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SIRC MYSURU CHAPTER



*Best Silver Grade
Chapter Award
2021*

e-Magazine

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

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ear Professional Colleagues

I feel immensely proud and happy to inform you that Mysuru Chapter has been awarded the '**BEST CHAPTER AWARD**' in its grade (silver grade) for the year 2021. I would like to congratulate all the members of Managing Committee of the year 2021 headed by CS Vijaya Rao for their efforts and contributions in winning chapter this prestigious award.

While lot of laurels are continuing to be added, we are putting in our best efforts to provide the best possible programs and facilities for the students. 'Manthan 2023' held by the Chapter was a huge success with the overwhelming participation of both the members and sponsors. Being the month of July, we have started off with a bouquet of activities for the Students as a part of the 'Students Month'. A one day seminar is also planned for the members, specially the PCS of Mysuru to facilitate with the process of Peer Review - being need of the hour. I request all the members and the students to actively take part in the activities and make use of the same.

I would also like to congratulate all the fellow Chartered Accountants and ICAI on the landmark occasion of completion of 75 years journey.

चिंता चिन्तासमा हि उक्ता बिन्दुमात्रविशेषतः । सजीवं दहते चिन्ता निर्जीवं दहते चिन्ता ॥

Only a dot (anusvara) separates funeral pyre (chita) and worry (chinta) otherwise they are said to be similar; the former destroys a dead body while the latter destroys a living person.

This subhashita has a greater prevalence in our lives being professionals. Constantly changing laws and environment with new challenges every single day including the unsupportive infrastructure are putting us at the focal point of mental burden and stress at times.

While we have to constantly keep up our hustle, it is equally important for us to maintain our mental health. Striking the balance between professional and personal lives have been ever challenging, but let us not ignore the wellbeing of self and the family and let us work towards the same. Small activities like a walk with the family, playing with the pet, listening to music are a couple of quick go to ways for relaxation. Let us keep this in our minds at all times.

With this food for your thoughts, I would like to conclude. Please take care, Happy Reading!!!

Thank you



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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(Under the jurisdiction of Ministry of Corporate Affairs)

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Chapter Activities

Manthan 2023

The Institute of Company secretaries of India - Mysuru Chapter organized Manthan 2023 - A Unique two-day workshop on critical issues in corporate laws, at Hotel Le Ruchi The Prince on 30th June and 01st July 2023. Around 112 Company Secretaries and the students from various parts of India participated in the Program. Intention of the program was to understand and discuss the critical issues of the company law along with other respective laws which goes with it namely SEBI, FEMA etc. As the laws are getting amended frequently and notifications are issued almost on a daily basis, this was the much-needed effort towards serving the professional community at large.

The program was presided over by the learned panelists – (1) CS Amit Gupta, Practicing Company Secretary, Lucknow, (2) CS Anshul Kumar Jain, Chief Compliance Officer and Head Legal, KFin Technologies Ltd. (3) CS Manoj Singh Bisht, Company Secretary, Senior Legal Counsel & Head of Corporate Secretarial, Reckitt South Asia and was moderated by CS Thirupal Gorige, PCS, Bengaluru. The program was also attended by many senior professionals across India including CS Venkataramana, Central Council Member, CS Pradeep and CS Mahadev T, Members of SIRC and office bearers of various other chapters.

Chairman of the chapter CS Phani Datta D N welcomed the gathering and CS Krishne Gowda, Secretary did the vote of thanks. Other Committee Members CS Padmanabha V, Vice Chairman, CS Abhishek Bharadwaj, Treasurer, CS Janhavi and CS Arun Kumar were also present during the occasion.



Best Chapter Award for the year 2021 in Silver Grade

Congratulations



Toastmasters



ICSI Mysuru RoyalPro Toastmasters Club

Leader – Nature or Nurture – Born or Made?

“Leaders aren’t born, they are made. And they are made just like anything else, through hard work.” Said Hall of Fame football coach Vince Lombardi.

Is that true?

Famous leaders are always made through hard work. Of course it is a point to debate. Many studies have done to see whether Leaders are born or made. The American Association of Colleges of Pharmacy in 2016 did an extensive study in this regard and concluded that it is both nature and nurture which is required to be a great leader. Leadership skill may be in our genes but without nurturing that skill, it won’t shine. That’s what exactly what Toastmasters does, nurturing the skill. It nurtures Leadership, Communication and Public Speaking skill. We at ICSI Mysuru RoyalPro club believe in that and we execute it. So our members as well as students can shine in their personal and professional life. With that in mind we have appointed our new leaders to take the ship forward.

Our institute looks at us to be the torchbearer of the corporates. In pursuit of that, our Institute is encouraging all the chapters to start the Toastmasters club. Toastmasters is an international organization having more than 14000 clubs all over the world and its focus is for the members to improve their public speaking and communication skill along with improving leadership skills. In line with our institute’s quest, Mysuru Chapter of ICSI SIRC has started “ICSI Mysuru RoyalPro TM Club” in June 2021. This is exclusively for CS members and students. As meeting happens online anyone can join the club and get the benefits. To know more about this and to join the meeting please contact club President CS Pracheta M at 98446-88622 or Chapter Chairman CS Phani Datta at 98862-14182 (only through whatsapp please). We meet every Friday from 7:00 to 8:30 PM online.

New Executive Committee Members

President – TM Pracheta M

Vice President Education – TM Komal Kumar M,
Associate TM Arya

Vice President Membership – TM Parvati

Vice President Public Relations – TM Prajwal R

Associate TM Hitesh

Secretary – TM Harsha A

Treasurer – TM Raghuveer C S

Sergeant At Arms – TM Deepika

Appointment, Resignation and Removal of IDs under Companies Act vis-à-vis SEBI LODR

In the recent past, SEBI has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LoDR) to enhance the involvement of public shareholders in the affairs of a listed company. Herein, the various provisions pertaining to the appointment, removal, resignation of an Independent Director (ID) under the Companies Act, 2013 (Act, 2013) vis-à-vis LoDR are being discussed.

The premise behind appointing IDs in a listed company and in certain other classes of company is to mainly protect the interests of non-promoter shareholders. One of the primary duties of IDs is to scrutinize vital decisions such as related party transactions with an independent view. The idea behind appointing IDs is to strengthen the corporate governance norms of a company and to act as an effective watchdog for public shareholders. Over the years, in the view of SEBI, the efficacy of IDs in upholding the corporate governance norms has left much to desire for. Hence the need was felt for an overhaul for the entire process of appointment and removal of IDs such that the public shareholders have greater participation.

This was initiated by the issuance of a Consultative Paper in 2021 seeking comments on amendments to related provisions for appointment and removal of IDs. Thereafter, amendments were made to LoDR vide SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 (Third Amendment) read with the Corrigendum dated August 6, 2021, w.e.f. 1.1.2022 along with SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 (Sixth Amendment) dated November 14, 2022.

Meaning of Public Shareholders

Before we delve into the various provisions pertaining to appointment and removal of IDs, it is important to discuss the concept of 'public shareholders' and its relevance to the ongoing discussion. Although the earlier provisions for appointment/ removal of IDs also required the approval of shareholders, however, it still left scope for promoters to influence the same. Case in point being, even in case of special resolution for re-appointment of IDs, the promoters who generally hold 25% of the total shareholding can easily block the resolution. This could be a possibility when the interests of the promoters and the minority shareholders are not aligned or when the promoters are not keen on re-appointment of an ID. Since the ID is expected to protect the interests of the minority shareholders, such limited say in their appointment by minority shareholders was counter-intuitive. Hence the need for a greater participation in their appointment/ re-appointment was felt.

“

Although the earlier provisions for appointment/ removal of IDs also required the approval of shareholders, however, it still left scope for promoters to influence the same. Case in point being, even in case of special resolution for re-appointment of IDs, the promoters who generally hold 25% of the total shareholding can easily block the resolution.”

CS Nivedita Shankar
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In line with the above line of thought, the requirement for seeking approval of public/ minority shareholders or ‘majority of minority’ rule was introduced for appointment/ removal of IDs. ‘Minority shareholders’ in turn has been defined to mean shareholders other than promoter and promoter group in the afore-stated Consultative Paper.

Appointment of IDs

A comparison of provisions pertaining to appointment of IDs under Act, 2013 vis-à-vis LoDR is provided below:

	Act, 2013	LoDR
Procedure prior to appointment by shareholders	The ID is initially appointed as an additional director. Then the appointment is approved in the ensuing annual general meeting by shareholders.	Any ID appointed by the Board shall be appointed by the shareholders within 3 months from appointment or in the next general meeting, whichever is earlier.
Appointment for first term	Seek Ordinary Resolution from shareholders	Seek Special Resolution from shareholders
Appointment for second term	Seek Special Resolution from shareholders	Seek Special Resolution from shareholders
If ID fails to get appointed either for first or second term	No specific provision as such. Opt for a fresh candidate.	Seek dual approval in the following manner: i. Ordinary resolution from all the shareholders*; and ii. Votes cast for the resolution by public shareholders should be more than the votes against by the public shareholders**.

* It is imperative to note here that R. 25(2A) does not completely do away with the need to seek simple majority of the shareholders. The ordinary resolution envisaged here requires the participation of all the shareholders i.e. promoter, promoter group and public shareholders. Hence, the amendment has not made an exception here in terms of seeking the approval of shareholders. In a way the basic right available to any equity shareholder that to vote on all matters in a general meeting has been upheld and retained. The second fetter of seeking majority of public shareholders has been added to ensure additional participation.

** The Consultative Paper had also recommended that in case the dual approval also fails, then the company may again seek approval of shareholders, without the requirement for again seeking majority of minority. This can be done after a cooling period of 90 but within a period of 120 days. Such appointment shall only be through special resolution and the explanatory statement shall disclose reasons for re-considering the candidate in question despite failing to get requisite votes in the first round.

The afore-stated recommendation was however, not included in the Sixth Amendment.

Removal of IDs

A comparison of the relevant provisions is provided below:

	Act, 2013	LoDR
Removal of ID from first term	Seek Ordinary Resolution	Seek Special Resolution
Removal of ID from second term	Seek Special Resolution	Seek Special Resolution
For IDs who have been appointed using dual approval route	No specific provision	Seek dual approval in the following manner: <ol style="list-style-type: none"> i. Seek Ordinary Reslution; and ii. Votes cast for the resolution is more than votes against the resolution.*

* The Consultative Paper had also recommended that in case the dual approval also fails, then the company may again seek approval of shareholders, without the requirement for again seeking majority of minority. This can be done after a cooling period of 90 but within a period of 120 days. Such proposal for removal shall only be through special resolution and the explanatory statement shall disclose reasons for re-considering the candidate in question despite failing to get requisite votes in the first round.

The afore-stated recommendation was however, not included in the Sixth Amendment.

Resignation of IDs

A comparison of the relevant provisions is provided below:

	Act, 2013	LoDR
Resignation by ID	ID to submit his resignation to the Board and Form-DIR-12 to be filed within 30 days of effective date of resignation.	In addition to requirements under Act, 2013, the listed company also has to within 7 days from date of resignation: <ol style="list-style-type: none"> i. Share the resignation letter along with detailed reasons for resignation as disclosed by the ID; ii. Confirmation from ID that there are no material reasons for the resignation; and iii. Name of listed companies in which the ID holds directorships, indicating category of directorship and membership of listed companies.

The discussion above shows that the provisions of LoDR in the current context are more stringent than Act, 2013 since it allows for greater participation by public shareholders and also enhanced disclosures.

Arbitration Process- Basic Concepts

1. History of Arbitration Law in India

The Arbitration Act, 1940 was predominantly based on the Indian Arbitration Act, 1934 and was in existence for more than 5 decades. Though in England, the Arbitration Act, 1934 underwent revisions many times, no corresponding changes took place in the Indian Arbitration Act, 1940. The law of Arbitration in India remained static and therefore was in dire need of revamping.

2. Enactment of the Arbitration and Conciliation Act, 1996

The Arbitration and Conciliation Act, 1996 came into force on 22.08.1996. The Arbitration and Conciliation Act, 1996 was based on the UNCITRAL Model Law and the UNCITRAL Conciliation Rules, 1980.

The objects and reasons for the Arbitration and Conciliation Bill, 1995 which was enacted as the Arbitration and Conciliation Act, 1996, inter alia stated that this Act was required to be brought into force:

- I. To comprehensively cover international commercial arbitration and conciliation as also domestic arbitration and conciliation;
- II. To minimize the supervisory role of Courts in the arbitral process;
- III. To provide that every final arbitral award is enforced in the same manner as if it was a decree of Court.

Part I and Part II of the Arbitration and Conciliation Act, 1996.

Part I contains relevant definitions. Part I shall apply where the place of Arbitration is in India, i.e. domestic arbitrations and limited provisions apply to international commercial arbitration as well, subject to an agreement to the contrary between the parties.

Part I of the Act inter alia, contains provisions which define an arbitration agreement, its form and content, the procedure for appointment of Arbitrators, jurisdiction of Arbitral tribunals, the procedure to be followed by the Arbitral Tribunals, form and content of the Arbitral Awards, the forum before which and the procedure by which the Arbitral award can be challenged and all matters incidental and ancillary to the above mentioned aspect of Arbitration.

“

The Arbitration Act, 1940 was predominantly based on the Indian Arbitration Act, 1934 and was in existence for more than 5 decades. Though in England, the Arbitration Act, 1934 underwent revisions many times, no corresponding changes took place in the Indian Arbitration Act, 1940. The law of Arbitration in India remained static and therefore was in dire need of revamping.”

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Part II of the Arbitration and Conciliation Act, 1996 is Enforcement of certain foreign awards. It contains provisions (Sections 44 to 60 divided into Chapter I and Chapter II) dealing with the enforcement of foreign awards falling under two categories. i.e. New York Convention award and Geneva convention Awards.

3. Amendments to the Arbitration and Conciliation Act, 1996

The Arbitration and Conciliation Act 1996 was amended to enable it to come at par with the global standards.

The amendments have been brought by The Arbitration and Conciliation (Amendment) Act, 2015, The Arbitration and Conciliation (Amendment) Act, 2019, and the Arbitration and Conciliation (Amendment) Act, 2021.

4. Extent of Judicial Intervention in Arbitral proceedings (Section 5)

The purpose of section 5 is to deliver speedy resolution of disputes through the arbitral process outside the normal judicial forum.

This section was inserted to discourage judicial intervention. Court can only interfere in arbitral award when it is authorized to do so in part I of the Arbitration and Conciliation Act, 1996. Aggrieved party can challenge the Award in the court only on the grounds provided under section 34 of the Arbitration and Conciliation Act, 1996.

5. Arbitration Agreement (Chapter 6)

“Arbitration Agreement” is an Agreement in writing by the parties to submit to arbitration all or certain disputes which may arise between them in respect of a defined legal relationship, whether contractual or not. An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement.

The reference in a contract to a document containing an arbitration clause constitutes an arbitration agreement provided that the contract is in writing and the reference is such as to make that clause part of the contract.

6. Stamping of Arbitration Agreement

An Arbitration agreement is required to be stamped for 2 purposes. (i) For appointment of arbitrator and (ii) For seeking interim relief under section 9 of the Arbitration and conciliation Act 1996.

7. Legal status of Arbitration agreement made through electronic means

Arbitration and Conciliation (Amendment) Act 2015 had effected changes in sub clause(b) of sub section 4 by inclusion of words “including communication through electronic means” in keeping pace with advancement in technology.

8. Non Arbitrable Disputes

Following categories of disputes are generally treated as non -arbitrable.

- I. i. Patent, trademarks and copyrights;
- II. Anti -trust/ competition laws;
- III. Insolvency/ winding up;
- IV. Bribery/Corruption;
- V. Fraud;
- VI. Criminal Matters.

9. Interim Measures etc. by Court (Section 9)

Courts are empowered to grant such interim measures that are “just and convenient”

Section 9(i) (ii)(e) of the Arbitration and Conciliation Act 1996 provides that the court may pass such other interim measures of protection as may appear to be just and convenient, to safeguard and protect the interest of the parties. This provision confers a residuary power on the Courts to pass such other interim measures of protection as may appear to be just and convenient. This provision confers a wide discretionary power on the court to pass orders for insuring protection to a party against abuse of process.

10. Interim Measures Ordered by the Arbitral Tribunal (Section 17)

Section 17 of the Arbitration and Conciliation Act 1996 gave limited powers to the Arbitral Tribunal when compared with the Court under the litigation. During the period of Arbitration proceedings, equal power is to be given to both the Arbitral Tribunal as well as to the Court. More power to be granted to the Arbitral Tribunal so that the ultimate objective of the Arbitration and Conciliation Act, 1996 is accomplished.

11. Enforceability of an interim measure granted by the Arbitral Tribunal

Even though the Arbitral Tribunal has the power to issue interim measures, the Arbitration and Conciliation Act, 1996 did not provide a method of enforcing any interim relief granted.

In the case of BPTP Limited Vs. CPI India Limited and Ors, The Delhi High Court held that an order passed by the Arbitral Tribunal which is subsequently upheld by a Court in an appeal filed under Section 37 of the Arbitration and Conciliation Act, 1996 would be enforceable as an order of the Court. After the amendment, it is now understood that section 17 would be enforceable like an order of the Court granting interim measures by Arbitral Tribunals. In the case of Sri. Krishnan V Anand The Delhi High Court held that any person failing to comply with the orders of the Arbitral Tribunal under section 17 will be tried under section 27(5) of the Arbitration and Conciliation Act, 1996 for “making any other default” or “guilty of any contempt to the Arbitral Tribunal during the course of the proceedings” as it’s the only mechanism for enforcing its orders.

12. Appointing Authority

The Arbitrator are to be appointed as per the procedure accepted by the parties to the dispute. The arbitrator may be a sole Arbitrator or more than one Arbitrator but shall not be an even number. The Authority to appoint arbitrator under the Arbitration and Conciliation Act, 1996 are:-

- In the earlier period, the Chief Justice or any person or institution designated by him;
- After the implementation of Arbitration and Conciliation (Amendment) Act, 2015, The Supreme Court or High Court or any person or institution designated by such court
- After the implementation of Arbitration and Conciliation (Amendment) Act, 2019-
 - The arbitration institution designated by the Supreme Court in case of International Commercial Arbitration.
 - The arbitral institution designated by the High court in case of other arbitration. i.e. domestic arbitration.

13. Time limit

The application for appointment of arbitrator shall be disposed of by the Arbitral institution designated by the Supreme Court or High Court. The application shall be disposed as expeditiously as possible. The application shall be disposed within thirty days from the date of service of notice of the opposite party.

14. Fees payable to the Arbitrator

Fee is required to be payable to the arbitrator or arbitrators who conducted arbitration and passes an Award. The fee is payable by both the parties to the dispute. The fee payable may be fixed by the agreement itself or as per the agreement reached by the parties or as the demand put forth by the Arbitrators. There is no specific provision as to the quantum of fees payable to the Arbitrators.

In the arbitration proceedings, there is a possibility of levying fees at an exorbitant rate. In order to lessen the chance of fixing very high fees, the legislature inserted a new section 11 (14) through the Arbitration and Conciliation (Amendment) Act, 2015 w.e.f. 23.10.2015 and inserted fourth schedule prescribing the fees payable to the arbitrators. Section 11(14) provides that the High Court may frame rules in determination of the fee and the manner of payment of such fee to the Arbitral Tribunal. The High Court before such determination of fee is to consider the rates specified in the fourth schedule.

15. Jurisdiction of Arbitral Tribunals

Jurisdiction means the official power to make legal decisions and judgements. It is the person, territory or sphere of activity over which the legal authority or institution extends.

The arbitrator in carrying out his task should be clear about his jurisdiction of all the person, territory as well as the subject matter. The judicial power is determined by considering the geographical location of the parties or the subject matter of the dispute (territorial jurisdiction). Usually in properly worded arbitration clause the territorial jurisdiction is clearly spelled out, which is popularly known as seat of the Arbitral Tribunal. Another aspect is monetary value of the dispute or claim involved in the subject matter. (Pecuniary jurisdiction)

16. Application to set aside Arbitral Award

If the decision of the Arbitral Tribunal is wrong, a party aggrieved by the Arbitral Award can make an application for setting aside such arbitral award by following the procedure as mentioned in section 34 of the Arbitration and Conciliation Act, 1996. In such an event, if the party is aggrieved by an arbitral award made after rejection of his plea of jurisdiction, he can challenge in accordance with section 34.

If the dispute exists in an arbitration agreement, and still arbitral tribunal proceeds to determine the question referred to it, such an award has to be challenged under this section.

Case laws

ONGC Petro Additions Ltd.v.Daelim Industrial Company Ltd.

Brief facts

A legal notice invoking the arbitration clause was sent to one of the parties to the contract by which certain disputes were raised by the other party. The said legal notice issued by the party proposed the name of Mr Justice V.N Khare to be nominated as their

nominee arbitrator. The said legal notice was opposed by the other party on the ground that the arbitration proceedings would not be governed by the provisions of the Arbitration and Conciliation Act, 1996. But rather be governed by the laws of Singapore. Upon perusing the terms of the contract, the Supreme Court concluded that there existed a binding tender agreement as per the laws of India of which the arbitration clause was also a part. The Supreme Court thus held that the arbitration shall be governed by the laws of India. The applicant approached the Supreme Court under section 11 of the Arbitration and Conciliation Act, 1996. Supreme court held that the matter shall be governed by the provisions of the Arbitration and Conciliation Act, 1996 and appointed the presiding arbitrator. However it was requested by the other party that the arbitration proceedings be allowed to be held in Singapore, to which no objection was raised. The Court ruled that the same can be allowed subject to both the parties agreeing to the same.

The Supreme Court held as follows:

It is necessary to record, that consequent upon a request made by the non-applicant, it was agreed between the parties that the venue of the arbitral proceedings would be Singapore. This position was conceded by the learned counsel for the applicant. It is accordingly directed that arbitral proceedings shall, subject to a mutual consensus to the contrary, be conducted at Singapore. Disposed of in the above terms.

17. Enforcement of Domestic Arbitral Awards(Section 35,36)

A prayer for the grant of stay of proceedings or on the execution of decree or order appealed against has to be specifically made to the appellate court and the appellate court has discretion to grant an order of stay or to refuse the same.

Mere pendency of an application seeking leave to appeal does not put in jeopardy the finality of the decree or order challenged and it is only if the application is allowed and leave granted that the finality of the decree or the order in challenge is jeopardised.

18. Enforcement of Foreign Arbitral Awards in India (Section 44-60)

International commercial Arbitration awards delivered out of India related to disputes contractual or not arising out of a prior agreement in writing between the parties for submitting such disputes to arbitration as per the convention stated in the First schedule to the Arbitration and Conciliation Act, 1996 which refers to New York convention. India is a signatory to such convention.

Judicial authority while dealing with a dispute where parties have agreed in writing under section 44 shall at request of any party refer matter to arbitration unless the commercial arrangement is prima facie void.

Foreign award shall be binding inter se parties and any one party may rely upon it as a defence, set off in, legal proceedings initiated in India.

Any party seeking enforcement of a foreign arbitral award shall have to produce original or authenticated copies of the Award, the arbitration agreement and a translated copy of the award, if not in English, by the diplomatic or consular agent in India. All foreign arbitral awards will be dealt by the High Court having original civil jurisdiction or with the appellate jurisdiction to hear decrees from lower to subordinate court.

Foreign awards refers to commercial disputes which have been submitted to adjudication under arbitration in terms of a written agreement made under second schedule. The foreign award will not be treated as final if there is a challenge or a contest pending before the appropriate forum in the country of origin.

19. Enforcement of Foreign Arbitral Award and the Approach of the Supreme Court in recent cases

National Agricultural Cooperative Marketing federation of India (NAFED) v. Alimenta SA.

The Supreme Court on the subject of enforcement of a foreign award dealt with contractual obligations and breach, coupled with the larger question of the award being opposed to public policy of India. NAFED was constrained not to expose under the contract as it was Government's refusal to allow the export in the interest of the country, in variance of export policy norms. Thus the impossibility of performance did not amount to commitment of a breach. The parties thus agreed to cancel the contract as performing the contract against the policies of the government will be construed as against the public policy of India.

The court also considered the foreign awards (Recognition and enforcement) Act 1961 which also address the public policy aspect as ground for setting aside the award. Section 23 of Indian contract act 1872 deals with the consideration and objects that are unlawful. The court opines that if the contract is opposed to public policy, then the consideration will be unlawful rendering the agreement as void.

On this Analogy the court recommends that principles of Renu sagar case should also be tested in appeal under section 48(2)(b) of Arbitration and conciliation Act 1996. while judging enforceability of foreign awards, the national courts does not exercise appellate jurisdiction nor entitled to enquire whether some error has been committed in rendering foreign award. The grounds of challenge or refusal of enforcement under section 34 and section 48 of the Arbitration and Conciliation Act 1996 are identical.

References:

1. Handbook on arbitration(A practical guide for professionals) published by ICSI.
2. articles in www.Indianarbitrationforum.com.

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A meaningful silence is
always better than
meaningless words.

An Overview: Of the Amendments to Regulation 30 of LODR 2015 vide SEBI notification dated June 14, 2023.

Amendment Notification of June 14, 2023:

SEBI vide a notification of June 14, 2023, has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia by bringing in major changes in Regulation 30 “Disclosure of Events or Information. R/w. Schedule III.

The said amended regulations called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 shall come into force on the thirtieth day from the date of their publication in the Official Gazette, that is on July 13, 2023.

Provided that the amendment in regulation 3, sub-regulations III, XI, XII and XIV in the said amendment

Regulation shall come into force on the date of their publication in the Official Gazette that is from 14th June 2023:

Regulation 3, Sub Regulation of 2nd Amendment 2023:

Sub-Regulation	Existing Regulation of LODR 2015 proposed to be amended/substituted	Regulation Heading
III	Regulation 15(1A)	Applicability of Chapter IV (Regulation 16 to 27) on High Value Debt Securities
XI	Regulation 34(2)(f)	Business Responsibility & Sustainability Report
XII	Regulation 37A [New Regulation]	Sale, lease or disposal of an undertaking outside scheme of arrangement.
XIV	Regulation 57	Intimation to Stock Exchange on-Interest/Dividend/ Repayment/ Redemption of Principle of Non-Convertible Securities.

Article Scope & Coverage:

Although the said 2nd Amendment of 2023 has amended many of the existing regulations of LODR 2015, this article restricts itself to Regulation 30 of LODR 2015, and its proposed changes which would come into effect from 13th July 2023.

“

Provisions with respect to the disclosure of material events and Schedule III has undergone a major overhaul with thirty-six (36) insertions/ substitutions. And one (01) omission. The omission is with respect to BIFR, which is no longer relevant.”

Chandan Mahapatra

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Snapshot of major changes in Regulation 30:

Provisions with respect to the disclosure of material events and Schedule III has undergone a major overhaul with thirty-six (36) insertions/substitutions. And one (01) omission. The omission is with respect to BIFR, which is no longer relevant.

The major changes are as under: -

a. Introduction of quantitative criteria:

- An event or information shall be deemed to be material whose value or the expected impact in terms of value is below the prescribed minimum disclosure threshold.
 1. Two percent of turnover, as per the last audited consolidated financial statements of the listed entity.
 2. Two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative.
 3. Five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;”

b. Disclosure of Other events or information (s):

- Discretion to the Board of Directors of a listed entity to disclose any other event or information it deems material although the same may not meet the criteria of disclosure as prescribed under Regulation 30(4).
- Disclosure of any continuing event or information which becomes material pursuant to this notification shall be disclosed at the latest by August 12, 2023 (thirty days from effective date of notification).

However, only such events or information(s) need disclosure which is not yet available in public domain and are of continuing nature and further fall within the ambit of qualitative criteria as mentioned above in Point a.

c. Suitable Amendment to the Existing Policy for Determination of Materiality as Approved by the Board of Directors of the Listed Entity:

The existing policy needs to be reviewed and updated to bring the same in line with the 2nd Amendment of 2023. It should necessarily include-

- The revised/updated Policy document shall not dilute any requirement specified under the provisions of these regulations.
- The revised policy document shall lay down clear-cut and un-ambiguous guidelines/ criteria/ method as an aid to all “Relevant Employees” of the listed entity to enable them to identify any potential material event or information and ensure its timely reporting to the designated KMP, who can in turn make the required disclosures to the Stock Exchange concerned.

d. Revised timelines for disclosure under this Regulation:

Event/ Information	Timeliness
Events for which timelines have been specified in Part A of Schedule III	shall be made within such timelines
Meeting of the board of directors in which the decision pertaining to the event or information has been taken.	thirty minutes from the closure of the meeting

In case the event or information is emanating from within the listed entity.	twelve hours from the occurrence of the event or information
In case the event or information is not emanating from within the listed entity:	twenty-four hours from the occurrence of the event or information,

e. Clarification on Market Rumors:

Listed Entity shall confirm, deny, or clarify any reported event or information in the mainstream media which is not general in nature, and which indicates that rumors of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than twenty-four hours from the reporting of the event or information:

- i. Top 100 listed Entities, w.e.f. October 1, 2023. And
- ii. Top 250 listed Entities, w.e.f April 1, 2024.

f. Broadening Disclosures in Para A of Part A of Schedule III:

- Revision in Rating(s).
- Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements.
- Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter, or director of the listed entity, whether occurred within India or abroad.
- Change in Senior Management.
- In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.
- In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
- Schedule of analysts or institutional investors meet at least two working days before the date of meeting or presentation.
- Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel, or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.

- Action(s) initiated, or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity. In respect of actions listed in the schedule.
- Voluntary revision of financial statements.

g. Broadening Disclosures in Para B of Part A of Schedule III:

- Events listed in Serial No.2 of Para B, which includes arrangements for technical/marketing tie-ups, or adoption of new line (s) of business, closure of operations.
- Pendency of any litigation (s) or dispute (s) or the outcome thereof.
- Frauds or defaults by employees of the listed entity.
- Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
- Delay or default in the payment of fines, penalties, dues, etc to any regulatory, statutory, enforcement or judicial authority.

Insertion of New Regulations:

- Regulation 30A : Disclosure requirements for certain types of agreements binding listed entities.
- Regulation 31B : Special rights to shareholders.
- Regulation 37A : Sale, lease, or disposal of an undertaking outside Scheme of Arrangement.

Author's Views (Not intended to be professional advice/opinion):

1. Quantitative Criteria:

For computing the quantitative criteria, the last financial year's audited financial figures may be considered. That is FY 2022-23, ending on March 31, 2023.

2. Senior Management:

The disclosure requirements mandate a listed entity to disclose the particulars of senior management including the changes therein since the close of the previous financial year.

For the purposes of the above disclosure-

- Previous Financial Year may be taken as 2022-2023, ending on March 31, 2023.
- Since Senior Management is not defined in the said notification reference may be drawn from-
 - a. Explanation to Section 178 of the Companies Act 2013- "The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads."
 - b. Company's own HR policies and procedures (Organogram) which define and designate Senior Managers/ Functional Heads.
 - c. It may be advisable to cross check with the list of "Designated Persons" as listed by the Company under its Code of practices and procedures for fair disclosure of UPSI under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. Uniformity across Regulations helps in better compliance management.

3. Disclosure of Other events or information (s):

As it may not always be possible to call a Board Meeting at short notice and further considering the stiff timeliness for disclosure-

- The Board may consider delegating the same to a sub-committee of the Board.
- The delegation should be properly documented and duly approved at a Board Meeting (preferably) or through circular resolution U/s. 175 of the Companies Act 2013.

4. Suitable Amendment to the existing policy for determination of materiality as approved by the Board of Directors of the listed Entity:

Considering the proposed changes, it is imperative that the revised policy document is well drafted and covers all the requirements of the amended regulation. Especially in areas like-

- The Policy document shall in no way dilute the provisions of this regulation.
- It would be well drafted, easily understandable, and implementable. As far as possible legal language should be avoided.
- The list of “Relevant Employees” should be provided, which should be designation wise and not person centric. Relevant employees list should closely match “Designated Employees/ Senior Management “to maintain uniformity and better controls.
- In case the relevant employee is indisposed (for whatever reasons) there should be a second tier of employees identified to carry out the responsibilities.
- The procedure of communication/reporting between the Relevant Employee and designated KMP should be absolutely crystal clear. If required a reporting format should be introduced.
- It may also be beneficial to provide a sample list of events or information(s) that may be considered material along with the reporting threshold values for reporting purposes so as to ensure that the “Relevant Employees” have a fair idea on what needs to be escalated to the designated KMP(s).
- It is also imperative to keep in mind the requirements of SEBI Insider Trading Regulations, as the information may be UPSI and therefore would require simultaneous Updation in the Structured Digital Database.
- While updating this Policy it may be worthwhile to re-look at the Code of Practices and Procedures for Fair Disclosure of UPSI to ensure there is no disconnect or cross- connect between the two policy documents.

SEBI Notification dated 14.06.2023 regarding SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023

Women in Leadership: Building Legacy in Boardrooms

There is no dearth of women leaders in our country. Be it any field, or any sector, we have so many women leaders who are role models and experts in their own ways. Whether it is politics, academics, sports, arts, literature, movies, and business – many women have led from the front, and many such names are so common to all of us. Likewise, in the corporate world, we have seen several women business leaders making news, taking their companies to new heights of glory, and have remained a shining example in Boardrooms.

Legal provisions on Woman Director

As per Section 149 (1) of Companies Act 2013, read with the relevant rule –

“Every company shall have a Board of Directors consisting of individuals as directors and shall have: (a) a minimum number of 3 directors in the case of a public company, 2 directors in the case of a private company, and 1 director in the case of a One Person Company; and (b) a maximum of 15 directors: Provided that a company may appoint more than 15 directors after passing a special resolution: Provided further that such class or classes of companies as may be prescribed, shall have at least one-woman director.

Moreover, as per the Companies (Appointment and Qualification of Directors) Rules 2014-

- a) Every listed company
- b) Every public company having a paid up capital of Rs.100 Crore or more
- c) Every public company having a minimum turnover of Rs.300 Crore or more

Need to have a woman director on the Board.

As per Regulation 17 (1) of SEBI (LODR) (Amendment) Regulations, 2018 –

The composition of board of directors of the listed entity shall be as follows:

- a) board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent of the board of directors shall comprise of non-executive directors; Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the top 1,000 listed entities shall have at least one independent woman director by April 1, 2020;

“

Be it any field, or any sector, we have so many women leaders who are role models and experts in their own ways. Whether it is politics, academics, sports, arts, literature, movies, and business – many women have led from the front, and many such names are so common to all of us.”

CS N Balasubramanian
Practising Company Secretary
Email ID: balu@directus.co.in



Explanation: The top 500 and 1000 entities shall be determined on the basis of market capitalisation, as at the end of the immediate previous financial year.

Various research studies have proved that women on Board of Directors has positive effects. The presence of women on Board of Directors appears to have a positive influence on shareholders value at the global level. According to the report of research organization ‘Catalyst’ (3) – Fortune 500 organizations with most astounding representation of ladies board executives accomplished fundamentally higher budgetary execution on a normal, than those with least representation of ladies board executive. This demonstrates that incorporation of ladies in the Director Board does increase the value of organization’s money related execution.

As per the latest Fortune India, 2022 survey done on the Most Powerful Indian Women, we have the following as per the top 10 rankings, signifying women leaders making their mark on business and economy:

Name of the Person	Rank	Field/Sector
Nirmala Sitharaman	1	First full time woman Finance Minister of India
Nita Ambani	2	Director, RIL and Chairperson, Reliance Foundation
Leena Nair	3	CEO, Chanel (became the youngest ever, first female, first Asian Chief HR Officer of Hindustan Unilever in 2016)
Falguni Nayyar	4	Founder & CEO, Nykaa (Quit Kotak Mahindra Bank after serving as MD for 7 years to start her own venture at the age of 50)
Gita Gopinath	5	Deputy MD, IMF (Named one of the top 25 economists under the age of 45 by the IMF)
Madhuri P Buch	6	Chairperson, SEBI (1st woman to head SEBI)
Kalli Purie	7	Vice Chairperson, India Today Group (Rebooted the print based India Today group into a digital and TV Powerhouse)
Shobana Kamineni/Dr.Sangita Reddy/Dr Preetha Reddy/Suneeta Reddy	8	Apollo Hospitals Enterprise (They manage 71 hospitals and over 9900 beds pan India)
Anshula Kant	9	MD & CFO, World Bank (Served SBI for more than 35 years, managed assets of \$500 billion as its CFO)
Aparna Bawa	10	COO & Interim Legal Officer, Zoom Video Communications (Helped Nimble Storage, a subsidiary of HP execute its IPO, while serving as its General Counsel)

The above list is in itself a testimony, as to the increasing roles being played by Women Leaders, a major chunk of predominantly whom are serving big corporates.

Key Findings of Research Works done on Women Directors on Boards

There are a number of research studies done worldwide, that show a link between more balanced gender distribution in a company’s management and its profitability.

- According to a Mckinsey study, organizations over all divisions with the most ladies on their lists of chiefs, fundamentally and reliably beat those with no female representation by 41% as far as return of value and by 56% as far as working results.
- In an investigation of the Fortune 500 organisations, the research uncovers that organizations in the most noteworthy percentile of ladies on their sheets outflanked those in the least percentile by 53% higher profit for value, 42% higher profit for deals, 66% higher profit for contributed capital.

- A Danish study found that organizations with great number of ladies on the board beat with no ladies by 17% higher profit for deals and 54% higher profit for contributed capital.
- Thomas Reuters inspected the execution of organizations with 30% ladies on their board organizations with those with under 10% ladies on their board, and found that organizations with more prominent quantities of ladies pioneers fared better in time of more prominent financial instability.
- Leeds University Business School reports that having no less than one female chief on the board seems to reduce an organization's possibilities of going best by around 20%. Having a few female chiefs brings down the danger significantly more.
- According to a Credit Suisse 2021 report¹⁰, Boardroom diversity continues to improve globally with an average of almost 24% female representation in corporate boardrooms. The report stated Europe and North America sit above the global average, with women making up 34.4% and 28.6% of company boards, respectively. Country-wise France leads the pack at 44.5% women representation on boards in 2021. Disclosure requirements and ESG focus may have helped improve women representation in these European and North American corporate boards. Deloitte also reached a similar conclusion in its 2022 report ¹¹ .
- McKinsey's Women in the Workplace¹¹, the largest study on the state of women in corporate America, in its year 2021 edition, the report noted a year and a half into the COVID-19 pandemic, "Women have made important gains in representation, and especially in senior leadership. But the pandemic continues to take a toll. Women are now significantly more burned out - and increasingly more so than men." The report noted women are rising to the moment as stronger leaders, but their critical work is going unrewarded and unrecognized.⁰
- A Grant Thornton Study¹² expects as the (pandemic induced) new working models become embedded and greater flexibility in employment practices is accepted as the norm, the opportunities for uninterrupted female career progression will increase. Data collected by Grant Thornton in the 10 years to 2021 indicated that a 33% representation of women in senior management could be achieved by 2025, whereas the uplift in the 2022 data suggests that women could make up one-third of senior leadership roles sooner.

The Global Scenario, and where India Fares

Gender equality is one of the 17 sustainable development goals (SDGs) set by United Nations. Securities and Exchange Board of India (SEBI) has also mandated gender diversity disclosures under its Business Responsibility Reporting requirements. Appointment of at least 1 independent woman director is mandatory for India's top 1000 listed companies by market capitalization. Research studies often link higher diversity on boards with improved financial reporting. Women representation brings in a different perspective, intuitiveness, and a more collaborative style of leadership into corporate boardrooms.

At a global level, boardroom diversity continues to improve with an average of almost 24% female representation in corporate boardrooms. Europe and North America sit above the global average, with women making up 34.4% and 28.6% of company boards, respectively. Country wise, France leads this pack at 44.5% women representation on Boards in 2021.

India also has progressed on appointing women on company boards, from 6% in 2014 to 14% five years ago. Women now account for almost 18% of directorships of the NIFTY-500 companies. Although the number of women directorships is increasing, the pace of new appointments has faltered with just an aggregate 1% increase over the last 3 years. Based on these current rates, India will take time till almost 2058, to achieve 30% gender diversity on Boards.

- As on 31 March 2022, the NIFTY-500 companies had 4,694 directorships, of which 827 (17.6%) were held by women.

- As on 31 March 2022, 48.6% of the NIFTY-500 companies had two or more women directors on their boards. This is a rise from 45% on 31 March 2021, and 44% on 31 March 2020.
- As on 31 March 2022, 159 of the NIFTY 500 companies had women representation in excess of 20% of board composition; this is a steady rise from 146 companies on 31 March 2021 and 139 companies on 31 March 2020.
- PSUs continue to fare poorly on gender diversity, given that several of them do not comply with board composition norms prescribed by the regulations.
- There are 827 women directorships on boards; 72% of these women directorships are held in an independent capacity.
- 604 women hold 827 of the women directorships.
- Existing women directors have the regulatory headroom to hold more directorships.
- 95% of the NIFTY-500 companies at least have one independent woman director.
- Women chair the board of 22 of the NIFTY 500 companies.
- 25 women are CEOs and another 62 hold executive directorships
- Women now chair one in five NRCs and CSR Committees, and one in ten audit committees

Directorships held by women on 31st March 2022

Women Directorships	Promoter Family	Promoter Nominees	Non-Promoters	Independent	Total
Executive	54	2	31	0	87
Non-Executive	66	50	32	592	740
Total	120	52	63	592	827

A recently concluded sample study at disclosures made by 134 listed companies in their Business Responsibility and Sustainability Report (BRSR) by CFA Institute, titled “Mind the Gender Gap”, found that women’s career progression in sectors with large workforces and participation rates, such as information technology and financial services, were low, compared to other sectors. In the financial year 2022, the average ratio of median remuneration of women to men was 0.97, suggesting gender pay parity. However, the median remuneration ratio of women to men drops to 0.52 for key management personnel and to 0.64 for directors. This assumes significance as SEBI has proposed a new ESG rating framework, placing greater emphasis on comprehensive social standards, such as gender diversity and the percentage of gross wages paid to women by companies.

The sectors that raised the bar on Board Diversity

- Life sciences - Emerged as a leader with highest women representation on Boards at 24%. It also has a comparatively good percentage (17%) of women in executive positions on Boards. One of the key reasons for high gender diversity on Life Sciences Boards, both in executive and non-executive positions, is the presence of a significant number of women promoters across major Life Sciences companies in India.
- Media & Entertainment - Seen significant increase in women representation on Boards from 14% in 2017 to 23% in 2022. Though number of women directors on Boards has almost doubled from 2017 in 2022 the increase has not been even across different companies and is a result of a limited set of organizations going beyond the mandated quota and hiring more women directors.
- Consumer Products & Retail - It has been another sunshine sector from a Board diversity perspective as there are 1.79 women Board members per organization in 2022 compared to 1.29 in 2017. There are multiple companies which have more than three

women Board members. Companies including Godrej Agrovet Limited and Godrej Consumer Products Limited have five women Board members each.

How to get more active participation of the women Directors – some practical tips for women aspirants (which includes women Company Secretaries also) to the Boards

- They should prepare themselves, study thoroughly, and make crisp observations in Board Meetings.
- While preparing for the meeting if they need any information, they should not hesitate in asking for such information which is necessary for fruitful deliberation in the board meeting.
- To be more effective in the board room meeting she must do a peer study of the company.
- The Women director should study the regulatory requirement of that company.
- She must thoroughly study the annual reports of the company particularly the Balance Sheet, Profit & Loss Account, Corporate Governance reports, Fund Flow Statements and other Schedules of the Balance Sheet. This will help her to check financial irregularity in the statement and she can raise that point in Boards' meeting.
- She should inform herself about other directors before attending the Board Meetings.
- Woman Directors of one company should have the meeting with the Women Directors of other companies also, so that they can share knowledge on different aspects of companies.
- If woman directors are from arts, science and engineering background, they must develop financial literacy, so that they can understand the financial intricacies of the financial statements. In this way women directors will be in a position to comment upon financial irregularities. Due to this if some manipulation and fraud is taking place it can be checked and stopped.
- If woman directors are well prepared before board meetings, they will be confident about sharing their independent views in board meetings. They will have to develop skills for board effectiveness. The whole thrust of women directors should be on Network, network and network.
- The contribution from Woman Director can be effective in the Board only when she explores the whole company, its directors, goodwill, ethics and values of the company.
- The Woman director should also study the company's performance over the past few years. She should be well prepared for the board meetings, understand the company's key ideas, its strategic and executive plans. Due to this they can express their views and ask questions effectively in board meetings.
- The woman director should try to excel in her area of expertise, diversify to obtain holistic view point. Her presence in the meeting must be felt by the board members.
- The Woman director should treat it as a serious responsibility. She should use her intuitive skills to navigate her way through. She should be confident. It is not rocket science, so there is no reason to feel out of place. In the last, we can say that it is a beginning of the change.

If women directors keep in mind the above mentioned tips before going to Board, they will be effectively change their directors responsibility and it will improve the efficiency, profitability of the company. Many frauds & manipulations of accounts can be revealed and high level transparency can be maintained. Promoters will have to change their mind-set. Similarly in order to make this provision effective women directors will have to change their mind set.

Suggestions for better performance of women directors and governance

- The first step that an organization can take to improve diversity on its Board and the broader organization is to understand the current status of Diversity, Equity & Inclusion in the organization and share it with relevant stakeholders.
- Companies must invest in grooming women for board positions. There should be workshops and training programmes for developing women. Experience shows that groups with diverse perspectives can achieve more balanced decision making with innovative and de-risked outcomes. Men and women on boards can leverage their differences to achieve higher standards of corporate governance.
- One woman on the board is definitely not enough. The number should be increased. For instance, In Norway, there is 40% of board representation of women.
- Companies should move beyond the mandate being a more compliance requirement, to effectively using a diversified and well qualified board to add value. Gender diversification is a useful step for company boards to follow, it's equally important that it is accompanied with a genuine intent to professionalize the board and improve the overall standards of governance.
- Companies should appoint women directors who are professionals, and if companies are not appointing such professional directors, the law needs to be amended to ensure on boarding of independent women directors. This will give the company the benefit of knowledge and expertise of professional women.
- Women directors should be given place in nomination committees that value gender diversity. It can help build a diverse leadership pipeline and a company culture. This is true for a woman who occupy the corner suite or are in key positions.
- Government should nominate women from Trade Unions also so that they will be interacting at grass root level.
- Regulators have set the agenda with visible impact, investors and companies now need to push the agenda.
- Companies need to invest in building a strong female talent pipeline, and address how their corporate culture supports women and accepts them in leadership positions.
- Global activism around ESG can benefit gender diversity.
- Cultural blocks, gender pay-gaps need to be addressed.
- Organisations need to improve women employees' work-life balance by offering them flexible working options.
- Organizations need to develop a pipeline of diverse candidates by exploring beyond the traditional pools of talent. These can include high level general managers, functional leaders, divisional heads and other relevant leaders.

CONCLUSION

Gender diversity on Indian Boards has increased significantly in the last decade, and it is one of the main priorities for all major organizations, as they realize the benefits of a diverse Board and receive constant motivation from different stakeholders to increase Board diversity. Gender diverse Boards have proven to drive organizations towards greater profitability, improve transparency and increase accountability, and bring in disruptive innovation. Corporates need to put significant effort behind their Board diversity initiatives. They need to remove structural barriers which keep women leaders from progressing, provide mentoring and networking opportunities to help them grow, and create personalized development journeys for them to progress. There is a need to reinvent and transform the existing system to drive more women to leadership positions. A holistic approach resulting from the amalgamation of corporate initiatives and stakeholder contribution can result in more prominent representation of women on Boards. This collaboration focused on improving disclosure and transparency, building a pipeline of women leaders, organizing leadership forums,

and stewarding from institutional investors can provide the necessary escape velocity to propel enough women leaders to Board positions.

Companies while appointing women directors, must also invest in grooming women for board position. Research has shown that companies with more women directors provide stronger business performance. Experience shows that groups with diverse perspectives can achieve more balanced decisions make with innovative de-risked outcomes. Men and women on board can leverage their differences to deliver higher standards of corporate governance. Woman can and do have a positive impact on boards. There is a need to get diversity of views in board room discussions and the same is impossible without the women. Women are known to be careful, meticulous, intuitive, more focused on ethics and conduct, detail driven and prudent in reviews. With unmatched multitasking capabilities, they also have an unrivalled eye for detail. Women directors are seen to be skilled at gathering information. Women Directors on Corporate Boards are not afraid to ask questions and have better communication skills, all of which makes for improved interaction among board members. All things considered, women help to balance the board room discussion and bring different perspectives to deliberations. They are the key to striking the right balance between short term rewards and long term sustainability. Let us hope that in the near future, India gets more powerful women leaders who are able to perform their best in Boardrooms and build, and leave their legacy for a secure future.

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strategic decisions.



Help Yourself

Food for Thought

Eat that Frog

- Brian Tracy

Disclaimer: This article does not endorse any book and is not sponsored by any author or publication. Content shared here is for knowledge and learning purposes only.

When was the last time you did something for the first time? Like learning a new instrument, playing a new sport, inculcating a new habit or sorts. If a year or more has passed by and you haven't done something completely outside of your work and responsibilities, then stop and think. Where are you heading? Are you doing all that you dream of doing "one day"? If not, why not?

If your answer to this is that your time is flying away in your mundane activities, then wouldn't you want to bring in some change? So, this book helps you to prioritize your tasks and work on things more efficiently so that you have more time on hand to do the things you dream of!

"What an unusual title!" you might think just like I did whenever someone suggested or talked about this book to me. Read on, to know more.

Brian Tracy, a Canadian motivational speaker and author, has 21 chapters that will help you end procrastination in simple but effective ways. Whether your everyday tasks or those of a bigger time-frame such as your one-day-I-will type of dreams- this book is sure to give you nice insights to take on both, effectively. The book is easy-read, so to anyone who is looking to inculcate the habit of reading books, this would be a good pick.

However, novels or story books are always better to start with for beginners as a story would better ensure a beginner's interest, consistency and completion. There are story books in the self-help genre as well. 'The 5AM Club' by Robin Sharma and 'Life's Amazing Secrets' by Gaur Gopal Das to name a few, that one can pick up to kick-start one's reading journey.

As always, I'd like to share only one idea from each book, leaving the rest for you to explore and learn first-hand from the author. Towards the end of the book, the author mentions the state of 'flow.' This may not be the first book to talk about it but it is a great takeaway and a very powerful idea. When you work on your important tasks continuously and actively, you enter a mental state where your productivity and performance is at a higher level than usual. It brings in a tremendous state of calm and you feel energized and elated. Everyone would have experienced this state at least once. But what sets you apart is when you enter flow state as often as possible so that beyond just completing the tasks, you gain mastery over them.

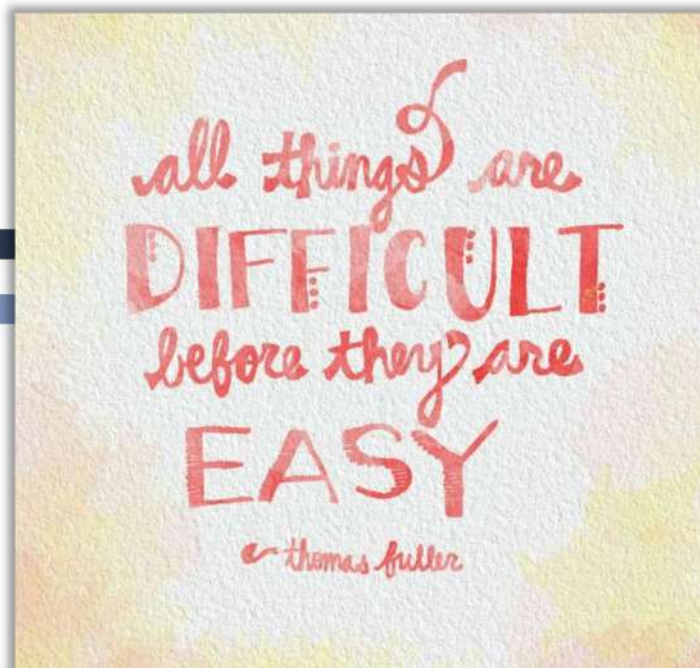
You might still be wondering why the book is titled this way. 'Eat that Frog' is named after the technique explained in the book that helps you to beat the feeling of being overwhelmed by the tasks you need to complete day in and out. What technique is it? I'd leave it to you to explore from the book.

As always, this column intends to impart only a byte of ideas and knowledge from self-help books, biographies, autobiographies and other related genres, relevant specifically to corporate professionals and aspiring professionals. Not every learning that a book enshrines can be fit in here, so writing a summary or a book review is not the aim of this column. The intent is to give you a touch of acquaintance to a book, in every issue of this e-magazine, hoping that it will make you want to grab it and read for yourself.

So, help yourself with food for thought, and this time, by eating that frog!

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Regulatory Updates

SEBI Act, 1992

Updates on Circulars

Trading supported by Blocked Amount in Secondary Market.

The SEBI has decided to introduce a supplementary process for trading in secondary market based on blocked funds in investor's bank account, instead of transferring them upfront to the trading member, This facility will be provided by integrating Reserve Bank of India (RBI) approved Unified Payments Interface (UPI) mandate service of single-block-and-multiple-debits with the secondary market trading and settlement process and hereinafter referred as 'UPI block facility'.

The funds shall remain in the account of client but will be blocked in favour of the clearing corporation ('CC') till the expiry date of the block mandate or till block is released by the CC, or debit of the block towards obligations arising out of the trading activity of the client, whichever is earlier.

The following points are covered in detail in the Circular:

- General features
- Eligibility of Investors
- Process
- Settlement
- Release of Block
- Various scenarios
- Dealing with shortages
- Cash Market securities shortage
- Shortfall derivatives

SEBI/HO/MRD/MRD-PoD-2/P/CIR/2023/99

Roles and responsibilities of Trustees and board of directors of Asset Management Companies (AMCs) of Mutual Funds

A working group was constituted by SEBI with a view to streamline the responsibilities at the level of the Trustees and AMCs, to deliberate and make recommendations for ensuring that Trustees can devote their attention to the fiduciary obligations and supervisory role cast upon them. Based on the recommendations of the Working Group and deliberations in the Mutual Fund Advisory Committee (MFAC), it has been decided to specify the “core” responsibilities for the Trustees of a Mutual Fund. Accordingly, amendments were carried out in MF Regulations.

Following points are covered in detail in the said circular:

- Core responsibilities of the Trustees
- Third Party assurances
- Unit holder protection committee
- Appointment of the trustee company
- Meetings between the trustee company and the AMC

The circular shall come into force from 01.01.2024

SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/117

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**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

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

CSBF

**COMPANY SECRETARIES
BENEVOLENT FUND**



What exactly is CSBF?

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

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

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

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

Is it the right time to enrol in CSBF?

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

Is it a requirement?

Yes, as your dependents need the protection. Your dependents be it your parents, your spouse, or your children will have to bear the brunt of paying off your home/education personal loans and even for managing day-to-day expenses without your contribution.

If you do not want to leave behind such a situation in your absence, enrol in CSBF today.

Advantages of enrolling into CSBF

- 1 To ensure that your immediate family has some financial support in the event of your unfortunate demise
- 2 To finance your children's education and other needs
- 3 To ensure that you have extra resource during serious illness or accident
- 4 Subscription/Contribution to CSBF qualifies for deduction under Section 80G of the Income Tax Act, 1961

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

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