

## Company Secretary in Practice- A Multidisciplinary Professional

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CS Ashwani Singh Bisht, ACS

Company Secretary in Practice means any member of the Institute of Company Secretaries of India (ICSI), who does not work under any employment agreement or presently is working as an employee in any organisation under the employment agreement. But, he/she works either as an individual or under a partnership agreement as a partner in a firm, and provides wide range of services, such as Legal, Financial, Consultancy, Taxation, Banking & Insurance etc, services to its clients. As a Company Secretary in Practice the role and authority is more than the Company Secretary in employment.

## Secretarial Audit – A Measure to Strengthen Corporate Governance

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CS Abhinav Kumar K P, ACS

The evolution of Secretarial Audit in India reflects the changing regulatory landscape and the growing emphasis on corporate governance and compliance. The concept of Secretarial audit was initially introduced in the Companies Act, 1956 regime, wherein it focussed only on ensuring compliance with statutory provisions. With time, the amendments to Companies Act and other regulatory requirements have resulted in providing impetus to the secretarial audit framework and enhancing its scope and relevance. One of the major provisions enhancing the significance was introduction of the SEBI (Listing Obligations and Disclosure Requirements) Regulations in 2015 ('SEBI(LODR)') These regulations required the listed companies to mandatorily have secretarial audits, reinforcing the importance of transparency and accountability in the corporate sector. Moreover, the Companies Act, 2013 brought about substantial changes, expanding the scope of secretarial audits to cover various aspects such as related party transactions and corporate social responsibility.

## Secretarial Auditor's Duty of Reporting Frauds Under Section 143 of Companies Act, 2013

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CS (Dr.) K R Chandratre, FCS

The Article delves deep into the Secretarial Auditor's Duty of Reporting Frauds Under Section 143 of Companies Act, 2013.

## CS in MSMEs: Catalysing Corporate Governance at All Levels

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CS Sangeeta Panchal, ACS, CS Sandhya Nair, ACS

Corporate governance in Micro, Small, and Medium Enterprises (MSMEs) is crucial for ensuring transparency, accountability, and sustainable growth. Corporate governance frameworks help MSMEs build trust with stakeholders, attract investment, and enhance their operational efficiency. Here's how Company Secretaries (CS) can play a pivotal role in catalyzing corporate governance at all levels within MSMEs.

## Company Secretaries as Arbitrators

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CS (Dr.) M. Govindarajan, FCS

The practicing Company Secretaries, in addition to their existing practice, move to the judiciary in appearing before the National Company Law Tribunal, National Company Law Appellate Tribunal, Competition Tribunal etc. The implementation of insolvency laws also thrush them to move to the judiciary. It is hoped that the Practising Company Secretaries will excel in arbitration proceedings in future.

## CS as Arbitrators: Moving to the Judicial Side

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CS Annu Khandelwal, ACS

In the dynamic world of corporate governance and compliance, the role of a Company Secretary (CS) is continuously evolving. Traditionally seen as guardians of corporate compliance and governance, Company Secretaries are now expanding their horizons into the realm of arbitration, stepping into roles that blend their expertise in law, ethics, and corporate affairs. This shift is not just a natural progression but a necessary adaptation to the complexities of modern business disputes.

## Maritime Laws- An Ocean to Explore

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CS Swetha R, ACS

The Company Secretaries are providing various services/ roles which are Statutory, Advisory, Management, Compliance Management, Representation Services, Arbitration, Mediation, Valuation, Due Diligence, Audit and Strategic Management. The article delves into Maritime Industry and its governing laws and understanding the Scope of CS.

## Opportunities for Company Secretaries in Maritime Law: A Comprehensive Analysis

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CS Praveen Kumar, ACS

According to the latest data from the United Nations Conference on Trade and Development<sup>[1]</sup> (UNCTAD) The Maritime

trade (*Through Sea Routes*), carrying over **80% of global trade** by volume and amounting to approximately 11 billion metric tons in 2021, is crucial for global commerce, encompassing raw materials like oil and grain as well as manufactured products such as electronics and automobiles. The maritime sector in India presents vast opportunities for Company Secretaries. With a **coastline stretching over 7,516 kilometres** <sup>iii</sup> and a **network of 12 Major ports** (include *Kandla, Mumbai, JNPT (Jawaharlal Nehru Port Trust), Chennai, Visakhapatnam, and Kolkata among others*) and **200 non-major ports** <sup>iiii</sup>, and **Approximately 95% of India's trade by volume and 70% by value** <sup>lv</sup> is conducted through maritime transport, there's a burgeoning demand for skilled professionals to navigate the legal and administrative aspects of maritime operations.

## Embracing Technology: Issues, Challenges and Resources

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**CS Garima Dadhich, ACS**

**T**hese CS professionals stand at the confluence of tradition and innovation, ensuring compliance and organizational efficiency amidst rapidly evolving regulatory landscapes. The integration of artificial intelligence and other digital tools into their workflows not only streamifies processes but also elevates the strategic value they bring to their organizations. This transformation underscores the importance of understanding how technology intersects with the functions of corporate governance to maintain a competitive edge.

## Embracing AI: Transforming the Company Secretarial Profession for a Better Future

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**CS Srividhya Sampath, ACS**

**A**rtificial intelligence (AI) is rapidly becoming a transformative force in many professions, including that of company secretaries. AI's integration into this field is not just an enhancement but a revolution, offering unprecedented capabilities and efficiencies.

## An Overview of Green Artificial Intelligence (AI) and its Applications in India

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**Sonali Sardar, Dipanwita Majumder, CA Rajashik Sen**

**G**reen AI encloses several essential environmental attributes, including management, water management, carbon emission, and energy efficiency. The main goal of the Green AI technique is to reduce greenhouse gas emissions, improve

energy efficiency, and promote sustainable business practices. AI has also spurred leading business practices, encouraging strategic trade and management practices that may generate a competitive business environment and promote sustainable products and services.

## Research Corner

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### Quality for Enhancing Efficacy and Effectiveness of Audit: An Exploratory Study on Determinants of Audit Quality

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**CS (Dr.) D. Mukhopadhyay, FCS**

**T**his study investigates the relationship between audit quality and its impact on efficacy and effectiveness. Utilizing multiple regression analysis, a model for audit quality is developed, identifying seven key determinants. Through an exploratory approach, the research examines how these determinants influence the overall quality of audit processes. The findings shed light on the crucial factors that enhance audit quality, subsequently improving its efficacy and effectiveness. Understanding these determinants provides valuable insights for auditors, regulatory bodies, and stakeholders in optimizing audit practices to ensure reliability and integrity in financial reporting.

## Legal World

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- **LMJ 06:06:2024** The Companies Act and the Rent Control Act have to be harmoniously interpreted and not to be so interpreted as to result in the one Act destroying a right under the other Act.[SC]
- **LW 39:06:2024** While deciding the issue of whether a debt is a financial debt or an operational debt arising out of a transaction covered by an agreement or arrangement in writing, it is necessary to ascertain what is the real nature of the transaction reflected in the writing.
- **LW 40:06:2024** If the terms of convertible debentures provide for repayment of borrower's principal amount at any time, it can be treated as a debt instrument but if it does not contemplate repayment of the principal amount at any time, that is, if it compulsorily leads to conversion into equity shares, it is nothing but an equity instrument.[NCLAT]
- **LW 41:06:2024** Claims after the Resolution Plan has been approved by the CoC should not be accepted. [NCLAT]
- **LW 42:06:2024** By the time when the refund should have been processed as per the provisions of the Act, the dues under the default notices had not crystallised and the respondent was not liable to pay the same at the time.[SC]

- **LW 43:06:2024** Once a buyer purchases a product from a seller at a given price, it cannot insist to avail benefit of any future discount which may be offered on such product by the seller. The discounted price alleged also does not seem to be predatory in nature.[CCI]
- **LW 44:06:2024** The Commission is of the view that WordPress.org is justified in taking appropriate action against any developer found non-compliant with the prescribed standards and regulations.[CCI]
- **LW 45:06:2024** When a bench of coequal strength is faced with conflicting judgments of other coequal benches, the judgment delivered earlier will continue to govern the field of law, till such time, the same is overturned or in case the question(s) of law, if referred to the larger bench is answered.[ALL]
- **LW 46:06:2024** The subject complaints are bereft of the adequate averments against the petitioner alleging the Petitioner's involvement in the conduct of the business of the Company beyond her statutory role as a Company Secretary, more particularly, in relation to the transaction pursuant to which cheque in question was issued.[Del]

## From The Government P-131

- Notice In the matter of Section 75 of the Limited Liability Partnership Act, 2008 read with Rule 37 (2) of Limited Liability Partnership Rules, 2009
- Relaxation of additional fees and extension of last date of filing of Form No. LLP BEN-2 and LLP Form No. 4D under the Limited Liability Partnership Act, 2008-regarding
- Comprehensive guidelines for Investor Protection Fund (IPF) and Investor Services Fund (ISF) for Stock Exchanges having commodity derivatives segment
- Revision of eligibility criteria for launching commodity futures contracts
- Ease of Doing Business – Internet Based Trading for Stock Brokers
- Investor Charter for Stock Exchanges
- Modification in requirement of inspection of accredited warehouses by Clearing Corporations
- Norms for acceptable collaterals and exposure of Clearing Corporations
- Investor Charter for Depositories and Depository Participants
- Standard Operating Procedure for handling of Stock Exchange outage and extension of trading hours thereof in Commodity Derivatives segment
- Eligibility criteria for launching Options with Commodity Futures as underlying by Stock Exchanges having commodity derivative segments
- Self Regulatory Organizations for Social Impact Assessors in the context of Social Stock Exchange (“SSE”)
- Timelines for disclosures by Social Enterprises on Social Stock Exchange (“SSE”) for FY 2023-24

- Enhancement of Dynamic Price Bands for scrips in the Derivatives segment
- Norms for sharing of real time price data to third parties
- Modification in Staggered Delivery Period in Commodity Futures Contracts
- Audiovisual (AV) presentation of disclosures made in Public Issue Offer Documents
- Industry Standards on verification of market rumours
- Framework for considering unaffected price for transactions upon confirmation of market rumour
- Review of validation of KYC records by KRAs under Risk Management Framework
- Certification requirement for key investment team of manager of AIF
- Periodic reporting format for Investment Advisers
- Entities allowed to use e-KYC Aadhaar Authentication services of UIDAI in Securities Market as sub-KUA
- Portfolio Managers - Facilitating ease in digital on-boarding process for clients and enhancing transparency through disclosures
- Facilitating collective oversight of distributors for Portfolio Management Services (PMS) through APMI
- Framework for administration and supervision of Research Analysts and Investment Advisers
- Instructions on Money Changing Activities
- Exclusion of “Fincare Small Finance Bank Limited” from the Second Schedule to the Reserve Bank of India Act, 1934 and cessation as a banking company
- Internal Review – Interim Recommendations – Withdrawal of Circulars
- Issuance of partly paid units to persons resident outside India by investment vehicles under Foreign Exchange Management (Non-debt Instruments) Rules, 2019
- Formation of new district in the State of Assam – Assignment of Lead Bank Responsibility
- Foreign Exchange Management (Deposit) (Fourth Amendment) Regulations, 2024
- Margin for Derivative Contracts
- Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions, 2024
- Banks' Exposure to Capital Market - Issue of Irrevocable Payment Commitments (IPCs)
- Master Direction – Risk Management and Inter-Bank Dealings: Amendments

## Other Highlights

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