses, thus protecting the reputation of banks.

CHALLENGES CONFRONTING COMPANY SECRETARIES IN THE BANKING SECTOR:

Case Study: The 2008 Financial Crisis and Regulatory Reform

The 2008 financial crisis exposed major deficiencies in the banking industry, leading to a wave of regulatory reforms worldwide. Company secretaries in banks faced significant challenges during this period, including:

a) Evolving Regulatory Landscape: In response to the crisis, governments and regulatory bodies introduced new regulations and increased scrutiny on banks. Company secretaries had to navigate complex and rapidly changing regulatory frameworks, ensuring compliance with measures such as the Dodd-Frank Act in the United States and the Basel III standards internationally.

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b) Risk Management and Governance: The crisis highlighted weaknesses in risk management practices and governance within banks. Company secretaries were tasked with strengthening risk frameworks, improving board oversight, and enhancing corporate governance structures to prevent future crises.

c) Stakeholder Communication: Company secretaries played a crucial role in managing communication with various stakeholders, including regulatory authorities, shareholders, and the public. They had to ensure transparency and rebuild trust in the banking sector, often facing challenges in balancing competing interests.

Case Study: Implementation of the European Union's General Data Protection Regulation (GDPR)

The GDPR, implemented in 2018, aimed to protect individuals' privacy and reshape the way organizations handle personal data. Its introduction presented challenges for company secretaries in the banking sector, including:

a) Data Governance and Compliance: Banks collect and process vast amounts of customer data, making compliance with the GDPR a complex undertaking. Company secretaries had to ensure that robust data governance frameworks were in place, encompassing data protection policies, consent management, data breach response plans, and ongoing compliance monitoring.

b) Cross-Border Data Transfers: Many banks operate across multiple jurisdictions, making the transfer of customer data between countries a significant challenge under the GDPR. Company secretaries had to navigate legal complexities, assess data protection adequacy in different jurisdictions, and implement appropriate safeguards for international data transfers.

c) Employee Training and Awareness: The GDPR required organizations to train their employees on data protection principles and practices. Company secretaries had to coordinate and oversee comprehensive training programs to ensure staff members understood their responsibilities and the impact of the GDPR on their day-to-day activities.

These case studies demonstrate the multifaceted challenges company secretaries face in the banking sector, ranging from navigating complex regulatory landscapes to managing data protection and privacy requirements. By addressing these challenges effectively, company secretaries can contribute to the overall resilience and compliance of banks in a rapidly evolving industry.

OPINIONS OF THE GENERAL PUBLIC:

To gather diverse perspectives, we conducted a survey among the general public to gauge their opinions on the role of company secretaries in the banking sector. The responses highlighted the following viewpoints:

Trust and Transparency: A significant majority of respondents emphasized the importance of company secretaries in promoting trust and transparency within banks. They believed that the role of company secretaries contributes to maintaining ethical standards and accountability.

Regulatory Expertise: Many respondents expressed confidence in company secretaries' ability to navigate complex regulatory frameworks. They acknowledged the need for specialized knowledge and commended company secretaries for their role in ensuring compliance with evolving regulations.

Technology Adoption: The general public recognized the necessity for company secretaries to adapt to technological advancements in the banking sector. Respondents expressed optimism about the potential benefits of leveraging technology while emphasizing the importance of maintaining security and data privacy.

Conclusion:

Company secretaries in the banking sector face a multitude of opportunities and challenges in today's dynamic environment. By embracing regulatory compliance, strengthening corporate governance, and adapting to technological transformations, company secretaries can contribute significantly to the success and sustainability of banking institutions. However, these roles require continuous learning, adaptability, and a thorough understanding of evolving regulatory frameworks. With the support and recognition of the general public, company secretaries can effectively navigate challenges and drive positive change within the banking sector.

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EXPLORING THE OPPORTUNITIES – CONFRONTING THE CHALLENGES IN BANKING SECTOR

The Indian banking system is a well-regulated and robust sector that plays a crucial role in the country's economy. It consists of various types of banks, including public sector banks, private sector banks, foreign banks, regional rural banks, and cooperative banks. The Indian banking system has undergone significant transformations in recent years, focusing on technology adoption, regulatory reforms, and financial inclusion. It continues to play a vital role in supporting economic growth and development in the country.
Here are some key points about the Indian banking system:

1. **Reserve Bank of India (RBI):** The RBI is the central banking institution in India and acts as the regulator and supervisor of the banking system. It formulates and implements monetary policy, issues currency, and regulates and supervises banks to maintain financial stability.

2. **Public Sector Banks (PSBs):** PSBs are government-owned banks that provide banking services across the country. Some prominent PSBs include State Bank of India (SBI), Punjab National Bank (PNB), and Bank of Baroda. These banks have a wide network of branches and play a vital role in providing credit to various sectors of the economy.

3. **Private Sector Banks:** Private sector banks are owned by private individuals or corporations. They operate on a profit-oriented basis and compete with PSBs. Examples of private sector banks in India include ICICI Bank, HDFC Bank, and Axis Bank. Private banks are known for their customer-centric approach and technological advancements in banking services.

4. **Cooperative Banks:** Cooperative banks are formed by individuals with common economic interests to provide financial services to their members. They operate at the state, district, and local levels. Cooperative banks focus on meeting the credit and banking needs of the agricultural sector and rural areas.

5. **Regional Rural Banks (RRBs):** RRBs were established to enhance banking services in rural areas. They are jointly owned by the central government, the concerned state government. RRBs primarily cater to the credit and banking requirements of the rural population.

6. **Non-Banking Financial Companies (NBFCs):** NBFCs are financial institutions that provide various banking and financial services similar to traditional banks, but they are not licensed as full-fledged banks and do not hold a banking license. Instead, they operate under the regulatory framework of the Reserve Bank of India (RBI) as outlined in the Reserve Bank of India Act, 1934. NBFCs complement the banking sector by extending financial services to underserved sectors and individuals.

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7. **Financial Inclusion:** The Indian banking system has made efforts to promote financial inclusion, aiming to provide access to banking services to all segments of society. Initiatives like Jan Dhan Yojana Pradhan Mantri Mudra Yojana (micro-enterprise financing), and direct benefit transfer schemes have facilitated greater financial access and inclusion.

VARIOUS BANKING PRODUCTS OF BANKS:

The Indian banking sector continues to innovate and introduce new products and services to enhance customer experience, convenience, and financial inclusion. These advancements have transformed the way banking is conducted and have made banking services more accessible and user-friendly for individuals and businesses in India.
The Indian banking sector has introduced several innovative products and services to cater to the evolving needs of customers. Here are some of the increasing products in the Indian banking system:

1. Digital Banking: With the rapid advancement of technology and increased internet services, digital banking has gained significant popularity in India. Banks offer various digital banking services, including internet banking, mobile banking apps, digital wallets, and Unified Payments Interface (UPI) for seamless fund transfers, bill payments, and online shopping.

2. Mobile Banking Apps: Banks in India have developed user-friendly mobile banking applications that allow customers to access their accounts, make transactions, pay bills, transfer funds, and manage investments through their smart phones. These apps often provide additional features like personalized offers, expense tracking, and instant customer support.

3. Contactless Payments: Contactless payment methods, such as Near Field Communication (NFC) and QR code-based payments, have gained momentum in India. Customers can make payments by simply tapping their contactless cards or scanning QR codes using mobile apps, reducing the need for physical cash or card swiping.

4. Digital Wallets: Digital wallets, such as Paytm, PhonePe, and Google Pay, have become popular in India. These wallets allow users to store money, make payments, recharge mobiles, pay bills, and even transfer money to other users instantly. They offer convenience and security, enabling transactions with just a few clicks.

5. Loan Products: Banks in India offer various loan products to meet the financial needs of individuals and businesses. Home loans, car loans, personal loans, education loans, and business loans are among the commonly availed loan products. Banks have simplified loan application processes, reduced turnaround times, and introduced attractive interest rates to make loans more accessible.

6. Insurance Products: Many banks in India also provide insurance products to customers. These include life insurance, health insurance, vehicle insurance, and general insurance. Banks often collaborate with insurance companies to offer these products and provide a one-stop solution for customers' banking and insurance needs.

7. Investment and Wealth Management Services: Banks offer investment and wealth management services to help customers grow their savings and investments. They provide options like fixed deposits, recurring deposits, mutual funds, equity trading, and portfolio management services. Banks also offer online investment platforms and personalized advisory services to assist customers in making informed investment decisions.

8. Personal Finance Management Tools: Banks are increasingly offering personal finance management tools that help customers track their expenses, set budgets, analyze spending patterns, and achieve financial goals. These tools provide insights into spending habits, offer personalized recommendations, and promote financial literacy among customers.

BANKS ARE GOD FATHER FOR NEW START UPS IN INDIA:

Banks play a significant role in supporting new startups in India. Banks do provide crucial financial services and support that can help startups thrive. While banks can be valuable partners for startups, securing financing from banks may require startups to fulfill certain eligibility criteria, provide collateral, or demonstrate a strong business case. Startups should carefully evaluate the terms, interest rates, and repayment schedules before availing banking services and loans.

Here's how banks assist new startups in India:

1. Start-up Loans: Banks offer various types of loans specifically designed for startups, such as working capital loans, equipment financing, and term loans. These loans provide the necessary capital for startups to fund their initial operations, invest in infrastructure, and support their growth plans.

2. Credit Facilities: Banks provide credit facilities like overdrafts and lines of credit that offer flexibility and liquidity to startups. These facilities help startups manage their cash flow, bridge short-term funding gaps, and meet their immediate financial needs.

3. Venture Debt: Banks also offer venture debt, a form of financing specifically tailored for startups. Venture debt provides additional funding alongside equity investments, allowing startups to access capital without diluting their ownership. It is often used to support expansion, research and development, and working capital requirements.

4. Banking Services: Banks provide essential banking services to startups, including current accounts, savings accounts, online banking, and payment gateways. These services help streamline financial operations, manage transactions, and facilitate seamless cash flow management for startups.

5. Financial Advisory Services: Many banks offer financial advisory services to startups. These services can include business planning, financial forecasting, risk management, and investment advisory. Such guidance helps startups make informed financial decisions and develop robust financial strategies.

6. Networking and Collaboration: Banks often organize events, workshops, and networking sessions where startups can connect with potential investors, mentors, and industry experts. These platforms facilitate networking opportunities and provide startups with access to a wider ecosystem of support and resources.

7. Government Schemes and Subsidies: Banks actively participate in government initiatives and schemes aimed at promoting entrepreneurship and supporting startups. They facilitate access to subsidized loans, venture capital funds, and other financial incentives offered by the government to encourage startup growth.

CHALLENGES IN INDIAN BANKING SECTOR:

The Indian banking sector faces several challenges, some of which are:

1. Non-Performing Assets (NPAs): Non-performing assets, or bad loans, pose a significant challenge for Indian banks. High levels of NPAs can impact banks' profitability, capital adequacy, and overall financial stability. Addressing and resolving NPAs require effective loan recovery mechanisms, improved credit assessment, and stricter risk management practices.

2. Capital Adequacy and Recapitalization: Banks need to maintain adequate capital to support their lending activities and absorb potential losses. Ensuring sufficient capital adequacy is crucial for the stability and resilience of the banking sector.

3. Corporate Governance and Risk Management: The banking sector requires robust corporate governance practices and effective risk management frameworks. Ensuring transparency, accountability, and proper risk assessment and mitigation are essential to prevent fraud, misconduct, and systemic risks.

4. Technological Adoption and Cyber Security: Embracing technological advancements is essential for banks to improve efficiency, enhance customer experience, and stay competitive. However, the rapid adoption of technology also brings cyber security risks. Banks need to invest in robust cyber security measures and data protection mechanisms to safeguard customer information and maintain trust.

5. Financial Inclusion: Despite progress, financial inclusion remains a challenge in India. A significant portion of the population, especially in rural areas, still lacks access to basic banking services. Banks need to reach out to underserved segments, leverage technology for wider reach, and offer tailored products and services to promote financial inclusion.

6. Regulatory Compliance: Banks operate in a highly regulated environment in India. Meeting regulatory requirements, adhering to prudential norms, and complying with anti-money laundering and Know Your Customer (KYC) regulations require continuous effort and investment. Keeping up with regulatory changes and implementing them effectively can be a challenge.

7. Governance and Performance of Public Sector Banks: Public sector banks (PSBs) in India face unique challenges, including governance issues, operational inefficiencies, and constraints in decision-making. Enhancing governance, autonomy, and operational efficiency of PSBs are necessary to improve their performance and strengthen the overall banking sector.

8. Liquidity Management: Managing liquidity is crucial for banks to meet their obligations and maintain stability. Ensuring an optimal balance between assets and liabilities, managing cash flows, and navigating through liquidity crunches require effective liquidity management strategies.

IMPACT OF INCREASED REPO RATE :

When the Reserve Bank of India (RBI) increases the repo rate, it has various effects on Indian banks and customers. Let's explore these effects:

Effects on Indian Banks:

1. Cost of Borrowing: Banks borrow funds from the RBI through the repo window. An increase in the repo rate leads to a higher cost of borrowing for banks. This can impact their profit margins as they may need to pay higher interest on their borrowings.

2. Lending Rates: Banks generally pass on the increased borrowing costs to customers by raising their lending rates. As a result, loans become more expensive for borrowers, which can affect borrowing demand and credit growth.

3. Net Interest Margin (NIM): Banks' net interest margin, which is the difference between the interest they earn on loans and the interest they pay on deposits and borrowings, may be squeezed when lending rates rise faster than deposit rates. This can impact banks' profitability.

4. Asset Quality: An increase in borrowing costs can impact borrowers' ability to repay loans, leading to a potential increase in non-performing assets (NPAs) for banks. This can further impact their financial health and require provisions to be made, affecting profitability.

Effects on Customers:

1. Increased Borrowing Costs: Customers who have loans linked to floating interest rates, such as home loans and personal loans, may experience higher monthly loan repayments when lending rates increase. This can impact their disposable income and budget planning.

2. Reduced Borrowing Capacity: With higher interest rates, borrowing becomes more expensive, which can reduce customers' borrowing capacity. This may discourage individuals and businesses from taking new loans or making new investments.

3. Impact on Savings: Banks may increase their deposit rates in response to the higher borrowing costs. This can be beneficial for customers with savings accounts, fixed deposits, or other interest-bearing instruments, as they can earn higher interest income on their savings.

4. Consumer Spending: When loan rates increase, customers may have less disposable income, leading to a decrease in consumer spending. This can have a broader impact on the overall economy, affecting sectors such as real estate, automobiles, and retail.

It's important to note that the impact of an increased repo rate on banks and customers can vary depending on the overall economic conditions, market dynamics, and the monetary policy stance of the central bank. Additionally, banks have flexibility in setting their lending and deposit rates within the policy framework, which can further influence the effects on customers.

INFLATION CONTROL BY RBI THROUGH BANKING SYSTEM:

RBI plays a significant role in controlling inflation, it operates within a broader macroeconomic framework that involves other factors such as fiscal policy, supply-side dynamics, global economic conditions, and structural reforms. Effective inflation control requires coordination and collaboration among various stakeholders, including the government, central bank, and regulatory authorities.

Here are some ways in which the RBI acts as a controller of inflation:

1. Monetary Policy: The RBI formulates and implements monetary policy to regulate the money supply in the economy. By adjusting key policy rates like the repo rate, reverse repo rate, and cash reserve ratio (CRR), the RBI influences the cost and availability of credit in the banking system. These measures aim to control inflation by managing aggregate demand and liquidity in the economy.

- **Repo Rate:** The RBI increases the repo rate to control inflation by making borrowing more expensive for banks, which can then lead to higher lending rates for customers. This can help in reducing aggregate demand and curbing inflationary pressures.
- **Reverse Repo Rate:** The RBI decreases the reverse repo rate to encourage banks to lend more and stimulate economic activity. This can help in addressing deflationary pressures, but it needs to be carefully managed to avoid excessive liquidity that can contribute to inflation.

2. Open Market Operations (OMO): The RBI conducts open market operations by buying or selling government securities in the market. Through OMO, the RBI influences liquidity conditions in the banking system. Selling securities reduces liquidity and restricts money supply, helping to control inflation. Conversely, buying securities injects liquidity and stimulates economic activity when needed.

3. Cash Reserve Ratio (CRR): The RBI mandates banks to maintain a certain portion of their deposits as reserves in the form of cash. By adjusting the CRR, the RBI influences the amount of money banks can lend. Increasing the CRR reduces the lendable resources of banks, which can help in controlling inflation by limiting credit expansion.

4. Regulation and Supervision: The RBI regulates and supervises banks and financial institutions in India. It sets prudential norms, including capital adequacy requirements, provisioning norms, and risk management guidelines. These measures aim to ensure the stability of the banking system, prevent excessive risk-taking, and maintain the soundness of banks' lending practices, which can contribute to controlling inflation.

5. Inflation Targeting Framework: The RBI operates under an inflation targeting framework, where it sets an inflation target to be achieved over a specific time horizon. It communicates its inflation target to the public and uses monetary policy tools to achieve it. This framework provides transparency, accountability, and predictability in the RBI's approach to inflation management.

JOBS OPPORTUNITIES FOR YOUTH IN BANKING SECTOR:

Banking sector in India offers several government job opportunities through various recruitment processes, such as:

Probationary Officer (PO): Banks conduct recruitment drives to fill vacancies for the position of Probationary Officer, which involves training and development to become future bank officers.

Clerical Cadre: Clerical positions, also known as clerks, are filled through recruitment exams. Clerks perform various administrative tasks, handle customer inquiries, and assist in the day-to-day operations of the bank.

Specialist Officer (SO): Specialist officers are recruited for specific functional areas such as IT, HR, Marketing, Law, and Agriculture. They bring specialized knowledge and expertise to perform specialized roles in banks.

Regional Rural Banks (RRBs): RRBs, sponsored by public sector banks, provide banking services in rural areas. They often conduct recruitment drives to fill vacancies for positions like Office Assistants and Officers.

EMERGING ROLE OF PRACTICING COMPANY SECRETARIES AS INSOLVENCY PROFESSIONAL:

Company Secretaries can play a role as insolvency professionals in the banking system, specifically in the context of corporate insolvency and bankruptcy proceedings. Here are some ways in which company secretaries can contribute as insolvency professionals:

1. Resolution Professional: In cases where a corporate debtor undergoes insolvency proceedings under the Insolvency and Bankruptcy Code (IBC), a resolution professional is appointed to manage the affairs of the company during the insolvency process. Company secretaries can act as resolution professionals, responsible for overseeing the resolution process, conducting the necessary investigations, managing the company's operations, and facilitating the restructuring or liquidation of assets.

2. Compliance and Governance: Company secretaries bring their expertise in corporate compliance and governance to the insolvency process. They ensure that the proceedings adhere to legal requirements, regulatory frameworks, and the provisions of the IBC. They play a crucial role in maintaining transparency, fulfilling reporting obligations, and ensuring compliance with applicable laws and regulations throughout the insolvency proceedings.

3. Restructuring and Turnaround: Company secretaries can provide insights and expertise in restructuring and turnaround strategies for distressed companies. They can analyze the financial and operational aspects of the business, identify potential restructuring options, and develop plans to revive the company's operations and financial health. Their knowledge of company law, governance, and finance enables them to contribute effectively to the restructuring process.

4. Communication and Stakeholder Management: Insolvency proceedings involve multiple stakeholders, including creditors, shareholders, employees, and regulatory authorities. Company secretaries, as insolvency professionals, can play a crucial role in facilitating effective communication and managing relationships with stakeholders. They can ensure that all stakeholders are appropriately informed, their rights are protected, and their interests are considered during the insolvency process.

5. Compliance with Regulatory Requirements: Insolvency proceedings involve compliance with various legal and regulatory requirements. Company secretaries can ensure that the necessary filings, disclosures, and submissions are made to regulatory authorities, such as the National Company Law Tribunal (NCLT) or the Insolvency and Bankruptcy Board of India (IBBI). They can also assist in the preparation and submission of reports, plans, and other documents required under the IBC.

FOREIGN BANKS OPERATION IN INDIA :

Foreign banks operate in India through the establishment of branches, wholly-owned subsidiaries, or as a part of joint ventures with domestic banks. These foreign banks bring in international expertise, technologies, and financial services, contributing to the growth and development of India's banking sector. Here are some key points regarding foreign banks' operations in India:

1. **Regulatory Framework**: Foreign banks operating in India are regulated by the Reserve Bank of India (RBI). The RBI issues guidelines and regulations governing the establishment, operations, and conduct of foreign banks in India, ensuring compliance with prudential norms and maintaining financial stability.
2. **Entry Modes**: Foreign banks can enter the Indian market through various modes, including setting up branches, wholly-owned subsidiaries, or joint ventures with domestic banks. Each entry mode has its own regulatory requirements and restrictions.
   - **Branches:** Foreign banks can establish branches in India to provide banking services. These branches operate under the regulatory framework set by the RBI and are subject to certain restrictions on geographical presence and the nature of services they can offer.
   - **Wholly-Owned Subsidiaries:** Foreign banks can also set up wholly-owned subsidiaries in India. This allows them to have a separate legal entity that complies with Indian regulations and conducts banking operations independently.
   - **Joint Ventures**: Foreign banks may collaborate with domestic banks to form joint ventures, combining their strengths and expertise. Joint ventures enable foreign banks to leverage the local market knowledge and distribution network of domestic banks.
3. **Business Operations**: Foreign banks in India offer a wide range of banking services, including corporate and investment banking, retail banking, trade finance, foreign exchange, treasury operations, wealth management, and more. They cater to both corporate clients and individual customers, providing specialized services tailored to their needs.
4. **Competition and Collaboration**: Foreign banks operating in India contribute to the competitive landscape of the banking sector. They bring in global best practices, innovative products, and technologies, stimulating competition and driving efficiency. At the same time, they also collaborate with domestic banks for various purposes, including syndicated lending, trade finance, and knowledge sharing.
5. **Expansion and Presence**: Over the years, several foreign banks have expanded their operations in India, increasing their presence in major cities and financial hubs. This expansion has led to a broader range of banking options for customers and enhanced access to international banking services.

CONCLUSION:

In conclusion, the Indian banking system plays a vital role in supporting the country's economic growth and development. It encompasses a diverse range of banks, including public sector banks, private sector banks, and foreign banks, which collectively contribute to financial inclusion, capital formation, and infrastructure financing. The regulatory framework established by the Reserve Bank of India ensures stability, soundness, and integrity within the banking sector. Technological advancements and digital innovations have improved accessibility, efficiency, and customer experience. The emphasis on risk management practices, NPA recognition, and resolution has strengthened the overall health of the banking system. While challenges exist, such as NPA management and governance issues, proactive measures and reforms are being undertaken to address them.

Overall, the Indian banking system's strengths lie in its extensive network, robust regulatory framework, technological advancements, focus on financial inclusion, risk management practices, and diverse product offerings. These strengths contribute to the stability, growth, and development of the banking sector, fostering economic progress in India.

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INTRODUCTION TO FAST TRACK MERGERS

Fast Track Merger ("FTM") is a concept that has been introduced under section 233 of the Companies Act 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to facilitate the ease of doing business. The main benefit of this unique concept is to save time and cost required for the merger and also to save the valuable time of hon'ble tribunal by the elimination approval required by court.

Applicability of Section 233

Section 233 of the Act prescribes the provisions for sanctioning of a scheme of merger or amalgamation entered into between (i) two or more small companies; or (ii) between a holding company and its wholly owned subsidiary company; or (iii) such other class or classes of companies by only obtaining the approval only from the Central Government, Registrar of Companies and the Official Liquidator. There is no requirement for obtaining the approval of the Tribunal i.e. National Company Law Tribunal under Section 233 of the Act.

Whether the benefits of section 233 is available for Demerger also.

Under Sub-Section (12) of Section 233 of the Act which provides an extension of the applicability of Section 233 of the Act in relation to division or transfer of a company referred to in Sub-Clause (b) of Sub-Section (1) of Section 232. As stated above, notwithstanding the heading of Section 232 of the Act, the provisions thereof extend to a scheme for the reconstruction of the company or companies involving merger or the amalgamation of any two or more companies including a scheme of demerger.

Therefore, by virtue of Sun-Section (12) of Section 233 of the Act the benefits of section 233 of the Act is not only limited to Fast Track Merger but also covered Fast Track Demergers.

Companies excluded from the preview of Section 233

The following types of companies cannot use the benefits of section 233 of the Act for doing fast track merger:

1. Public companies (except amalgamations involving holding and wholly-owned subsidiary companies);
2. Section 8 companies; and
3. Companies or body corporate are governed by any special Act.

Procedure for fast-track mergers

Companies opting for a fast-track merger are required to follow the broad steps set out below:

1. Draft a scheme of amalgamation and obtain approval of the board of directors.

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2. Issue a notice of the proposed scheme inviting objections or suggestions, if any, to be provided within 30 days from the Registrar of Companies (RoC) and Official Liquidators where registered office of the respective companies or persons affected by the scheme are situated.
3. Consider the objections and suggestions received in their respective general meetings.
4. The scheme must be approved by the following classes of persons:
   (i) Shareholders holding 90 percent of the total number of shares at the general meeting and
   (ii) Creditors or class of creditors representing 9/10th in value after a 21- day notice along with the scheme to the creditors.
5. File a declaration of solvency, as prescribed, with the RoC of the place where the registered office of the company is situated.
6. On receipt of the scheme, if the RoC or the Official Liquidator has no objections or suggestions, the central government registers it and issues a confirmation thereof to the companies. Any objections or suggestions are communicated in writing to the central government within 30 days. If no such communication is made, it is presumed there is no objection.
7. If the central government considers that the scheme is not in the public interest or in the interest of the creditors, it may file an application before the NCLT within 60 days of the receipt of the scheme, stating its objections and requesting that the NCLT may consider the scheme under section 232 of the Act. If the central government has no objection or it does not file any application before the NCLT, it is deemed that it has no objection to the scheme.
8. On receipt of an application from the central government or any person, the NCLT may either (i) direct that the scheme be considered as per the procedure set out in section 232 of the Act; or (ii) confirm the scheme.
9. A copy of the order confirming the scheme is required to be communicated to the RoC having jurisdiction over the transferee company and the persons concerned.
10. The RoC registers the scheme and issues a confirmation to the companies communicating it to the RoCs where the transferor company or companies were situated.
11. The registration of the scheme is deemed to have the effect of dissolution of the transferor company without winding up.
12. The transferee company files an application with the RoC along with the registered scheme indicating the revised authorized capital and pays the prescribed fees due on revised capital. Any fee paid by the transferor company on its authorized capital prior to its merger/ amalgamation is set off against the fees payable by the transferee company on its authorized capital as increased by the merger or amalgamation.
13. Following the merger or amalgamation, the transferee company will not hold any shares in its own name or in the name of any trust, either on its behalf or on behalf of any of its subsidiary or associate company, and all such shares are cancelled/extinguished.
14 The observations shared by the RoC and/or the Official Liquidator must be considered in the meetings of shareholders and/or creditors.

Stamp duty implications

stamp duty is levied on a conveyance i.e., a transfer of property. The schedule to the respective State Stamp Acts will provide for the stamp duty on 'conveyance. Further there is some important points to be considered with regard to the stamp duty implications. i.e.

Stamp duty is a state subject and its applicability is determined on the following two grounds:

- The state where the registered office of the company is situated:
- The status of the properties being transferred under the scheme.

Conclusion

fast-track merger is actually aimed and represents the concept of ease of doing business and have provided much-needed relief to small companies and startups also the legislature has sought to remove administrative barriers faced in Tribunal proceedings, thereby resulting in faster disposal of Schemes, reduction in the burden on Tribunals and reduction in costs and resources of the companies involved. . However, clarity is still required on some provisions of this mechanism. As Section 233 of the Act does not specifically prescribe whether a step-down subsidiary can fall under the ambit of fast-track merger or not.

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SOCIAL AUDIT: THEORY AND PRACTICE

ABSTRACT:

Social Audit is an emerging tool for organizations to assess and report their social and environmental impact. This research article aims to provide a comprehensive review of the theory and practice of Social Audit, exploring its origins, key concepts, methodologies, and challenges. By analyzing existing literature and case studies, this article aims to shed light on the benefits and limitations of Social Audit and its potential for promoting corporate social responsibility. The findings highlight the importance of Social Audit in enhancing transparency, accountability, and stakeholder engagement, while acknowledging the need for standardized frameworks and increased participation from businesses across various sectors

KEYWORDS: Social Audit, Corporate Social Responsibility, Stakeholder Engagement, Transparency, Accountability.

INTRODUCTION

Social audit is a process that examines and evaluates the social and environmental impact of an organization's activities, policies, and practices. It involves assessing the organization's performance in relation to its social and ethical responsibilities, and identifying areas for improvement. The background and significance of social audit can be understood in the context of several key factors: **(i) Corporate Social Responsibility (CSR)**: Over the past few decades, there has been a growing recognition of the importance of CSR. Society expects businesses to go beyond profit-making and contribute to social and environmental well-being. Social audits help assess whether organizations are fulfilling their CSR commitments and holding them accountable for their actions. **(ii) Stakeholder Engagement:** Social audit emphasizes the involvement of stakeholders in assessing an organization's impact. This includes employees, customers, local communities, investors, NGOs, and government agencies. By engaging stakeholders in the audit process, it promotes transparency, inclusivity, and collaboration, leading to better decision-making and improved relationships between the organization and its stakeholders. **(iii) Ethical Considerations:** Social audits help organizations evaluate their ethical standards and compliance with relevant laws and regulations. They examine issues such as labor practices, human rights, diversity and inclusion, environmental sustainability, and community development. Identifying ethical gaps and taking corrective measures enhances the organization's reputation, reduces risks, and ensures long-term sustainability. **(iv) Reputation Management:** In today's interconnected world, an organization's reputation is crucial for its success. Social audits enable companies to assess their social

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performance, identify any negative impacts they may be having, and take remedial actions to maintain and enhance their reputation. By demonstrating a commitment to responsible business practices, organizations can build trust and credibility among stakeholders, including customers, investors, and the wider public. **(v) Sustainable Development Goals (SDGs):** The United Nations' SDGs provide a framework for addressing global challenges, such as poverty, inequality, climate change, and sustainable development. Social audits align organizations' activities with these goals and help measure their contributions towards achieving them. By integrating the SDGs into their social audit processes, organizations can demonstrate their commitment to creating a more sustainable and equitable world.

The significance of social audit lies in promoting responsible business practices, engaging stakeholders, ensuring ethical behavior, managing reputation, and contributing to sustainable development. By conducting social audits, organizations can assess their social and environmental impact, identify areas for improvement, and work towards becoming more socially responsible entities.

EVOLUTION OF SOCIAL AUDIT

The evolution of social audit can be traced back to the emergence of the concept of corporate social responsibility (CSR) in the mid-20th century. The timeline highlighting the key stages in the evolution of social audit is as follows:

1. **Early Development (1960s-1970s)**: The concept of social audit began to take shape during this period as a response to the increasing concern about the social and environmental impacts of business activities. Early efforts focused on evaluating and reporting on social and environmental performance, often through voluntary disclosures.
2. **Emergence of Reporting Standards (1980s-1990s):** In the 1980s and 1990s, there was a growing recognition of the need for standardized reporting frameworks. The Global Reporting Initiative (GRI) was established in 1997, providing guidelines for sustainability reporting and serving as a catalyst for the formalization of social audit practices.
3. **Expansion of Stakeholder Engagement (1990s-2000s)**: During this period, the importance of engaging stakeholders in social audit processes became increasingly recognized. Organizations began involving stakeholders in the identification of social issues, setting performance targets, and evaluating impacts. Stakeholder engagement became a key aspect of comprehensive social audit practices.
4. **Integration of Social and Financial Performance (2000s-2010s):** The integration of social and financial performance became a central focus of social audit. The triple bottom line (TBL) framework gained prominence, advocating for the evaluation of economic, social, and environmental impacts together. The linkage between social and financial performance became essential for demonstrating long-term sustainability and responsible business practices.
5. **Advancements in Methodologies and Metrics (2000s-present)**: Over time, methodologies and metrics for social audit have evolved and become more sophisticated. Approaches such as social return on investment (SROI) emerged, enabling the quantification and valuation of social outcomes. Various tools and frameworks have been developed to assess specific aspects of social performance, such as labor practices, human rights, and environmental sustainability.
6. **Emphasis on Transparency and Accountability (2010s-present)**: In recent years, there has been a growing emphasis on transparency and accountability in social audit. Organizations are expected to provide accurate and reliable information on their social and environmental performance, enabling stakeholders to hold them accountable. The focus has shifted from mere reporting to demonstrating real impact and positive change.
7. **Integration with Sustainable Development Goals (SDGs) (2010s-present):** The adoption of the United Nations Sustainable Development Goals (SDGs) in 2015 has influenced social audit practices. Organizations are encouraged to align their social audit efforts with the SDGs, assessing their contributions towards achieving the global development agenda.

The evolution of social audit reflects the increasing recognition of the importance of social and environmental responsibility in business operations. It has evolved from voluntary reporting to a more comprehensive and systematic approach, incorporating stakeholder engagement, standardized frameworks, and advanced methodologies. Today, social audit plays a vital role in assessing and improving organizations' social and environmental performance, fostering transparency, and contributing to sustainable development.

THEORIES AND FRAMEWORK OF SOCIAL AUDIT

Several influential theories and frameworks have been developed to guide and structure the practice of social audit. Few such theories are listed below:

1. **Triple Bottom Line (TBL):** The TBL framework, popularized by John Elkington, suggests that organizations should evaluate their performance based on three interconnected dimensions: economic, social, and environmental. Social audit aligned with TBL aims to assess an organization's impact on people, planet, and profit. It promotes a holistic approach to business evaluation and encourages organizations to consider their social and environmental responsibilities alongside financial performance.
2. **Stakeholder Theory:** Developed by R. Edward Freeman, stakeholder theory emphasizes the importance of considering the interests and needs of all stakeholders, not just shareholders, in decision-making processes. Social audits based on stakeholder theory seek to identify and engage relevant stakeholders, understand their expectations, and assess the organization's impact on them. The theory helps organizations recognize the broader social context in which they operate and the significance of stakeholder relationships.
3. **Global Reporting Initiative (GRI):** The GRI framework provides guidelines for sustainability reporting. It offers a comprehensive set of indicators and performance metrics for organizations to disclose their economic, environmental, and social impacts. The GRI framework helps standardize social audit practices by providing a structured approach to data collection, reporting, and benchmarking. It enables organizations to communicate their sustainability performance transparently and consistently.

4. **AccountAbility AA1000 Series:** Developed by AccountAbility, the AA1000 Series provides a set of standards and guidelines for social and ethical accounting, auditing, and reporting. The framework emphasizes accountability, stakeholder engagement, and materiality. It guides organizations in identifying material social issues, setting objectives, and reporting on their social performance. The AA1000 Series promotes a systematic and iterative approach to social audit, integrating it with organizational strategy and decision-making.

5. **Social Return on Investment (SROI):** SROI is a framework that aims to measure and value the social and environmental impact created by an organization's activities. It quantifies social outcomes in monetary terms, allowing organizations to assess the return on investment from their social initiatives. SROI provides a methodology for social audit that goes beyond qualitative assessments, enabling organizations to demonstrate the value they create for society.

6. **ISO 26000**: The International Organization for Standardization (ISO) developed ISO 26000 as a guidance standard for social responsibility. It provides principles and guidelines for organizations to integrate social responsibility into their operations and decision-making processes. ISO 26000 supports social audit by defining key areas of social responsibility and suggesting methods for evaluation and improvement.

These theories and frameworks contribute to the development and implementation of effective social audit practices, helping organizations assess and enhance their social and environmental performance in a structured and meaningful way.

PRINCIPLES OF SOCIAL AUDIT

Social audit is a process that evaluates an organization's social, environmental, and ethical performance. It provides a systematic and structured way to assess the impact of an organization's activities on various stakeholders and the wider society. The principles of social audit can vary depending on the specific framework or approach being used, but here are some common principles:

1. **Transparency:** Social audit emphasizes transparency and openness in disclosing relevant information about the organization's social and environmental practices. This includes making information available to stakeholders and the public, allowing them to understand and assess the organization's impact.
2. **Stakeholder participation**: Social audit recognizes the importance of involving stakeholders in the audit process. Stakeholders may include employees, customers, communities, suppliers, and other relevant parties. Their participation

ensures that diverse perspectives are considered and that the audit reflects their concerns and expectations.

3. **Accountability:** Social audit holds organizations accountable for their social and environmental performance. It aims to assess whether the organization's actions align with its stated values, commitments, and legal obligations. This principle encourages organizations to take responsibility for their impacts and to address any shortcomings or non-compliance identified during the audit.

4. **Compliance with standards**: Social audit often relies on established standards or guidelines to evaluate an organization's performance. These standards can be developed by international bodies, industry associations, or civil society organizations. Compliance with these standards provides a benchmark for assessing the organization's practices and helps ensure consistency and comparability across different audits.

5. **Impact assessment:** Social audit seeks to evaluate the actual impacts of an organization's activities on society, the environment, and other stakeholders. It goes beyond assessing intentions or policy statements and focuses on tangible outcomes. This principle involves gathering data, measuring indicators, and analyzing the effects of an organization's actions.

6. **Continuous improvement:** Social audit recognizes that organizations should continuously strive to improve their social and environmental performance. It encourages organizations to identify areas for improvement, set targets, and develop action plans based on the findings of the audit. This principle promotes a cycle of monitoring, evaluation, and adaptation to drive positive change over time.

7. **Ethical considerations:** Social audit acknowledges the importance of ethical behavior in organizations. It assesses the organization's adherence to ethical principles, such as fairness, integrity, and respect for human rights. This principle ensures that the audit process itself is conducted ethically and that the organization's practices align with societal expectations.

These principles provide a foundation for conducting a social audit and help ensure that the process is rigorous, inclusive, and meaningful. However, it's important to note that specific frameworks or approaches to social audit may have additional or slightly different principles tailored to their particular context or objectives.

PROCESS OF SOCIAL AUDIT

Social Audit is a systematic process that examines an organization's social and environmental impact, policies, and practices. It involves assessing and reporting on how a company's activities affect various stakeholders, including employees, customers, communities, and the environment. The goal of a social audit is to enhance transparency, accountability, and sustainability within an organization. At its core, Social Audit goes beyond traditional financial reporting by considering non-financial aspects of an organization's performance. It helps identify the social, environmental, and ethical implications of business decisions, allowing companies to measure their progress in achieving social responsibility and sustainable practices.

The process of Social Audit typically involves several key steps:

1. **Establishing Objectives:** The organization defines the goals and objectives of the audit, such as evaluating the impact of its operations on society, identifying areas for improvement, or measuring compliance with specific standards or guidelines.
2. **Identification of Stakeholders**: The organization identifies and engages with relevant stakeholders who may be affected by its operations. This includes employees, customers, local communities, suppliers, investors, and regulatory bodies.
3. **Data Collection**: Relevant data is collected to evaluate the organization's social and environmental performance. This may involve gathering information on resource consumption, waste generation, greenhouse gas emissions, labor practices, community engagement initiatives, and other relevant indicators.
4. **Performance Measurement:** The collected data is analyzed and measured against predefined indicators or benchmarks. This enables the organization to assess its performance in meeting social and environmental goals and compare it with industry standards or best practices.
5. **Stakeholder Engagement**: Social Audit emphasizes active engagement with stakeholders throughout the process. This can involve soliciting feedback, conducting surveys or interviews, and ensuring that the concerns and expectations of stakeholders are taken into account.
6. **Reporting and Communication:** The findings of the Social Audit are compiled into a comprehensive report, which presents the organization's social and environmental performance, identifies strengths and weaknesses, and outlines action plans for

improvement. The report is typically made available to stakeholders and the public to foster transparency and accountability.
7. **Continuous Improvement:** Social Audit is an iterative process that encourages organizations to continuously improve their social and environmental performance. The audit findings serve as a basis for setting new goals, implementing corrective actions, and monitoring progress over time.

Social Audit benefits organizations in several ways. It helps build trust and credibility with stakeholders, enhances the organization's reputation, and minimizes risks associated with social and environmental issues. Additionally, it provides a framework for identifying opportunities for innovation, cost reduction, and competitive advantage through sustainable business practices. However, Social Audit also poses challenges. Gathering accurate and reliable data can be complex, and the subjectivity of certain social and environmental indicators can make measurement and comparison difficult. Limited resources, lack of standardized frameworks, and resistance to change within organizations can also hinder the effectiveness of Social Audit.

SOCIAL AUDIT IN INDIA

Social audit in India refers to the process of assessing and evaluating the performance and impact of government programs, policies, and schemes on the social welfare of citizens. It involves the active participation of individuals, communities, and civil society organizations to ensure transparency, accountability, and the efficient utilization of resources. The concept of social audit gained prominence in India with the introduction of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005. The MGNREGA mandates regular social audits at the village level to ensure that funds allocated for rural employment are being utilized properly and that the intended beneficiaries are receiving the benefits. Social audits in India typically involve a comprehensive review of program implementation, expenditure, and outcomes. They include activities such as public hearings, verification of records, beneficiary feedback, and the identification of gaps or irregularities. The objective is to empower communities, create a sense of ownership, and promote people's participation in governance. Various governmental and non-governmental organizations in India work towards facilitating social audits and building capacity among stakeholders to conduct them effectively. Social audits have been extended to other sectors and programs as well, such as education, healthcare, and public distribution systems, to ensure better service delivery and accountability. Overall, social audits play a vital role in strengthening transparency, promoting citizen engagement, and enhancing the effectiveness of social welfare programs in India.

CONCLUSION

In conclusion, social audit has emerged as a powerful tool for organizations to assess and enhance their social and environmental performance. Its evolution over time reflects the growing recognition of the importance of corporate social responsibility, stakeholder engagement, transparency, and accountability. From early voluntary reporting to the integration of social and financial performance, social audit has evolved into a comprehensive and systematic practice. It incorporates standardized frameworks, advanced methodologies, and the integration of sustainable development goals. By conducting social audits, organizations can demonstrate their commitment to responsible business practices, engage stakeholders, and contribute to a more sustainable and equitable world. The continued evolution of social audit will play a crucial role in shaping and guiding the future of business as it responds to the complex social and environmental challenges of our time.

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PROFESSIONAL OPPORTUNITIES FOR PRACTICING COMPANY SECRETARY (PCS)

Section 2(25) of the Companies Act, 2013 defines the term Company Secretary in practice means any member of the institute who does not work under any agreement. Hence, he works either as an individual or in partnership. The role, as well as the authority level of the Company Secretary (CS) under practice, is more than the Company Secretary (CS) in employment. In short a PCS is an allrounder, having expertise in the field of corporate laws, securities laws, capital market and corporate governance and many more, they are the chief advisor to the board of directors on best practices in corporate governance. They are responsible for all regulatory compliances of company. In other words, we can call them corporate planner and strategic manager.

To ensure that the company complies with the applicable Secretarial Standards, filing, registering any document including forms, returns, application and maintenance of secretarial records, statutory books and registers by and on behalf of the company, they act as an authorized representative. After introduction of Companies Act, 2013 the role, importance and opportunities of Practicing Companies Secretaries (PCS) has tremendously increased.

Under the Companies Act, 2013 the role of the company secretary has been considerably widened in as much as now he is not only responsible for the compliances under the company law but also in respect of compliances under all other applicable laws.

We can brief the opportunities a practicing Company Secretary (PCS) has now a days.

Opportunities for PCS unde Company Law –

A practicing Company Secretary is responsible for the efficient administration of a company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the board of directors are implemented. Despite the name, the role is not clerical or secretarial.

- Starting from Promotion, formation and incorporation of companies, and matters related therewith including choice of type of company, availability of name, drafting of Memorandum and Articles of Association and other documents, their stamping and registration with the Registrar of Companies, etc. To provide declaration in the prescribed format, that all the requirements of this Act and the rules made thereunder in respect in respect of registration and matters precedent or incidental thereto have been complied with;

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- To initiate and carry incorporation procedures like authenticating documents and proceedings used in registration; assuring delivery of registration and allotment details to registrar;
- Making application for increase in share capital; overseeing delivery details of share certificates of allotment; keeping records of share warrant holders;
- to comply & file annual return; releasing statutory declaration to receive commencement certificate; managing statutory books; giving meeting updates and notices of general meetings to every member; signing and authenticating financial reports and statements (Balance Sheet & Profit & loss statements) in cases of non-banking financial companies; filing resolution with registrar and preparing minutes of all General and Board Meetings within 30 days.
- To act as an expert in the various matters under Companies Act, 2013.
- Section 204 of The Companies Act, 2013 gives the power to PCS to conduct secretarial audit and provide secretarial audit report.
- To certify the statement which is required to be filed with the required to be filed with the Registrar every year indicating whether the scheme is being complied with an accordance with the orders of the Tribunals or not.
- To provide the certificate in form No. MGT-8 as per Section 92(2) of the Companies Act, 2013
- Rule 20 of Chapter VII : To act as scrutinizer for e-voting , Poll and Postal Ballot process.
- Limited Liability Partnership Act ,2008 Pre-certification for e-form 2, 3, 4,5,8,11,15 and 18

Opportunities for PCS in Securities and Exchange Board of India (SEBI) –

Company secretaries are now more popularly known as "Governance Professionals" and are called upon to guide the corporate board on various strategic, governance-related and compliance issues related to capital markets. Broadly, CS professionals have been authorized to verify compliances and issue certificates under various securities laws, SEBI regulations and guidelines, Listing agreements, etc.

- A company secretary has been also authorized to issue quarterly certificate to regard to reconciliation of total capital held by the depository in the DEMAT form, details of change in capital during the quarter, etc. under SEBI regulations.
- Moreover, a practicing company secretary is authorized to undertake internal audit of various capital market intermediaries such as portfolio managers, stockbrokers/trading members, credit rating agencies, depository participants, investment advisors, etc.
- As per Regulation 55A to issue quarterly certificate with regard to reconciliation of the total issued capital , listed capital and capital held by depositories in dematerialized form, details of changes in share capital during the quarter , and in principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital.
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 Regulation

56(d) gives empowers and gives opportunity to a PCS to issue a half yearly certificate regarding maintenance of hundred percent asset cover in respect of listed non convertible debt securities. To issue Compliance certificate regarding compliance of conditions of Corporate Governance. To issue certificate certifying that all share certificates have been issued within 30 days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies.

- To conduct the internal audit of Portfolio Manager as per SEBI (Portfolio Managers) Regulations, 1993
- Under SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 it gives opportunity to PCS to appear as authorized representative before the Securities Appellate Tribunal (SAT) under SEBI Act, 1992

Opportunities for PCS in Income tax :

To verify and submit attested returns & forms; to oversee authentication and filing procedure of TDS (Tax Deducted at source); ensuring that proper TDS is being deducted from the salary of employees; ensuring TDS reports are well maintained and submission of TDS to government is duly done.

Opportunities for PCS 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; to report any offensive matter of fraud found to government.

Opportunities for PCS as an Advising Agent:

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.

Opportunities for PCS in Foreign Exchange Management Act -

As we know, Company Secretaries are the compliance officers of a company. Their responsibilities include implementing and ensuring compliance to forex laws, especially those concerning capital account transactions.

A Company Secretary is responsible for: Advising on legal and procedural matters falling under FEMA and ensuring the timely compliances thereof. Advising Non-Resident Indians regarding investment in India and repatriation of such investments and returns thereon. Obtaining RBI/FIPB approvals.

To issue certificate with regard to compliance with FEMA Regulation for allotment of Shares under Foreign Direct Investment. Prohibition to Advertise.

Opportunities for PCS in Public sector

The Practicing Company Secretaries have a vast scope in the government sector of India. In several sectors, there are numerous government job opportunities for a Company Secretary.

Following are some of the roles that a CS can pursue in the public sector:

- Legal and Secretarial Officer;
- Finance Officer;
- Company Secretary and Compliance Officer;
- Corporate Communication and public relations;
- Taxation Expert;
- International Trade and WTOServices;
- Takeover Code, Mergers and Amalgamation Expert;
- Securities Compliance and Certification Services;
- Public Issues, Securities and Listings Management;
- Representation Service;
- Secretarial Compliance;
- Audit Compliance and Certifications Services;
- Corporate Governance Services;
- Corporate and Financial Advisory Services;
- Corporate Secretarial Services.

Opportunities for PCS IN Labor Law :

Apart from Corporate Laws, Securities Laws, FEMA, IPR, etc. Companies Act, 2013, company secretary has to play an important role in the new regime of Labor Codes. He has to guide the top management on the new Labor Codes and impact thereof on the industries.

Opportunities for PCS under Insolvency and Bankruptcy Code 2016:

Company Secretary in practice who has passed the Limited Insolvency Examination and has ten years of experience and enrolled as a member of respective institute/Bar Council or a Graduate who has passed the Limited Insolvency Examination, and has fifteen years of experience in management, after he received a Bachelor's degree from a university established or recognized by law. Company Secretary in Practice who has three years of experience who has passed the prescribed Valuation Examination can act as registered valuer under the code.

Opportunities for PCS to act as authorized representative

- Before the Competition Commission of India and Competition Appellate Tribunal under Competition Act, 2002,
- To appear as an authorized representative under Real Estate (Regulation and Development) Act, 2016,
- To appear as an authorized representative under Goods and Service Tax Act, 2017, Section 432:
- To appear as legal representative before NCLT or Appellate Tribunal for various matters under Companies Act, 2013.
- Trade Marks Rules 2002: To act as an Trade Mark agent.

Thus at the end we can conclude by saying there is an endless list of regulatory compliances, certifications, responsibilities as well as opportunities that a PCS is required to understand and ensure compliance primarily under Company Law or under SEBI regulations or under listing agreements or any other law.

Although the titles of these roles and designations will differ from one office to the next, the basic skill set requirements for each of these roles will be similar. Government vacancies are advertised on the official websites of numerous Ministries' departments for which the PCS can explore.

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"ROLE OF COMPANY SECRETARY UNDER GST REGIME"

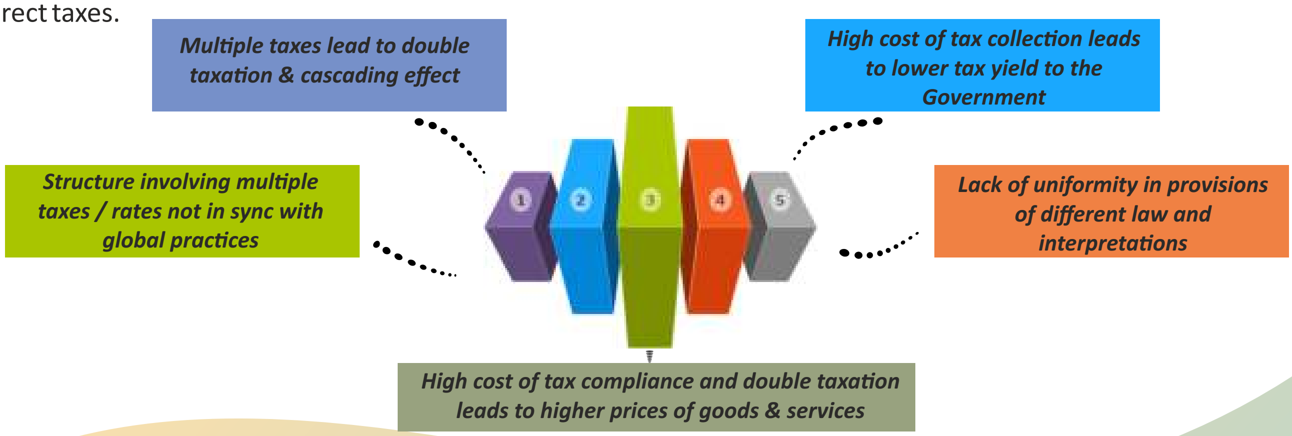
GST is a tax which is levied on the supply of goods and services and the tax is levied at every point of sale. GST Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST law have impacted the life of the many professionals. Enactment of GST Law in India is favorable for Tax System's growth and prosperity of our nation.

GST an area of Vast Opportunities for the Professionals. The Goods and Services Tax (GST) is a major taxation reform till date implemented in India since independence which has replaced many indirect taxes in India such as the Excise duty, VAT, services tax, additional customs duty, surcharges and Octroi etc. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017 and came into effect on 1st July 2017. The Parliament has enacted the Central Goods and Services Tax Act, 2017 (CGST Act) while the respective states have enacted their own law. The Parliament has also enacted the Union Territory Goods and Services Tax Act, 2017 (UTGST Act) for taxation of intra-state supply within the Union territories of the Country.

Under the GST Law in India, the role of a Company Secretary (CS) encompasses various responsibilities related to compliance, advisory, and administrative functions. The role of a Company Secretary (CS) under the Goods and Services Tax (GST) regime in India primarily involves ensuring compliance with various GST provisions and assisting the company in meeting its GST-related obligations. Here are some key responsibilities and tasks performed by a Company Secretary in relation to GST:

Need of GST

With the enactment / implementation of GST Law, new rules and amendments introduced in the taxation system. The Tax system has been improved and everything is required to do in the bracket of GST subsuming all the previously applicable indirect taxes.



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3 Major Components of GST

CGST	SGST	IGST
Tax collected by the Central Government on an intra-state sale	Tax collected by the state government on an intra-state sale.	Tax collected by the Central Government for an inter-state sale
Revenue - Shared equally between the Centre and the State		Centre will share the IGST revenue based on the

GST – An Emerging opportunity for Company Secretary Professionals

"Opportunities knock only once at your door" - GST is an opportunity for professionals like us, which provides an opportunity to serve, learn and earn.
GST law is a consolidation of many indirect taxes laws & rules with the inputs rendered by the tax authorities. GST provides an opportunity to every professional including Company Secretaries (CS), Member of the ICSI, to learn and grow with the new Tax System / Structure regardless of competition with experienced professionals of the field as this system is new and emerging for all.

After the enactment of GST Law in the country, the opportunities for professionals in the area of accounting services and tax management have increased significantly and so the role of Professionals including Company Secretaries. We, Company Secretaries, can help businesses / organizations to understand the necessary document needs which are required to submit for GST registration and relevant GST compliance post registration with the concerned authority. It is our duty and responsibility as Governance Professionals to take interest in, emerging opportunity provided by the Finance Ministry, new taxation system to understand fully and then advise concerned people / organization accordingly.

GST is a new career opportunity for us. The requirement of GST experts / professionals in the market is at peak due to various economic reforms of the nation. The newness of the GST concept and due to several changes came in this law, lucrative career opportunities have been creating in GST regime for GST professionals / experts. Due to the increased emphasis in GST reforms, the hiring intensity for GST professionals is at an overall high. There has been a huge demand for the GST talent / experts in all the business verticals due to the criticality of the subject.
This is the right time to become a GST experts / professional and take home hefty salary packages. But since the level of professional GST expertise required in the industry is high, one has to be careful & remain updated with all the latest concepts of GST laws.

GST Course promoted by ICSI:

As the demand of GST professionals has been increased in the industry, The Institute of Company Secretaries of India (ICSI), In order to give sufficient practical knowledge of GST, has come up with Certificate course in GST Law, which is an advanced level course and shall test a candidate's knowledge of various concepts of GST along with the transitional issues. The candidates successfully complete the Course are awarded a Certificate by ICSI.
This course enables members to understand the key areas of impact in their business, prepare different scenarios for the design and application of GST, identify areas of adverse impact and prepare contingency measures, examining legal

documentation for recovery of taxes on existing transactions, etc.

ROLE OF COMPANY SECRETARIES UNDER GST REGIME

Company Secretaries, Members of ICSI, are Law Experts and Compliance Master. Under section 203 of the Companies Act, 2013, Company Secretary has been defined as KMP's i.e. Key Managerial Personnel, means person who is in - charge of maintaining the high standard of Corporate Governance by abiding laws and regulations in timely complied manner. In other countries, Company Secretary is called as Corporate Secretary as he is responsible to take care of all the compliances with statutory and regulatory requirements.

Company Secretaries can play an important role in GST Regime. Company Secretaries can act as a Consultant, facilitator and an advisor to the Corporates. They can ensure smooth rollout of GST
Law in India. To minimize tax and smooth implementation of GST, the business would require restructuring their system and Company Secretary can render required service to and ensure proper restructuring of business.

List of some activities and Compliance Matters that can be undertaken by a Company under the GST Regime:

1. Registration of various Business forms under the GST Laws
As we all know that there is no professional certification required to file registration of any business form with the GST Authorities. Therefore, a Company Secretary professional can also render registration services to the industry.

2. Filing of GST Returns with the GST Authorities
To file GST Returns, whether monthly / quarterly at GST Portal for all types of Business forms, there is no professional attestation / certification required, Hence, a Company Secretary professional with expertise in the GST matters, can also render registration services.

3. Consultancy to the Entrepreneurs and Restructuring their Business System:
Being a Company Secretary, we have been always considered as Corporate Law experts. We don't need any Taxation Degree to provide consultancy on the GST matters. We can comprehensively interpret the law of GST and provide complete guidance and advisory to the business entities.

4. Submission of various returns in a time bound manner.
We are responsible for the efficient and timely administration of the company and specifically ensuring statutory and regulatory compliance. We can guide in better compliance and governance and ensure that all activities undertaken to achieve its aim are in compliance with legal, ethical and regulatory requirements.

5. E-waybills related issues:
E-Way Bill is an Electronic Way bill for movement of goods to be generated on the e-Way Bill Portal and is mandatory for a GST registered person transporting goods exceeding value of Rs. 50,000 (Single Invoice/bill/delivery challan). We can help the business entities / persons registered under GST Law to generate the W-waybill on time.

6. We can help and support business entities in Maintenance of appropriate registers and records of the organization as required under GST Law regime.

7. Tax planning:
Tax planning is an important segment for every business. We can help the industry owners / entrepreneurs by Tax planning

services and helps in increasing availability of cash for investment, business, or personal needs. We are competent to understand the impact of laws, changes / modifications and its various alternatives and can be helpful in proper tax planning under GST.

8. Ensure adequate steps /measures has been taken to prevent from Non - Compliance.
Procedural Compliance includes registration, filing of returns, payments of taxes, assessment etc. Since a Company Secretary is already playing the role of a Compliance Officer under various other laws, he can assist in the same under GST law also.

9. Amendments / modifications & Closure of Business:
We can helps the registered person under GST Law to submit various applications for amendments or modifications / revocation and cancellation of GST Registration.

10. Record Maintenance:
The CS ensures that the company maintains accurate and up-to-date records related to GST transactions, invoices, input tax credit, and other relevant documents. They may also establish internal controls and processes to ensure proper record keeping.

11. Audits and Assessments:
In case of GST audits or assessments by tax authorities, the CS assists the company in preparing and providing the required documents and information. They also help in responding to any queries or notices received from the authorities and represent the company during audits or assessments.

11. Compliance Management:
The CS ensures that the company complies with all GST compliance requirements. This includes filing GST returns, maintaining proper records and documentation, and adhering to invoicing rules and regulations.
Company Secretary Professionals have specialized knowledge and expertise in GST laws and regulations and plays a vital role in helping businesses and individuals navigate the complexities of the GST system, ensuring compliance, and optimizing tax benefits.

CONCLUSION:

In the Goods and Services Tax (GST) regime, the role of a Company Secretary (CS) is crucial in ensuring compliance with various legal and regulatory requirements. Specific responsibilities may vary depending on the size and nature of the company. The specific responsibilities and involvement may vary based on the company's needs, industry sector, and the complexity of its operations.
Registration, Amendments, Closure, Compliance Check requirements, Audit and due diligence in the matters related to GST Law in the Corporate Sectors needs a close watch and proper guidance and laws / regulations should be followed by the Company Secretaries / Company Secretaries in Practice. All the records and disclosures should be made properly.

The Corporate Laws including GST becomes more tough and strict against Non – Compliances with respect to any matter. The dynamics of the boardroom are changing and chairmen and directors are realizing that they need specialist skilled and technical knowledgeable person in this area and they are looking to company secretaries to provide this expertise. We are skilled expert professionals who understand legal, financial and compliance dimensions of business entity comprehensively.

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PROFESSIONAL OPPORTUNITIES FOR PCS

Company Secretary or CS is defined under section 2(24) of the Companies Act, 2013 means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, who is appointed by a company to perform the functions of a company secretary under this Act. As per Company Secretary Act, Company Secretary means a person who is a member of the Institute of Company Secretary of India.

Company Secretary in Practice or PCS is defined under section 2(25) of the Companies Act, 2013 means a company secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980.
The responsibilities of the modern-day company secretary have evolved from that of a note taker at board meetings or administrative servant of the Board to one which encompasses a much broader role of acting as Board advisor and having responsibility for the organisation's corporate governance.

The Board particularly the chairman relies on the company secretary to advise them not only on directors' statutory duties under the law, disclosure obligations and listing rule requirements but also in respect of corporate governance requirements and practices and effective board processes. This specialised role of the modern company secretary has emerged to position them as one of the key governance professionals within the organisation.

The Company Secretary is

- an in-house legal expert;
- a compliance officer of the Company;
- an expert in corporate laws, securities laws & capital market and corporate governance;
- Chief advisor to the board of directors on best practices in corporate governance;
- a successful entrepreneur;
- responsible for all regulatory compliances of company; and
- Corporate planner and strategic manager

Company Secretary has been recognized as Key Managerial Personnel along with the Chief Executive Officer/ managing director/ manager, whole-time director and Chief Financial Officer. (Section 203)

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Being Key Managerial Personnel, Company Secretary is required to be mandatorily appointed in every company belonging to such class or classes of companies as may be prescribed.

As per the Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 such prescribed class is every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have whole-time key managerial personnel.

As per Rule 8A i.e., Appointment of Company Secretaries in companies not covered under rule 8.
A company other than a company covered under rule 8 which has a paid-up share capital of five crore rupees or more shall have a whole-time company secretary.

Process to Appoint as Company Secretary

I. **Call Board Meeting**: As per Section- 203(2) Pass a Board Resolution for Appointment of Company Secretary containing

- Terms and Condition of Appointment
- Remuneration
- Membership No.

II. **Consent to act as Company Secretary:** Receive consent from Company Secretary to act as Company Secretary.

III. **Consent to act As Company KMP**: Receive consent from Company Secretary to act as Key Managerial Personnel of the company..

IV. **Process for appointment of Company Secretary:** The following forms need to be filed with ROC along with consent letter and certified true copy of Board Resolution:

- MGT-14: As per provision of Section 179 (3) Rule 8(2), Company requires to file MGT- 14 within 30 days of passing of the Resolution.
- MR-1: As per Rule 3 of Chapter XIII, Company requires to file MR-1 at the time of appointment of KMP within 60 days of passing of Board Resolution.
- DIR- 12: As per Section 170 (2), form DIR-12 is required to be filed for appointment of Director or KMP within 30 days of passing of Board resolution along with appointment letter and self-attested copy of PAN card.

RESPONSIBILITIES OF A PRACTISING COMPANY SECRETARY

Practising company secretary has various responsibilities like certification services, act as secretarial auditor, financing services etc.

- **Certification services**

Many statutory compliances and documents like forms filed by the companies, require certification by a practising company secretary. Many other documents in the pre-incorporation phase are certified by a CS before they are filed with the concerned authorities. He is also responsible for signing and certifying the annual returns of the company.

- **Secretarial auditor**

Certain companies have been prescribed under Section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. These companies include:

1. Every listed company
2. Every public company having-

a) paid-up share capital of fifty crore rupees or more or;
b) turnover of two hundred fifty crore rupees or more or;
c) outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more.

Such companies are required to comply with secretarial audits which shall be conducted by a CS in practice. The report of such an audit is attached with the report of Board of Directors.

- **Services related to finance and accounting**

A company secretary is required to provide various financial and accounting services like:

i. making project reports for companies and conduct feasibility studies for their future projects.
ii. advising on tax planning, tax management and various compliance relating to direct as well as indirect taxes.
iii. providing consultancy on matters such as budgetary controls and choice of appropriate capital structure.

Other miscellaneous responsibilities

A company secretary is eligible to be appointed as insolvency professional after clearing the exams and training stipulated by the Insolvency and Bankruptcy Board of India. He is also eligible to work as GST professional and registered valuer which is different from their traditional role.

According to the Companies Act, 2013, the role of company secretaries in practice is as follows:

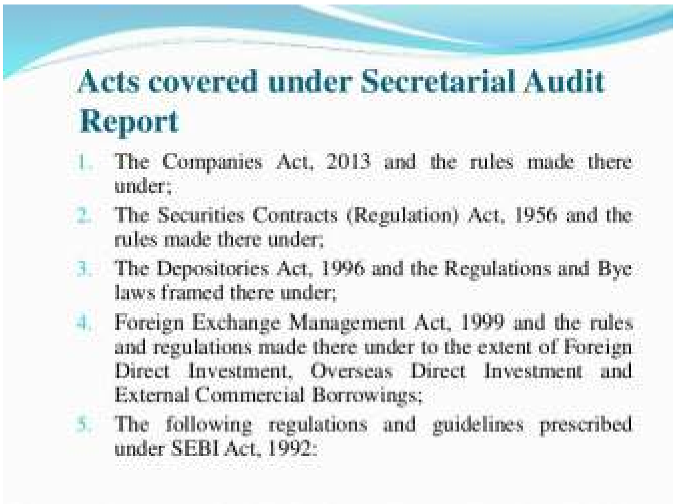
1. Secretarial Audit

Secretarial Audit is the process to check whether the company is adhering to the legal and procedural requirements and a process to monitor the company's compliance with the requirements of the stated laws. The objective behind the introduction of secretarial audit is to improve corporate governance and compliance.

According to Section 204 of the Companies Act 2013, it is the duty of the Company Secretary in practice to perform secretarial audit of every listed company and any such other class of prescribed companies. The Central Government has prescribed the such other class of prescribed companies as-

Every public company with a paid-up share capital of Rs. 50 Crore or more.

Every public company with a turnover of Rs. 250 Crore or more.

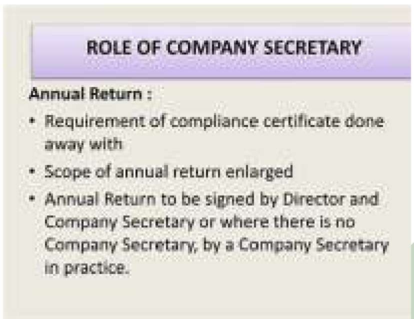


2. Secretarial standards

The objective behind the formulation of secretarial standards is to integrate, harmonize and standardization of diverse secretarial practices. The Companies Act, 2013 under Section 118 has made the compliance of Secretarial Standards compulsory on meeting of the Board of Directors and on general meetings.

3. Annual return

Annual return is a comprehensive document contains information regarding share capital, directors, shareholders, changes in directorships etc about the company. Under the old Companies Act of 1956 the annual return of the listed companies is required to be signed by the company secretary in practice. The new Companies Act, 2013 under Section 92 has widened this requirement by providing those annual returns of companies having such paid up capital and turnover to be signed and certified by the company secretaries in practice.



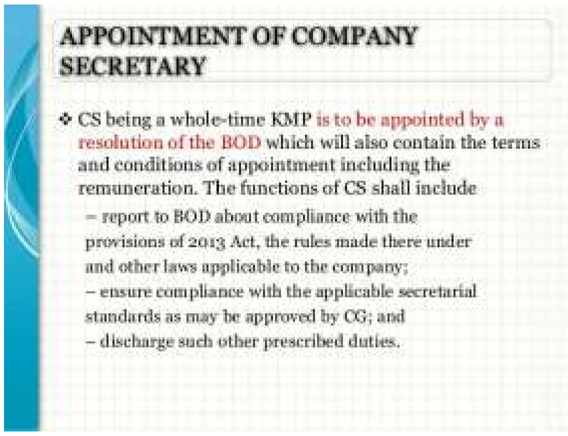
4. Appointment of whole-time key managerial personnel

Under Section 203 of the new Companies Act, 2013, the companies have to compulsorily appoint the whole time Key Managerial Personnel in respect of certain class of companies as prescribed by the Central Government to ensure good corporate governance and regulation. The company shall have the following whole-time Key Managerial Personnel (KMP):

a) Managing Director or Chief Executive Officer or manager and in their absence, a whole-time director.

b) Company Secretary.

c) Chief Financial Officer.



So, this made the appointment of whole-time Company Secretary mandatory for better efficiency.

5. Communication and Public Relations

Public relations refer to the practice of enhancing an organization's reputation in the eyes of public, stakeholders, employees, investors and all others associated with it. Public relation experts are specially hired by organizations who work hard towards maintaining brand image of organization.

Communication plays an essential role in effective public relations. Two-way communication between both the parties is essential and information must flow in its desired form between the organization and public. The receiver must understand what the sender intends to communicate for an effective public relation. Communication needs to have a strong influence on the target audience for them to remain loyal towards the organization.

The company secretary is the one who can communicate with the public on behalf of the company stating all the facts and other information that needs to be disclosed to the public in a manner that they can understand and don't get mis leaded.

NEW HORIZONS TO PRACTISING COMPANY SECRETARIES

Practising Company Secretaries have several other segments in which they can enhance the scope by way of Corporate Social Responsibility and economical and social governance. A social enterprise shall not be eligible to register or raise funds through the Stock Exchange if:

- any of its promoters, promoter group or directors or selling shareholders (in case of for-profit social enterprise) or trustees are debarred from accessing the securities market by SEBI or any other government or statutory body.
- any of the promoters or directors or trustees of the Social Enterprise is a promoter or director of any other company or Social Enterprise which has been debarred from accessing the securities market by SEBI;
- the Social Enterprise or any of its promoters or directors or trustees is a wilful defaulter or a fraudulent borrower;
- any of its promoters or directors or trustees is a fugitive economic offender.

Corporates are required to provide accurate reporting on social purpose and its fulfilment, by whatever name called, though may vary in scope as well - ESG reporting or sustainability reporting or BSR reporting or CSR reporting or Triple Bottom Line reporting that is possible when there is Company Secretary.

A social audit can be defined as a review of a company's production procedure, policies and code of conduct to find how they impact society. It is conducted out of social responsibility by an organization to establish its positive image in public and if anything is found negative then suitable actions are taken to correct them.

- **Social Stock Exchange**

The Social Stock Exchange (SSE) is a separate segment of the existing stock exchange that can help social enterprises raise funds from the public through the stock exchange mechanism. SSE will act as a medium between social enterprises and fund providers and that can help them select those entities that are creating measurable social impact and reporting such impact.

Certain types of social enterprises i.e., not-for-profit organisations (NPOs) that meet the registration criteria can register on SSE and undertake to make continuous disclosures on their social impact. Such NPOs may or may not choose to raise funds through SSE; they would, however, continue to make disclosures, including on social impact, to stock exchanges.

- **Social Audit**

In business, a social audit refers to a formal evaluation (or audit) of a company's procedures and endeavours with regards to corporate social responsibility (CSR) and societal impact. Many companies formulate goals and objectives with regards to CSR initiatives and the social audit is used to review to what extent they've reached their goals.

With corporate social responsibility becoming increasingly important in today's business environment, corporations consistently strive to maintain a delicate balance between responsibility to its stakeholders, such as customers, investors and shareholders, as well as setting certain objectives with regards to making a strong societal and community impact. Often, CSR is integrated into many areas of a company's service lines and are often interdependent.

Social audits exert a strong influence on impacting the public relations image of companies and are usually heavily focused on, especially for larger publicly-traded corporations hoping to maintain a good public perception since it ties in with their earnings and share pricing.

- **Alternate Dispute Resolution**

Alternate Dispute Resolution (ADR) is a medium of resolving dispute outside the formal legal system. There is a long and old tradition in India encouraging resolution of disputes informally wherein disputes are referred to third parties. The ADR mechanism consists of negotiation, conciliation, mediation, arbitration and an array of other hybrid procedures. ADR has witnessed phenomenal growth over the past several years to include many areas in addition to the resolution of traditional commercial dispute through mediation as a significant first step towards the development of this process.

Each agreement makes provision for settlement of disputes between an investor of one Contracting Party in relation to an investment of the former through the following ADR procedures:

- **Negotiation:** A non-binding procedure in which discussions between the parties are initiated without the intervention of any third party with the object of arriving at a negotiated settlement of the dispute.
- **Conciliation:** A non-binding procedure in which an impartial third party, the conciliator assists the parties to a dispute in reaching a mutually satisfactorily and agreed settlement of the dispute.
- **Arbitration:** A procedure in which the dispute is submitted to an arbitral tribunal which makes a decision on the dispute that is binding on the parties.

ROLE OF COMPANY SECRETARY IN MSMES AND STARTUPS

Company Secretary is an important managerial and administrative part of a start-up. He is one of the legal representatives of a start-up who performs and manages various regulatory functions like pre-incorporation matters, carrying incorporation of the start-up, sufficing preparation of statutory registers, books of accounts and internal audit of business and generating reports, filing annual returns; dealing with amended regulations on a steady basis, etc.

He also plays a definite role as a Business Advisory to the board of directors of the company guiding them various labour, industrial local and environments laws, corporate and taxation laws, corporate governance, strategic management, cost management, project planning etc. In short, a Company Secretary works as an in-house legal expert and compliance officer with the company.

The principal duty of a company secretary as an administrator is to ensure that the activities of a company are in conformity with the company's policy. In its role as an administrator, the company secretary provides the very foundation on which the entire structure of company administration is constructed.

NEED OF A PRACTICING COMPANY SECRETARY

A start-up apart from having an in-house Company Secretary also required the services of a Practicing Company Secretary:

- **Incorporation Services:** A Practicing Company Secretary guides you with incorporating your business and caters your needs according to your business plan. To form a business a Practicing Company Secretary is eligible to certify and incorporate your business.
- **Preparation of Agreements:** He helps in drafting various agreements, contracts, deeds required from time to time. A Startup for day-to-day business activities forms various business associations for which a valid contract and agreements are necessary. A Practicing Company Secretary and his legal team is very well versed to draft a agreement as per the needs of the parties to contract.
- **Drafting of website policies:** In today's era majority of businesses run their businesses online though apps and websites. Most growing businesses establish a website to market their start-up and their products / services. The policies are very necessary, as if these are not present, a customer or government authorities can take action against business. The language used in such policies is very carefully drafted to not leave any loop-hole for any legal trouble in future.
- **Managing of statutory and other Books:** Managing and creation of statutory books and register is a tough job to do. Many times, Startups and other small entities prefer to outsource their managing of statutory registers to a practicing company secretary's firm, as it costs less and saves a lot of time.
- **Book Keeping:** Book keeping and tally are cumbersome tasks that need skilled professional. Usually, small companies cannot afford to hire an additional employee for such a task and outsource the work to a Practicing Company Secretary.
- **Taxation Services**: From filing of Income Tax return for the company to register the business with goods and Services Tax and filing of returns, the practicing company secretary can carry the functions very well. Also, the Practicing Company Secretary help to avail many tax benefits under section 56 and 80 of the Income Tax Act.
- **Intellectual Property:** A Practicing Company Secretary can file the application for various intellectual property registrations. In case of appearing before the officers for hearing, serving and replying to opposition notices, appear before Intellectual property appellate board.

- **Act as Constituted Attorney:** A company Secretary in Practice can act as a constituted attorney for its clients to appear before various authorities for various matters such as before Intellectual Property Right offices and appellate tribunals, National Company Law Tribunal, Goods and Services Tax offices, Real Estate Offices, Income Tax offices, Registrar of Companies and many other authorities.
- **Legal Notices:** A company in its day-to-day business activities might receive some legal notices, like for any property dispute and passing off case or any infringement of trademark. For that purpose, a company will not again and again secure legal consultancy from outside professionals, when they have an in-house Company Secretary which is very well versed with legal terms and understand it better and can send a handsome and suitable reply.
- **Act as a Liaising Professional:** A company Secretary in practice also act as a middle man or attorney to handle matters and business deals of its clients.
- **Annual Return:** A Practicing Company is the only professional authorised to certify company's annual returns.
  Secretarial Services: A Company Secretary in Practice is known for its secretarial services around the globe. He is an expert in providing such services like; change in directors, change in registered office address, change in business objects of the company, issuance of shares, closure of company etc
- **Registrations and Licensing Services:** Apart from legal, corporate law, taxation and accountancy services, a practicing company secretary's firm also perform registration and licensing services. Like registering the business with food safety authority, organic certification authority, local licenses from municipality, drug license, Real estate license, import export code, government e marketplace registration and many other licenses and registrations.
- **Other Services:** A company Secretary also can provide many other sets of services like drafting of project reports for loan allotment, managing payroll of the company, managing various policies, guiding on investments, arranging and conducting meetings with potential investors and businesses etc.

CONCLUSION

Companies are subject to constant change in today's digital age. A lack of transformation ability, growing competitive pressure and the inability to react quickly and agile to this bring many companies to their knees. Extensive cultural changes are also influencing many industries. Companies therefore continuously need to be on top of these emerging trends so to implement any actions required.

Considering on the role of Company Secretary as the Compliance Officer it can be aptly said that the functions of the company secretary can be integrated with the governance functions. The capacity of company secretary can ensure higher level of corporate administration and governance according to the prescribed norms. Company Secretary is an important managerial and administrative resource for a startup venture. He is the legal representative of the entity and performs and manages various regulatory functions as well.

A Company Secretary in Practice is also a professional who has his own team and covers almost all the legal and secretarial areas of service which a business requires. A company or a start-up can also take the retainers ship services from a Practicing Company secretary.

An educated and well versed with legal knowledge entrepreneur like a company secretary will take all the steps carefully and come into business associations and run business legally and safely which will eventually save his time and legal troubles.

A social audit is a formal evaluation of a company's procedures and endeavours with regard to corporate social responsibility and societal impact. He assesses how well a company is meeting its CSR objectives and provides an opportunity to identify areas for improvement. Social audits exert a strong influence on impacting the public relations image of companies as businesses strive to maintain a delicate balance between their social initiatives and providing value to its investors and shareholders.

A CS is an essential part of the company who ensures that a company complies with all the provisions which are laid down by the law. A CS is basically an employee of the company even though he holds such a high rank which is near to that of a director of a company. Typically, a CS is the only employee of the company who has advisory powers in the firm.

The need and the role of the company secretaries have been increased with the advent of the new Companies Act 2013 and if the company does not comply with the aforesaid provisions there is a penalty for the same.

Any company which is mandatorily required to appoint a Company Secretary (C.S.) if don't appoint, such company shall be liable to a penalty of five lakh rupees and every director and key managerial personnel of the company who is in default shall be liable to a penalty of fifty thousand rupees and where the default is a continuing one, with a further penalty of one thousand rupees for each day after the first during which such default continues but not exceeding five lakh rupees.

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EVOLVING ROLE AND PROFESSIONAL OPPORTUNITIES FOR PRACTICING COMPANY SECRETARIES (PCS)

INTRODUCTION:

In today's dynamic business environment, corporate compliance and governance play a vital role in ensuring the ethical and sustainable growth of organizations. A Corporate Secretary, is a key professional who specializes in managing compliance and governance within companies. In the corporate landscape of India, the role of Practising Company Secretaries (PCS) holds immense significance. These professionals play a vital role in ensuring compliance, governance, and ethical practices within organizations. This article delves into the statutory and regulatory framework governing the role of Practicing Company Secretaries, and aims to identify and analyse the evolving role and professional opportunities available to them.

BACKGROUND AND SIGNIFICANCE:

India's corporate landscape has witnessed significant growth and transformation over the years. With a thriving economy and increasing regulatory scrutiny, companies are under pressure to maintain transparency, comply with legal requirements, and uphold ethical practices. This has led to a greater demand for skilled professionals who can navigate the complexities of corporate compliance and governance.

The role of PCS professionals has gained immense significance due to their expertise in these areas. They act as a bridge between the company's management, board of directors, and various regulatory authorities. PCS professionals play a pivotal role in ensuring that companies adhere to statutory and regulatory obligations while fostering transparency, accountability, and good corporate governance practices.

DEFINITION AND QUALIFICATIONS OF A PCS:

A Practising Company Secretary is a qualified professional who specializes in corporate law, compliance, and governance. In India, the profession is governed by the Company Secretaries Act, 1980. To become a Practicing Company Secretary, individuals must obtain membership and Certificate of Practice (CoP) from the Institute of Company Secretaries of India (ICSI).

STATUTORY AND REGULATORY FRAMEWORK:

The role of PCS professionals is governed by various statutory and regulatory frameworks. The primary legislation is the Companies Act, 2013, which outlines the responsibilities and duties of company secretaries. PCS professionals play a crucial role in ensuring compliance with this act and its subsequent amendments.

* The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI

In addition to the Companies Act, PCS professionals also oversee compliances with other relevant laws and regulations. These may include the Securities and Exchange Board of India (SEBI) Regulations, the Securities Contracts (Regulation) Act, the Foreign Contribution (Regulation) Act, 2010, the Foreign Exchange Management Act, 1999 and the listing agreements of stock exchanges, among other regulations. PCS professionals work in collaboration with regulatory bodies like SEBI to ensure compliance, transparency, and good governance practices.

EVOLUTION OF THE PCS PROFESSION:

The PCS profession has evolved significantly over the years, gaining recognition for its crucial role in corporate governance and compliance. In the past, the role of a company secretary was primarily administrative. However, with the introduction of corporate governance norms and increased regulatory focus, the role of PCS professionals has expanded to encompass strategic and advisory functions.

The profession has witnessed several milestones and achievements. The establishment of ICSI in 1968 played a pivotal role in shaping the profession and its recognition. The ICSI Act was enacted in 1980, giving statutory recognition to the institute and establishing a regulatory framework for the profession. Over time, the importance of PCS professionals in ensuring compliance, transparency, and accountability has been acknowledged by regulators, companies, and stakeholders.

The perception of PCS professionals has also evolved, with their role being seen as integral to corporate decision-making and governance. They are now viewed as trusted advisors to the board of directors and senior management, contributing to strategic planning, risk management, and corporate social responsibility initiatives.

The role of PCS has evolved from its administrative roots to become a strategic and advisory function, recognized for its contribution to corporate decision-making. With the statutory and regulatory framework governing their role and the qualifications set by the ICSI, PCS professionals continue to uphold transparency and ensure good corporate governance practices in India's corporate landscape.

SIGNIFICANCE OF PCS PROFESSIONALS IN THE CORPORATE LANDSCAPE:

PCS professionals play a pivotal role in safeguarding the integrity of the corporate landscape in India. Their contributions are instrumental in upholding the principles of transparency, accountability, and responsible business practices. By ensuring that companies comply with statutory regulations, they help prevent fraudulent activities, unethical practices, and non-compliance issues that could potentially harm stakeholders and undermine the overall reputation of the corporate sector.

Furthermore, PCS professionals actively contribute to enhancing corporate transparency by assisting in the preparation and dissemination of financial statements, ensuring accurate and timely reporting of financial information. They facilitate effective communication between shareholders, directors, and management, enabling informed decision-making and fostering a culture of trust and transparency within organizations.

The role of Practicing Company Secretaries (PCS) professionals in India has evolved into a critical and indispensable one. Their expertise in corporate governance, legal compliance, and ethical standards positions them as key contributors to the success and sustainability of organizations across various sectors. The demand for PCS professionals is on the rise, presenting them with a plethora of career opportunities in both traditional and emerging industries. As India's corporate landscape continues to evolve, the role of PCS professionals will only grow in significance, ensuring that businesses operate ethically, transparently, and in compliance with regulations, thereby fostering investor confidence and contributing to the overall growth and development of the Indian economy.

1. IMPORTANCE OF CORPORATE GOVERNANCE:

Corporate governance is the system of rules, practices, and processes by which companies are directed and controlled. In India, it holds significant importance for several reasons. Firstly, ethical practices and transparency are crucial for building trust and confidence among stakeholders, including investors, employees, and customers. Good corporate governance practices ensure that companies operate with integrity and in the best interests of their stakeholders.

Secondly, corporate governance enhances accountability and reduces the risk of fraud and malpractices. By establishing effective checks and balances, companies can minimize the potential for financial irregularities and unethical conduct. This leads to increased investor confidence and a positive perception of Indian businesses globally.

PCS professionals play a pivotal role in promoting good corporate governance. They act as the custodians of compliance and governance within organizations, ensuring adherence to regulations, facilitating board meetings, maintaining statutory records, and advising on corporate governance best practices. Their expertise and knowledge are instrumental in upholding ethical standards and fostering a culture of transparency and accountability.

2. ROLE OF PCS PROFESSIONALS IN ENSURING COMPLIANCE:

Compliance with company laws, regulations, and guidelines is crucial for organizations to operate within the legal framework and meet their obligations. PCS professionals are at the forefront of ensuring compliance by:

Understanding and Implementing Company Laws: PCS professionals possess a deep understanding of the legal framework governing corporate operations. They assist companies in interpreting and implementing laws such as the Companies Act, 2013, and other relevant legislation, ensuring compliance with statutory requirements.

Facilitating Board Meetings and Governance: PCS professionals play a key role in organizing and managing board meetings, ensuring compliance with legal procedures and protocols. They assist in preparing meeting agendas, providing secretarial support, and documenting minutes of the meetings, thereby contributing to effective corporate governance.

Developing Corporate Governance Frameworks: PCS professionals advise companies on the development and implementation of robust corporate governance frameworks. This includes formulating codes of conduct, establishing internal control mechanisms, and implementing risk management systems to safeguard the interests of stakeholders.

Guiding Disclosure and Reporting: PCS professionals assist companies in fulfilling their disclosure and reporting obligations. They ensure timely and accurate submission of financial statements, compliance reports, and other mandatory disclosures to regulatory authorities, fostering transparency and enabling stakeholders to make informed decisions.

3. COMPLIANCE WITH COMPANY LAWS AND REGULATORY GUIDELINES:

In India, PCS professionals face various challenges in ensuring compliance with company laws and regulatory guidelines. These challenges include:

Dynamic Regulatory Environment: The regulatory landscape in India is constantly evolving, with new laws, regulations, and amendments being introduced regularly. PCS professionals need to stay updated with these changes and adapt their compliance strategies accordingly.

Complexity of Legal Requirements: The legal requirements imposed on companies can be complex and intricate. PCS professionals need to interpret and apply these requirements accurately, ensuring that companies comply with statutory obligations and avoid legal pitfalls.

Time Constraints and Workload: PCS professionals often handle multiple responsibilities and face demanding workloads. The pressure to meet compliance deadlines, manage documentation, and ensure accuracy can be challenging, requiring effective time management and organizational skills.

Balancing Multiple Stakeholder Interests: PCS professionals must navigate the interests and expectations of various stakeholders, including directors, shareholders, regulatory authorities, and employees. Balancing these interests while upholding compliance and governance standards can be a delicate task.

Corporate governance and compliance are critical for fostering ethical practices, transparency, and accountability within organizations. PCS professionals play a vital role in promoting good corporate governance and ensuring compliance with company laws and regulatory guidelines in India. By upholding ethical standards, facilitating board meetings, developing corporate governance frameworks, and guiding disclosure and reporting, PCS professionals contribute to the sustainable growth and reputation of companies. Although they face challenges such as a dynamic regulatory environment, complex legal requirements, time constraints, and balancing stakeholder interests, PCS professionals remain steadfast in their commitment to upholding compliance and governance standards. Their expertise and contributions are instrumental in creating an environment of trust, confidence, and responsible business practices in India's corporate landscape.

In today's complex business environment, companies are increasingly focused on ensuring legal compliance, risk mitigation, and transparent business practices. Secretarial audit and due diligence play crucial roles in achieving these objectives.

4. SECRETARIAL AUDIT AND ROLE OF PCS PROFESSIONALS IN CONDUCTING SECRETARIAL AUDITS:

Secretarial audit is a comprehensive review of a company's compliance with legal and regulatory requirements. It assesses the company's adherence to statutory provisions, corporate governance norms, and ethical practices. The primary purpose of a secretarial audit is to identify any non-compliance or potential risks and provide recommendations for corrective actions.

Legal provisions and regulatory requirements govern the conduct of secretarial audits. In India, the Companies Act, 2013, mandates certain classes of companies to undergo secretarial audits. Additionally, the Securities and Exchange Board of India (SEBI) and other regulatory bodies may require specific industries or entities to conduct secretarial audits to ensure compliance with sector-specific regulations.

PCS professionals play a significant role in conducting secretarial audits. Their responsibilities include:

Compliance Assessment: PCS professionals assess the company's compliance with statutory requirements, including company laws, securities laws, labour laws, environmental laws, and other applicable regulations. They review various records, documents, and processes to ensure compliance.

Governance Review: PCS professionals examine the company's governance practices, including board structures, decision-making processes, and adherence to corporate governance norms. They assess the effectiveness of internal control systems and make recommendations for improvement.

Documentation and Reporting: PCS professionals prepare detailed reports highlighting their findings and recommendations based on the secretarial audit. These reports provide valuable insights to the company's management, board of directors, and stakeholders.

5. DUE DILIGENCE AND THE INVOLVEMENT OF PCS PROFESSIONALS:

Due diligence is a critical process conducted during mergers, acquisitions, and investments. It involves a comprehensive review of legal, financial, and operational aspects of the target company. PCS professionals play a crucial role in assessing the legal and regulatory compliance of the target company during due diligence. Their contributions include:

Legal Compliance Assessment: PCS professionals evaluate the target company's compliance with company laws, regulatory requirements, and contractual obligations. They examine key legal documents, agreements, licenses, permits, and ensure adherence to applicable laws.

Risk Analysis: PCS professionals identify potential legal and regulatory risks associated with the target company. They assess the impact of non-compliance on the transaction and provide recommendations to mitigate risks.

Governance Evaluation: PCS professionals review the target company's corporate governance practices, internal control systems, and regulatory filings. They assess the effectiveness of governance mechanisms and highlight any deficiencies.

The involvement of PCS professionals in due diligence ensures that the acquiring or investing company is well-informed about the legal and compliance aspects of the target company. This helps mitigate risks, make informed decisions, and negotiate suitable terms during transactions.

Secretarial audit and due diligence are crucial processes that contribute to legal compliance, risk mitigation, and transparent business practices. PCS professionals play a vital role in conducting secretarial audits, ensuring compliance with legal and regulatory requirements, and providing recommendations for improvement. In addition, they actively contribute to due diligence processes by assessing legal and regulatory compliance, identifying risks, and evaluating governance practices. By involving PCS professionals, companies can enhance their legal compliance, strengthen governance mechanisms, and foster transparency and accountability. Ultimately, these practices contribute to the long-term success and sustainability of businesses in today's dynamic corporate landscape.

6. LEGAL ADVISORY SERVICES PROVIDED BY PCS PROFESSIONALS:

In today's dynamic business environment, companies often require expert legal guidance and representation to navigate the complexities of the legal landscape. Practising Company Secretaries (PCS) professionals are well-equipped to provide legal advisory services and represent companies before regulatory authorities. PCS professionals offer a range of legal advisory services to companies, leveraging their knowledge of corporate law and regulatory frameworks. Some key areas where they provide valuable legal guidance include:

Contract Drafting and Review: PCS professionals assist companies in drafting and reviewing various contracts, agreements, and legal documents. This includes employment contracts, commercial agreements, vendor contracts, and licensing agreements. Their expertise ensures that these contracts are legally sound, protect the interests of the company, and mitigate potential risks.

Representation of Companies before Regulatory Authorities: PCS professionals also play a crucial role in representing companies before regulatory authorities, ensuring compliance with regulatory requirements and resolving legal complexities. Their responsibilities include:

Representing Companies in Legal Proceedings: PCS professionals act as representatives of companies in legal proceedings, including hearings, arbitrations, and regulatory investigations. They represent the company's position, provide legal arguments, and protect the company's interests during the legal process before the judicial, quasi-judicial, and statutory bodies, such as the NCLT, NCLAT, Regional Director (MCA), Competition Commission of India, Consumer Forums, Tax Authorities etc.

Ensuring Compliance with Regulatory Requirements: PCS professionals work closely with companies to ensure compliance with regulatory requirements. They monitor changes in laws and regulations, assess their impact on the company, and provide guidance on necessary compliance measures. This helps companies avoid legal pitfalls, maintain good standing with regulatory authorities, and mitigate potential penalties or sanctions.

Resolving Legal Complexities: PCS professionals assist companies in navigating legal complexities, such as mergers and acquisitions, restructuring, and regulatory compliance. They provide guidance on legal implications, conduct due diligence, draft necessary legal documents, and facilitate smooth transactions. Their expertise ensures that companies can navigate complex legal processes while adhering to regulatory requirements.

By engaging PCS professionals for legal advisory services and representation, companies can benefit from their in-depth knowledge of corporate law, compliance, and regulatory frameworks. PCS professionals provide crucial guidance and support, helping companies mitigate legal risks, protect their interests, and navigate legal complexities.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR):

PCS professionals play an integral role in the implementation and monitoring of Corporate Social Responsibility (CSR) initiatives undertaken by companies. CSR encompasses a company's commitment to conducting its business in an ethical and socially responsible manner, while contributing positively to the well-being of society and the environment.

Formulating CSR Policies: PCS professionals assist companies in formulating comprehensive CSR policies that align with their business objectives and societal needs. They help define the scope of CSR activities, establish measurable goals, and identify key focus areas where the company can make a significant impact. PCS professionals also ensure that CSR policies are in compliance with relevant laws, regulations, and guidelines.

Identifying Appropriate Projects: PCS professionals help companies identify suitable CSR projects that address the specific needs and concerns of the communities they operate in. They conduct research, engage with stakeholders, and assess the social, environmental, and economic impact of potential projects. By conducting due diligence and feasibility studies, PCS professionals ensure that CSR initiatives are aligned with the company's mission and values, while effectively addressing societal challenges.

Monitoring Implementation: PCS professionals play a vital role in monitoring the implementation of CSR initiatives. They establish systems and processes to track the progress of CSR projects, ensuring that they are executed in a timely and effective manner. PCS professionals collaborate with internal teams, external partners, and stakeholders to monitor the allocation of resources, adherence to project timelines, and achievement of desired outcomes. Through regular monitoring and evaluation, PCS professionals help companies identify areas of improvement and make adjustments to maximize the positive impact of their CSR initiatives.

Ensuring Compliance: PCS professionals ensure that companies fulfill their CSR obligations in accordance with applicable laws and regulations. They stay updated on CSR-related legal requirements, such as the Companies Act provisions on CSR in India, and assist companies in complying with the mandated CSR spending and reporting norms. PCS professionals provide guidance on the proper utilization of CSR funds, helping companies allocate resources efficiently and transparently to maximize social impact.

PCS professionals play a crucial role in promoting and implementing CSR initiatives within companies. Their expertise in formulating CSR policies, identifying suitable projects, monitoring implementation, and reporting on impact ensures that organizations fulfil their social responsibilities and contribute positively to society.

8. INSOLVENCY PROFESSIONALS

The Insolvency and Bankruptcy Code (IBC) introduced in 2016 has opened up new avenues for PCS professionals in India. The IBC provides a comprehensive framework for the resolution of stressed assets and corporate insolvency. PCS professionals, after obtaining the necessary qualifications, can act as Insolvency Professionals (IPs) and play a crucial role in the insolvency resolution process.

As IPs, PCS professionals manage and oversee the resolution process, ensure compliance with the IBC, and safeguard the interests of creditors and stakeholders. They facilitate the formulation and implementation of resolution plans, conduct meetings of creditors, and manage the day-to-day operations of the company under insolvency. The demand for Insolvency Professionals has witnessed a significant surge, presenting PCS professionals with exciting opportunities in this specialized field.

9. MERCHANT BANKING

Practicing Company Secretaries (PCS) can also take on the role of merchant bankers, providing financial services such as advisory, underwriting, and investment banking. As merchant bankers, PCS professionals assist companies in financial transactions, including capital raising, mergers and acquisitions, and corporate restructuring. They ensure regulatory compliance, conduct due diligence, and offer strategic guidance on securities issuance. With their expertise in corporate governance and compliance, PCS professionals contribute to the success of businesses in the financial sector.

PROFESSIONAL OPPORTUNITIES FOR PCS PROFESSIONALS

PCS professionals in India have a plethora of professional opportunities available to them, reflecting the increasing importance of their role in corporate governance and compliance. These opportunities encompass various sectors and career paths, allowing PCS professionals to leverage their expertise and make significant contributions to the business landscape. Some of the key professional opportunities for PCS professionals are as follows:

Independent Practice: Under the provisions of the Company Secretaries Act, 1980, PCS professionals can establish their independent practice. This avenue enables them to offer a wide range of services, including secretarial audit, compliance management, legal advisory, due diligence, and corporate governance consulting. Independent practice allows PCS professionals to work with diverse clients, gain exposure to various industries, and build their reputation as trusted advisors and experts in their field.

Employment in Corporates: PCS professionals are highly sought after in corporate organizations to manage compliance, corporate governance, and legal affairs. They can assume pivotal roles such as Company Secretaries, Compliance Officers, or Legal Advisors in both public and private companies. Employment opportunities exist across sectors such as banking, finance, manufacturing, IT, and consulting firms. PCS professionals play a crucial role in ensuring companies operate within the legal framework, meet regulatory obligations, and uphold ethical standards.

Non-Profit Organizations and Government Bodies: PCS professionals can contribute their expertise to non-profit organizations and government bodies. They can assist in formulating policies, ensuring compliance with legal requirements, and supporting good governance practices. Opportunities exist in regulatory bodies, professional institutes, educational institutions, and government departments. PCS professionals can actively contribute to shaping policies and regulations, fostering transparency, and promoting accountability.

Consultancy Firms and Law Practices: PCS professionals can join consultancy firms or law practices, working alongside lawyers and other professionals. They can provide specialized services related to corporate law, regulatory compliance, due diligence, and corporate restructuring. Consulting and law firms offer a diverse client base, exposure to complex cases, and opportunities for professional growth. PCS professionals can leverage their expertise to assist clients in navigating legal complexities, mitigating risks, and making informed business decisions.

Teaching and Research: PCS professionals can pursue a career in academia by teaching company law, corporate governance, and related subjects. They can engage in research, contribute to the development of the profession, and publish scholarly articles. Teaching and research roles are available in universities, professional institutes, and research organizations. By imparting their knowledge and expertise to the next generation of professionals, PCS professionals play a vital role in shaping the future of the field.

CONCLUSION

The role of PCS professionals in India has evolved significantly, driven by the need for effective corporate governance and compliance. Their expertise in legal and regulatory matters, combined with their understanding of corporate practices, makes them indispensable in the corporate landscape. PCS professionals have diverse career opportunities, including independent practice, employment in corporates, roles in non-profit organizations and government bodies, consultancy firms, and academia. As the business environment continues to evolve, PCS professionals will play a vital role in ensuring ethical practices, legal compliance, and good governance, contributing to the growth and sustainability of businesses in India.

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Member of ICSI/ICAI/ICMAI	Rs.7,500	Rs.8,500	Rs.9,500
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- The above fee includes Lunch (3), Dinner (2), Morning / Evening Conference Tea, Coffee, Conference Kit and Souvenir. The Delegate Fee is payable in advance and is non-refundable.
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