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The Evolution of Virtual Meetings and the Road to Regulatory Reform

Background:

The Covid -19 pandemic was an unprecedented global crisis. During these times of pandemic, rigorous restrictions were placed on public movement, thereby forcing businesses to go digital and consequently relaxations w.r.t provisions of law were also granted so that one can cope up with these challenging times and comply with law and run the business efficiently. Regarding compliances of Companies Act, 2013 (the Act), the Ministry of Corporate Affairs (MCA) came up with various relaxations. One amongst them was w.r.t conducting shareholders' meetings through video conferencing (VC) or other audio-visual means (OAVM).

Provisions of Companies Act, 2013 mandates every company to conduct at least 4 Board meetings in a year where gap between two consecutive board meetings should not be more than 120 days and one Annual General Meeting (AGM) as per provisions of Section 96 of the Act.

Evolution of provisions related to conducting Board Meetings through VC:

As far as board meetings are concerned, it is permissible for companies to conduct board meetings through VC since the inception of the Companies Act, 2013. Section 173(2) read with rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 allows the companies to convene their board meetings through VC and puts in place, a framework to execute so. Parallely, the Act makes it adequately clear through section 174(1), since inception of this section, that directors attending the meeting through VC shall be counted for purpose of calculating the quorum.

However, initially Rule 4 of Companies (Meetings of Board and its Powers) Rules, 2014 enlisted few transactions which were restricted transactions and could not be dealt through VC or OAVM. However, to reduce compliance burden and for promoting ease of doing business, these conditions were relaxed to some extent w.e.f 7th May 2018, and such board meetings where these restricted transactions were proposed to be transacted were also permitted to be held via VC/OAVM provided quorum requirement is fulfilled by physical presence.

Further during the pandemic times, Rule 4 of Companies (Meetings of Board and its powers) Rules, 2014 was modified on and w.e.f 19th March 2020 and for certain period (which got extended multiple times), it was allowed to transact such restricted items through VC even though the quorum was not present personally. Thereafter, MCA on 15th June 2021 omitted the said rule 4. By the virtue of this amendment of deletion of Rule 4, all transactions can now be undertaken through VC even if quorum is not present physically and there is no restriction as such on conducting board meeting through VC

for any kind of transactions. The enabling power of Central Government to prescribe such restrictions is still retained in section 173(2) and in future some new restrictions may come, but as of now there is no restriction.

Conducting General Meetings through VC and postal ballot:

The Act recognises two types of general meetings (shareholders meetings) i.e., Annual General Meeting (AGM) and Extra-Ordinary General Meeting (EOGM). Section 96 and Section 100 respectively deal with AGM and EOGM. Since the inception of the Companies Act, 2013 and before the Covid-19 pandemic, although Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 prescribed rules regarding remote e-voting and e-voting at general meetings for prescribed classes of companies, there was no provision in the Act about conducting general meetings through VC or OAVM. Hence any general meeting of shareholders could be convened in physical manner only.

Considering restrictions on movement of people during the pandemic, MCA came up with a separate set of circulars which permitted convening of EOGM as well as AGM through VC. MCA circular dated 8th April 2020 read with MCA circular dated 13th April 2020 provide a detailed framework for convening EOGM through VC for companies mandated to give remote e-voting as per section 108 as well as for other companies. Similarly, MCA circular dated 5th May 2020 provides a detailed framework for convening AGM through VC and refers to the earlier EOGM circulars for certain aspects.

Section 110 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 deals with the manner of conducting postal ballot for seeking approval of shareholders for certain items. Pursuant to above mentioned circulars, various exemptions were given with regard to sending physical notices and physical ballots to shareholders.

These circulars are comprehensive and provide clarity regarding all related matters such as sending notices and financial statements through email, appointment of chairman, counting of quorum, providing remote e-voting facility, wherever applicable, and counting of votes etc. Even though these circulars originally permitted such conduct of EOGM and AGM by VC only for limited period, considering the hardships of corporates due to extended restrictions on public movement due to pandemic, MCA extended the validity of these circulars from time to time. The applicability of these circulars was last extended till 30th September, 2023 by MCA vide its circular dt: 28th December 2022. **Pursuant to this extension companies were allowed to conduct their AGMs and EOGMs through video conferencing only up to 30th September 2023.** Similarly, the relaxations with regard to postal ballot was also made available till 30th September, 2023.

Furtherance of extensions considering ease of business.

During and after the pandemic, corporations have come to appreciate the operational ease that digital Annual General Meetings (AGMs) and Extraordinary General Meetings (EOGMs) offer. Stakeholders recognized the need for flexibility in conducting AGMs and EOGMs via video conferencing (VC) or other audio-visual means (OAVMs).

A unified voice among stakeholders appealed to regulators for a permanent relaxation in conducting AGMs and EOGMs through VC, considering factors such as improved business efficiency, greater shareholder participation, and cost-effectiveness.

Responding to this need, the Ministry of Corporate Affairs (MCA) issued a General Circular dated September 25, 2023, extending the allowance for AGMs and EOGMs via video conferencing until September 30, 2024. This extension specifically applies to companies with AGMs scheduled for 2023 and 2024.

It's essential to note that the MCA's circular emphasizes that this extension does not alter the statutory deadlines for AGMs set out in the Companies Act, 2013. Companies failing to adhere to these statutory timelines may face legal consequences under the Act.

Additionally, similar relaxations for postal ballots have been extended until September 30, 2024, with all other requirements from General Circular No. 20/2020 dated May 5, 2020, remaining unchanged.

SEBI had vide circular no SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 had extended the relaxation upto 30th September, 2023 w.r.t requirements specified in regulation 58 (1) (b) & regulation 36 (1) (b)¹ of the SEBI [listing Obligations and Disclosure Requirements] regulations, 2015 relating to dispatch of hard copy of the statement containing salient features of all the documents as prescribed under section 136 of the Companies Act, 2013 such as the financial statements, Board's Report, Auditor's Report etc to those shareholders who have not registered their email address.

This extension has been granted thrice so far- initially until 31st December, 2021, then extended to 31st December, 2022 and was further extended to 30th September, 2023

Incidentally, MCA vide General circular no. 10/2022 dated December 28, 2022 had also provided for similar relaxations to companies from dispatching physical copies of the financial statements [including Board's Report, Auditor's Report or other documents required to be attached therewith] to the shareholders, for the Annual General meetings conducted till 30th September, 2023.

As of 26th September 2023, SEBI has not issued any such relaxation in continuation of the SEBI circular dated 5th January, 2023 which is applicable only upto 30th September, 2023. It remains to be seen whether SEBI will acknowledge the circular issued by MCA on 25th September, 2023, or if there will be no additional extensions from SEBI beyond 30th September 2023.

¹ Subject to conditions mentioned in SEBI circular dated 5th January, 2023.

Conclusion.

In conclusion, unlike board meetings, the Companies Act lacks explicit provisions for conducting general meetings through VC. While not expressly prohibited, the Act does not provide a framework for such meetings. The Company Law Committee recommended a detailed discussion to establish this framework in its March 2022 report.

Recently MCA has vide an order dated September 13, 2023 extended the Company Law Committee's timeline until September 16, 2024. After which the MCA has issued this General Circular No. 09/2023 dated 25th September, 2023 whereby it extended the period for conducting general meetings via VC until 30th September, 2024.

Now having a synchronized reading of both the events we can take a gauge that sometime in future the provisions of the Companies Act, 2013 may get permanently amended to incorporate provisions for conducting general meetings through VC mode.

Link of the circular of MCA and extension of company law committee report.

<https://www.mca.gov.in/bin/dms/getdocument?mds=HaKq8Y72Sk05wIQe05fjLQ%253D%253D&type=open>

<https://www.mca.gov.in/bin/dms/getdocument?mds=I2oC5xLsIDDPE8khrXjlig%253D%253D&type=open>

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Catalyzing Growth: The Imperative for Tailored Legal Frameworks for FPCs

Introduction

As the backbone of any economy, agriculture and farming have always played a significant role in the developing India. However, with evolving circumstances, the agricultural sector is also changing, and the conventional way of farming is being replaced by contemporary and futuristic practices. One such practice is the formation of Farm Producer Companies (FPCs), which are registered under the Companies Act, 2013. FPCs are unique entities that are owned and managed by farmers. Unlike other companies, their primary objective is to improve the income and livelihoods of farmers by facilitating the aggregation, processing, and marketing of their produce. Therefore, an independent legal framework is necessary to address the specific needs and concerns of FPCs and to ensure that they can function effectively.

The formation of FPCs has been a game-changer in the agricultural sector as they have enabled small and marginal farmers to access markets, technology, and finance. FPCs have also assisted farmers to realize better prices for their produce by eliminating intermediaries and reducing transaction costs. However, the legal framework governing FPCs is still inadequate, and they are subject to the same laws and regulations as other companies.

Currently, FPCs are subject to the laws and regulations provided in Companies Act, 2013, but there are several challenges that FPCs face when governed under this law. Hence there is a growing consensus that a dedicated law specifically tailored to the unique requirements of these entities is imperative.

Let's dive in deep to find out the challenges faced under the prevailing law and the need to overcome it.

- **Compliance Burdens:** The Companies Act imposes various compliance requirements on companies, which can be a burden for FPCs. Since FPCs are primarily formed to improve the income and livelihoods of farmers, the complex compliance requirements/ambiguities may divert their attention and resources from their primary objectives.
- **Limited Participation:** Despite the benefits of FPCs, many farmers are reluctant to participate in them due to a lack of awareness, trust, and confidence. The Companies Act may not adequately address the unique needs and concerns of farmers, which may discourage their participation.

A separate legal framework for FPCs will provide clarity on the legal status of FPCs, their rights, and obligations, and the role of different stakeholders, such as farmers, directors, and

shareholders. This, in turn, will encourage more farmers to come together to form FPCs and attract investors and other stakeholders who are enthusiastic in supporting the growth of the agricultural sector. This will also enable them to function more proficiently and successfully. It will also help in addressing the challenges faced by FPCs such as climate change, infrastructure, and market fluctuations.

It is, therefore, imperative that FPCs are given a self-contained legal regime to govern them. Such a framework should consider the unique nature of FPCs, which are essentially farmer-owned and farmer-managed entities. The legal framework and architecture should ensure that FPCs are not subject to unnecessary compliance burdens that may hinder their functioning and will provide them with the necessary legal protection and support with simplicity. Moreover, it will send a positive signal to farmers and will demonstrate the government's commitment to the growth and development of FPCs. The introduction of Social Stock Exchange allows Social Enterprises to raise funds and FPCs should be in the position to take advantage from this opportunity.

The establishment of a separate legal framework for FPCs is a critical step in unlocking their potential to transform the agribusiness by bring in:

- **Clarity and Focus:** A dedicated law would provide clarity on the legal and operational aspects of FPCs, ensuring that their structure and functioning align with their distinct purpose. This would help prevent ambiguity, bring simplicity, and streamline the regulatory environment for FPCs.
- **Customized Provisions:** FPCs operate at the crossroads of corporate governance and cooperative principles. A dedicated law would allow for provisions that cater specifically to the needs of FPCs, enabling them to strike a balance between profit-making and social welfare.
- **Incentivizing Growth:** A specialized law would facilitate easier access to institutional credit, government schemes, and incentives tailored to FPCs. This, in turn, would encourage the growth and expansion of these entities, promoting the development of the agricultural sector.
- **Better Risk Management:** FPCs often engage in activities like collective procurement, processing, and marketing. A dedicated law could outline mechanisms for managing risks and resolving disputes, fostering a stable environment for FPC operations.

In the realm of legal frameworks, the persistent call for simplicity in law echoes with undeniable urgency. It is imperative that all educational institutions and professional bodies like IIMs, IITs, ICAI, ICSI, ICMAI, Agri Universities should align their curricula and encourage the same. This synchronization shouldn't stop at the educational level alone, but propagation

should be done by media houses and social organizations as well. The simplification of law and its effective dissemination is a responsibility that should be shared. NABARD's efforts in simplifying financial concepts and agricultural practices are commendable, but they should be complemented by others as well. The involvement of professional bodies and industry associations is pivotal spreading the word on need of separate law for FPCs.

Conclusion

The formation of FPCs and their contribution to the growth and development of the agricultural sector cannot be overstated. The establishment of a separate legal framework for farmer producer companies (FPCs) is a critical step in unlocking their potential to transform the agribusiness. The current legal framework does not adequately address the unique needs and challenges of FPCs, which often operate in remote and underdeveloped areas and face a range of constraints in accessing markets and funding. A dedicated legal environment for FPCs would help to address these challenges by providing a clear and enabling regulatory framework that supports the growth and sustainability of these organizations. It would also help to promote investor confidence and attract much-needed capital to the sector. Therefore, it is essential that policymakers recognize the importance of FPCs and take steps to establish a legal framework that is tailored to their specific needs. Such a dedicated legal framework for FPCs would provide the necessary scaffolding to nurture their growth and impact, enabling them to play a pivotal role in transforming Indian agriculture from a strategic imperative.

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<https://www.taxmann.com/research/company-and-sebi/top-story/10501000000023301/catalyzing-growth-the-imperative-for-tailored-legal-frameworks-for-fpcs-experts-opinion>

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Unravelling the Ambiguities of the Digital Personal Data Protection Act, 2023: A Legal Perspective

Introduction

In an era where data drives our digital existence, the need for robust data protection legislation is more pressing than ever before. With the attempt to do justice to Article 21 of the Indian Constitution, Section 43A of the Information Technology Act, 2000 stands repealed and the Digital Personal Data Protection Act, 2023 (“**Act**”) seeks to delineate the rights and responsibilities of various stakeholders in the complex ecosystem of data management. While laudable in its intent, a closer analysis reveals certain critical aspects that warrant scrutiny from the lens of legal rigor and public interest.

Amendment of Right to Information Act, 2005 Transparency and Accountability

The provision permitting authorities to withhold personal information even in cases of larger public interest dilutes the principles of transparency and accountability that are crucial for a democratic society. By wielding such powers, the authorities can potentially cloak information that could otherwise shed light on matters of public concern, undermining the very essence of section 8(1)(j) of the Right to Information Act, 2005 that stands amended.

Uncharted Territory: Exemptions and Ambiguities

The lack of clear guidelines on determining “good faith”, for taking action against the Board or Central Government, may inadvertently create a realm of legal ambiguity. This may require clarity regarding the overall accountability and checks and balances within the legislative framework.

Upholding Accountability: Varied Implications of Penalty Provisions

Within the realm of data protection, the Digital Personal Data Protection Act stands as a beacon of accountability, particularly through the imposition of penalties for violations of its pivotal provisions. This includes a substantial penalty of up to Rs. 250 Crores applicable to all data fiduciaries, encompassing not only large corporate entities but also smaller players like MSMEs (Micro, Small, and Medium Enterprises). While this penalty structure might appear reasonable and proportionate for prominent corporations, it raises valid concerns when applied to smaller enterprises. Unlike larger organizations, smaller entities may lack the resources to establish a separate data protection office. Yet, they are equally vested in safeguarding personal data. Many MSMEs might find themselves in a delicate position, where they can afford to employ personnel to execute essential data protection functions but might not be equipped to sustain the financial brunt of such substantial penalties. Balancing penalties with the diverse capabilities of entities, therefore, becomes an essential consideration for ensuring equitable enforcement of data protection norms.

Penalties without Compensation

While the Digital Personal Data Protection Act introduces penalties for breaches, a notable gap arises in the allocation of these penalties. Presently payable to the government, the critical question of compensation for aggrieved individuals remains unanswered. As the Act evolves, addressing this issue will be pivotal to ensure a comprehensive framework that not only holds wrongdoers accountable but also extends redressal to those impacted by data breaches.

Emerging Career Opportunities

Amidst the contours of this evolving landscape, it's worth noting that this legislation isn't merely a mechanism for legal regulation, but also a catalyst for transformative career opportunities. As the Act paves the way for heightened data privacy standards and ethical data management practices, the demand for specialized roles becomes all the more evident.

As the Digital Personal Data Protection Act, 2023 comes into play, a plethora of exciting career opportunities emerges on the horizon. The Act ushers in an era where the protection of personal data takes center stage, laying the foundation for a robust and ethically-driven digital ecosystem. Two significant roles that stand out amidst these changes are those of Data Protection Officers (DPOs) and Consent Managers. These professionals will play a pivotal role in ensuring data privacy, conducting comprehensive audits, and facilitating responsible data processing practices.

Data Protection Officers: The role of Data Protection Officers is akin to that of guardians of information, entrusted with safeguarding the delicate balance between technological advancement and individual privacy. These experts will be at the forefront of implementing and overseeing data protection strategies, guiding organizations towards compliance with the Act's stringent provisions. With their expertise in data management, risk assessment, and regulatory adherence, DPOs will be instrumental in instilling confidence in consumers, clients, and stakeholders alike.

Consent Managers: On the other hand, Consent Managers will bridge the gap between data fiduciaries and data principals, acting as the linchpin for open and informed communication. Tasked with managing consent requests and facilitating transparent data processing, Consent Managers will empower individuals to exercise control over their personal data. This role goes beyond mere compliance, as it nurtures a culture of trust between businesses and their patrons, laying the foundation for sustainable, long-lasting relationships.

Immediate Actionable for Corporates

- a) The Act opens new dimensions of alterations in the fabric of the long-term as well as day-to-day management of corporates and other entities which is likely to require legal attention enabling the **formation and remoulding** of its existing policies to align them with the compliance of the new legislation.

- b) Identifying and addressing the **rights of the data principals** (individuals sharing personal data) and the developing parameters for design and implementation of consent mechanism in an organisation needs to be acted upon.
- c) It shall also become important to identify third party data processors that are hired by corporate entities to store and process personal data and redefining their obligations.
- d) In order to mitigate the risks associated with even the unintended breach of the legislation, developing a **legal and technological structure** for managing and regulating any privacy breach; and directing the systems of the organisations towards **well-defined policies protecting data at various levels**, it may become necessary to carry out an audit of the legal foundation of the organisation.

Conclusion

While the Digital Personal Data Protection Act, 2023 is seamlessly aligned with existing statutes, embodying a **harmonious construction** that fosters coherence within the legal framework, it is important to acknowledge that while certain concerns have been raised regarding its provisions, the true litmus test lies ahead during the formulation of rules and its application. This iterative process will likely shed light on the finer intricacies, offer opportunities for public discourse, and fine-tune the legislative landscape. Therefore, while the Act's current contours invite clarity, they also set the stage for collaborative efforts to ensure that the final regulations address the existing concerns and uphold the drafting of policies for transparency, accountability, and fairness to be incorporated by the entities to associate their compliance with an effective data protection framework.

References:

Digital Personal Data Protection Act, 2023.

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<https://www.taxmann.com/research/company-and-sebi/top-story/10501000000023277/unravelling-the-ambiguities-of-the-digital-personal-data-protection-act-2023-a-legal-perspective-experts-opinion>

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Listing of subsequent Non-Convertible Debt Securities

Securities And Exchange Board of India vide amendment notification No. SEBI/LAD-NRO/GN/2023/151 dated 19th September 2023 has amended Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by introducing Regulation 62A in relation to Listing of subsequent issuances of non-convertible debt securities.

This newly inserted Regulation 62A states about Listing of subsequent issuances of non-convertible debt securities as follows:

To Whom Applicable?	What To List & By When?
A Listed Entity, whose non-convertible debt securities are listed.	Such entities proposing to list non-convertible debt securities on or after 01 st January 2024 shall list such securities
A Listed entity who subsequently issues non-convertible debt securities i.e., on or before 31 st December 2023	May list such non-convertible debt securities if they are outstanding as on 31 st December 2023
A Listed entity that proposes to list the non-convertible securities on the stock exchange on or after 01 st January 2024	Shall list all outstanding unlisted non-convertible debt securities previously on or after 01 st January 2024 within three months from the date of the listing of the non-convertible debt securities proposed to be listed

Following securities are not required to list post this amendment: *

- (i) Bonds issued under section 54EC of the Income Tax Act, 1961 (43 of 1961)
- (ii) Non-convertible debt securities issued pursuant to an agreement entered into between the listed entity of such securities and multilateral institutions.
- (iii) Non-convertible debt securities issued pursuant to an order of any court or Tribunal, or regulatory requirement as stipulated by a financial sector regulator namely, the Board, Reserve Bank of India, Insurance Regulatory and Development Authority of India or the Pension Fund and Regulatory Development Authority.

* The securities issued by the listed entity under clauses (ii) and (iii) of above stated points shall be locked in and held till maturity by the investors and shall be unencumbered.

* A listed entity proposing to issue securities mentioned above shall disclose to the stock exchanges on which its non-convertible debt securities are listed, all the key terms of such securities, including embedded options, security offered, interest rates, charges, commissions, premium (by any name called), period of maturity and such other details as may be required to be disclosed by the Board from time to time.

Effective Date: On the date of publication in the Official Gazette i.e., 19th September 2023 but provisions are becoming effective from 01st January 2024.

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SEBI Circular on Board Nomination Rights to unitholders of Infrastructure Investment Trusts

Introduction:

SEBI had brought a Consultation Paper titled Consultation paper on Special Rights and Role of Sponsor in REITs and InvITs on May 16, 2023 ['CP 2023'] proposing to introduce the concept of 'nomination rights for unitholders. On receipt of public comments CP 2023 was taken up for discussion in SEBI board meeting on June 28, 2023. SEBI board at this meeting approved the proposal of nomination rights for unitholders.

Further Securities and Exchange Board of India vide its amendment notification Securities and Exchange Board of India (Infrastructure Investment Trust) (Second Amendment) Regulations, 2023 dt: August 18, 2023 amended Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 ['InvIT Regulations'] to incorporate the concept of nomination by unitholders.

SEBI has now vided its circular dated September 11, 2023 ['InvIT circular'] has inter-alia prescribed the manner of the nomination process which includes the process of nomination and eligibility criteria for the nominating unitholders as well as for the proposed appointee. InvIT circular has become effective from September 11, 2023, itself.

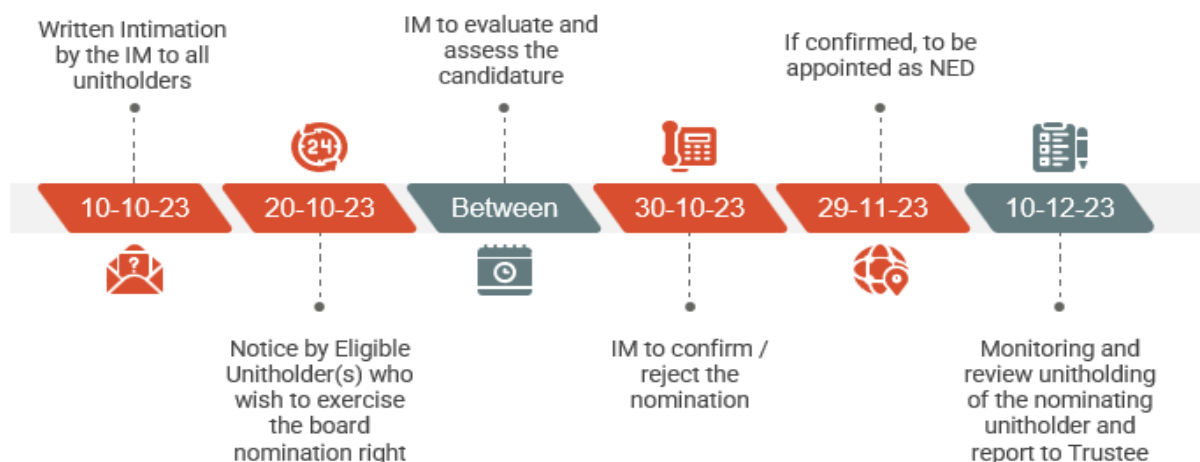
InvIT circular provides for as to who shall be eligible unitholders, eligibility criteria for nomination of unitholder nominee director, formulation of policy in relation to the qualifications and appointment criteria and evaluation parameters for unit holder director, timeline and process (first nomination after issuance of this circular and subsequent nomination on annual basis), withdrawal/change of nomination, vacation/removal of Unitholder Nominee Director and amendment to be made to trust deed and investment management agreement.

Immediate Actionable:

1. Formulation of Policy: The Board of Directors of Investment Manager are required to formulate and adopt a policy providing for qualifications, criteria for appointment, and evaluation parameters of individuals nominated for nominee director.
2. Website compliance: This policy shall also be made available on the website of the InvIT.
3. (1) Appointment process and timeline to be adhered to:

- a) The Investment Manager ['IM'] shall send a written intimation to all the unitholders within ten days from the end of September 30, 2023, requesting them to inform IM if they wish to exercise the right to nominate the Director.
 - b) Thereafter, eligible unitholder(s) who wish to exercise this right shall inform the IM through a written notice within ten days of receipt of the intimation from the Investment Manager.
 - c) The eligibility of a unitholder nominee director shall be confirmed by the IM, based on the evaluation done by the Nomination and Remuneration Committee ("NRC") and/or the board of directors of the IM in line with the policy formulated in this regard, within ten (10) days of receipt of notice from eligible unitholder(s).
 - d) Once the eligibility of a unitholder nominee director is confirmed, the IM shall take necessary steps to complete the appointment of such director on the board of directors within thirty days from the date of such confirmation. The IM shall ensure that the appointment of the unitholder nominee director is following the requirements with respect to the composition of the board of directors under the InvIT Regulations and other applicable laws.
 - e) In case, the unitholder exercises the above right, the compliance with respect to the composition of IM needs to be checked as per InvIT Regulations. As per Regulation 4(2)(v), the IM should have not less than half of its directors in case of a company or members of the governing board in case of an LLP as independent, therefore while appointing the nominee directors on the board of IM, the need for appointment of independent directors to be checked upon, on case-to-case basis. However, timeline for appointment of independent directors is not mentioned.
 - f) Further, if the candidate proposed is not eligible or not found suitable based on the evaluation done by the NRC and/or the board of directors of the IM in line with the policy formulated in this regard, the reasons shall be recorded in writing and shall be communicated by the IM to the eligible unitholder(s) within ten (10) days of receipt of notice from eligible unitholder(s). In such case, the eligible unitholder(s) may submit another candidate within a period of ten (10) days from the receipt of such communication from the IM.
3. (2) Reporting and monitoring: The IM shall within ten days from the end of each calendar month, review whether the eligible unitholder(s) who have exercised the board nomination right, continue to have/hold the required number of units of InvIT and make a report of the same which shall be submitted to the Trustee of InvIT.

For simplicity, below chart can be referred for process of appointment with timeline:



4. **Amendment to the Trust Deed and Investment Management Agreement:** In view of the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2023 notified on August 18, 2023, the trust deed and investment management agreement shall stand amended or be deemed to incorporate provisions to provide board nomination rights to eligible unitholder(s) in the manner specified in this circular. Further, the trustee and IM shall ensure that the trust deed and the Investment Management Agreement to provide for right to the eligible unitholder(s) of nomination and appointment of unitholder nominee director on the board of directors of IM.

Conclusion

Introduction of fit and proper criteria for potential board members is a welcome step in maintaining the integrity of board discussions. It ensures that the drive for inclusivity doesn't undermine the quality of deliberations in board meetings.

This circular is coming from the background where SEBI welcomes the special rights pertaining to the representation on the Board of Investment Manager, however, it is also noteworthy that there are the instances wherein other special rights are given to certain unitholders, InvITs shall critically review continuation of such practices/structure.

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Charting a Purposeful Path: The Role of Vision, Mission, and Goals in CSR.

Introduction

In an age where businesses are expected to do more than merely generate profits, Corporate Social Responsibility (CSR) has emerged as a powerful tool for companies to align their values with societal needs. While CSR is an umbrella term encompassing various ethical practices, it's the trifecta of vision, mission, and clear goals that truly elevate a company's impact.

CSR when undertaken by companies just for the sake of completing its compliance requirements i.e without dwelling deep into the overall objective and purpose which it seeks to achieve shall have practically no effect on the beneficiaries of the activities.

This shall result into loss of resources and time for the implementing company with no substantial impact through such CSR activities.

As a result, it becomes more important in this era where all corporates are being judged on the basis of the societal impact it is able to create that proper thought must be put on the vision and the goal behind the CSR activities which the company endeavours to start.

Thus, having a properly planned and deliberated vision statement for CSR is very significant for the company's prospects and must form an integral part of the company's business charter when it is planning its future roadmap.

It can therefore be said that when the company's approach is as such when it considers CSR as a part of its business goals and not some external obligation imposed by law it will always endeavour to undertake activities which are truly impactful.

In this article, we delve into the profound significance of these elements within CSR, exploring how they steer organizations toward meaningful change.

The Vision: Navigating the Ethical Landscape

As understood aforesaid, a company's vision is its guiding star and when creating a societal impact which results in the betterment of the countrymen and the environment in which it operates is the integral part of the organisation's business vision it serves as a compass whereby the company automatically through its activities moves towards a better and a more sustainable future.

Without a well-defined vision, CSR initiatives lack direction. It must be noted that critical aspects like societal change, environmental protection, eradication of poverty, medical care infrastructure require persistent efforts in that direction, it can't be achieved over a short span of period in an emerging economy like India. Only when persistent efforts are being made in such desired sectors change can be achieved.

What a well-defined vision on the part of corporates does is that constant efforts are being directed in targeted areas which gives a noticeable impact in that area after a few years.

Without a well-defined vision it is not possible to achieve such impact as in such cases the company's efforts would be haywire and shall lack proper channelisation.

The Mission: Bridging Values and Actions

The mission of a company in the realm of CSR serves as the bridge between its core values and its actions in the real world. While the vision sets the long-term direction, the mission defines the practical steps an organization will take to fulfil its CSR objectives. It acts as a roadmap, guiding the company through the intricate terrain of social responsibility.

A well-crafted mission statement not only outlines what the company aims to achieve but also how it intends to get there. For instance, if a company's vision is to promote education in underprivileged communities, its mission statement might detail specific actions such as funding schools, providing scholarships, or supporting teacher training programs. This clarity not only helps the company stay focused on its objectives but also communicates its commitment to stakeholders, employees, and the public.

Furthermore, the mission statement aligns the company's CSR efforts with its core competencies. When a company leverages its unique strengths and resources to address societal challenges, it not only maximizes its impact but also fosters a sense of purpose among its employees. Employees are more likely to engage with CSR initiatives that resonate with their skills and expertise, leading to a more motivated and dedicated workforce.

Goals: Measuring Impact and Accountability

Goals within the framework of CSR are the actionable steps that allow a company to measure its progress and hold itself accountable for its commitments. Setting clear and achievable goals is crucial for ensuring that CSR initiatives are effective and have a tangible impact on the intended beneficiaries.

These goals should be specific, measurable, attainable, relevant, and time-bound (SMART). For instance, if a company's mission is to reduce its carbon footprint, a SMART goal might be to decrease greenhouse gas emissions by 20% within the next five years. This goal provides a clear target, a means of measurement, and a timeframe for assessment.

In addition to monitoring progress, well-defined goals also enhance transparency and accountability. Companies can openly communicate their CSR objectives and report on their achievements, providing stakeholders with a clear understanding of their impact on society and the environment. This accountability builds trust and goodwill among customers, investors, and the broader community.

Conclusion:

Corporate Social Responsibility is not merely a philanthropic endeavour; it's a strategic approach that can drive meaningful change when executed with purpose and precision. The trifecta of vision, mission, and goals is instrumental in elevating CSR initiatives from well-intentioned gestures to impactful actions.

A well-defined vision sets the course for a company's CSR journey, ensuring that it aligns with its core values and long-term aspirations. The mission bridges the gap between these values and actionable steps, providing a roadmap for how the company intends to make a difference. Finally, goals serve as the measuring stick, allowing companies to track their progress, demonstrate accountability, and communicate their achievements to stakeholders.

In an era where societal impact is increasingly important, companies that embrace CSR as an integral part of their business strategy are better positioned to create positive change, foster employee engagement, and build trust with their stakeholders. By investing in a clear vision, a purpose-driven mission, and SMART goals, organizations can maximize their impact and contribute to a more sustainable and equitable future for all.

Tales of social impact resulting out of CSR projects undertaken by Grasim Industries Limited which had the trifecta of Vision, mission and clear goals while implementing such CSR projects.

Reference: on pages 18 to 20 of [<https://www.grasim.com/Upload/PDF/impact-assessment-report-education-project-1.pdf>]

Qudsiya Qureshi, 18 years old student has successfully cleared 12th Standard from Aditya Birla Higher Secondary School, Nagda. In addition to education, School also encouraged her in sports activity. She represented Madhya Pradesh Team of weightlifting in 81 Kg weight category during March,2022 in Bhuvaneshwar [Orissa], she also won gold medal in Madhya Pradesh State Weightlifting Competition held on 23rd and 24th November,2021. She was guided by Mr. Devendra Singh Shaktawat, sports teacher of Aditya Birla Higher Secondary School during the entire course of her competition. Due to her achievements, many other school students and her friends are motivated to participate in sports activities made available by Aditya Birla Higher Secondary School.



Sanjana Arvind Bhai Gajamar is resident of Saladara in Bharuch district. She was 7th Standard student when she left school due to poor economic condition of her family and started supporting her family. It was felt that education may not teach her something extra and lacked interest in education. During interaction with her friends, she heard the scholarship given by Grasim to girls. She also learned that Grasim had started innovative projects in the school like drawing competition, elocution competition. Grasim supported her with scholarships in 9th and 10th Standard. Grasim even supported with education materials like books, other materials support for science fair. This helped to influence her and her family to pursue education. She is currently continuing her studies. Not only her but there are other such girls who are also getting similar support and motivation from Grasim for their further studies. Students started taking active part in the competitions and other programmes. She is thankful to Grasim for supporting her education.

This article is published in Taxmann. The link to the same can be accessed:

<https://www.taxmann.com/research/company-and-sebi/top-story/10501000000023298/charting-a-purposeful-path-the-role-of-vision-mission-and-goals-in-csr-experts-opinion>

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NEWS UPDATES/AMENDMENTS FOR THE MONTH OF SEPTEMBER:

Sr. No.	News Updates/Amendments	Link & Brief Summary
NEWS		
1	Large Unlisted Companies may be regulated	https://m.economictimes.com/news/economy/policy/large-unlisted-companies-may-be-regulated/articleshow/103941212.cms Under the proposed framework, such entities could be mandated to submit quarterly filings of financial statements with MCA.
2	Regulatory framework for valuers to be strengthened: MCA	https://www.livemint.com/news/india/regulatory-framework-for-valuers-to-be-strengthened-mca-11694097439740.html The authorities have been trying to improve the outcome of bankruptcy resolution so that creditors are able to nurse back companies in distress to financial health as quickly as possible.
3	ICSI proposes MCA to introduce CS Compliance Certificate.	https://www.taxscan.in/icsi-proposes-mca-to-introduce-cs-compliance-certificate-for-small-companies-turnover-not-exceeding-rs-40-crores/319189/ Compliance certificate applicability proposed for Small Companies having Turnover not Exceeding Rs. 40 crores
4	Old overseas investment deals could come under ED fire	https://cfo.economictimes.indiatimes.com/news/old-overseas-investment-deals-could-come-under-ed-fire/103917979 ED in recent cases has seized properties of companies which used regular banking channels to transfer funds abroad under ODI route
5	India set to relax FDI norms in space sector in bid to give a boost to satcom	https://cfo.economictimes.indiatimes.com/news/policy/india-set-to-relax-fdi-norms-in-space-sector-in-bid-to-give-a-boost-to-satcom/103918556

		India set to liberalize FDI policy for the space sector by allowing upto 74% overseas ownership through the automatic route and upto 100% to attract global investors
6	Record 102,611 companies, LLPs incorporated till August	https://cfo.economictimes.indiatimes.com/news/record-102611-companies-llps-incorporated-till-august/103823807 A record 102,611 companies and LLP Firms were incorporated between April and August, up 11.5% from a year before, showed the latest data compiled by MCA
7	SEBI notifies rules for listing non-convertible debt securities	https://legal.economictimes.indiatimes.com/news/regulators/sebi-notifies-rule-for-listing-non-convertible-debt-securities/103845434 SEBI amended rules under which listed entities with outstanding non-convertible debt securities will be required to list subsequent issuance of such securities on Stock Exchanges. This will come into effect from January 01 2024.
8	SEBI issues guidelines for handling complaints received via scores platform	https://legal.economictimes.indiatimes.com/news/regulators/sebi-issues-guidelines-for-handling-complaints-received-via-scores-platform/103839384 These new guidelines will come into force from December 04, as mentioned in the SEBI circular
<u>AMENDMENTS / CIRCULARS /CONSULTATION PAPERS</u>		
1	SEBI circular on new format of abridged prospectus for public issues of non-convertible debt securities and/or non-convertible redeemable preference shares dated September 04, 2023. Circular No.: SEBI/HO/DDHS/POD1/P/CIR/2023/150	https://www.sebi.gov.in/legal/circulars/sep-2023/new-format-of-abridged-prospectus-for-public-issues-of-non-convertible-debt-securities-and-or-non-convertible-redeemable-preference-shares-76430.html SEBI releases new format for abridged prospectus for public issues of non-convertible debt securities and/or non-convertible redeemable preference shares.
2	SEBI circular on change in mode of payment wrt SEBI IPEF bank account dated September 04, 2023. Circular No.: SEBI/HO/GSD/TAD/P/CIR/2023/149	https://www.sebi.gov.in/legal/circulars/sep-2023/change-in-mode-of-payment-w-r-t-sebi-investor-protection-and-education-fund-bank-a-c-76474.html Mode of Payment to SEBI IPEF account via demand draft quashed off. Only Online payment mode now available.

3	SEBI Circular on mechanism for sharing information by credit rating agencies to debenture trustees dated September 04, 2023 Circular No.: SEBI/HO/DDHS/DDHS-POD2/P/CIR/2023/151	https://www.sebi.gov.in/legal/circulars/sep-2023/mechanism-for-sharing-of-information-by-credit-rating-agencies-cras-to-debenture-trustees-dts-76476.html CRAs to send revision in ratings to DTs in a specified format from now. SEBI releases excel file for same.
4	SEBI Circular on board nomination rights to unitholders of InvITs dated September 11, 2023 Circular No.: SEBI/HO/DDHS-PoD-2/P/CIR/2023/153	https://www.sebi.gov.in/legal/circulars/sep-2023/board-nomination-rights-to-unitholders-of-infrastructure-investment-trusts-invits-76708.html SEBI notifies Board nomination rights to unitholders of Infrastructure Investment Trusts (InvITs). Applicable with immediate effect.
5	SEBI circular on Linking of SCORES platform with ODR platform dated September 20, 2023 Circular No.: 156	https://www.sebi.gov.in/legal/circulars/sep-2023/redressal-of-investor-grievances-through-the-sebi-complaint-redressal-scores-platform-and-linking-it-to-online-dispute-resolution-platform-77159.html SEBI Circular on redressal of investor grievances through SEBI Complaint redressal platform and linking it to ODR Platform.
6	SEBI LODR Fourth Amendment 2023 dated September 21, 2023	https://www.sebi.gov.in/legal/regulations/sep-2023/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-fourth-amendment-regulations-2023-77193.html Notifies Reg 62A- listing of subsequent issuances of NCD securities.
7	Income Tax amendment for valuation of shares – unlisted company	https://egazette.gov.in/WriteReadData/2023/248994.pdf
8	Extension of time upto 30 th September, 2024 granted by MCA for conduct of general meeting through VC/OAVM	https://www.mca.gov.in/bin/dms/getdocument?mds=HaKq8Y72Sk05wIQe05fjLQ%253D%253D&type=open Extension of time for conduct of general meeting through VC/OAVM



UPCOMING COMPLIANCE DUE DATES:

SR. NO.	PROVISION UNDER APPLICABLE LAWS/REGULATIONS	APPLICABILITY	FORM/DISCLOSURE	DUE DATE
<u>MCA COMPLIANCES</u>				
1	Section 405 of the Companies Act 2013 R/W MCA notification dated January 22, 2019.	Returns of payments outstanding to MSMEs for more than 45 days. Applicable to all companies who receive supplies from MSMEs.	MSME-1	On or before October 30, 2023.
2	Section 137(1) R/W Rule 12 of Companies Accounts Rules, 2014	Filing of copies of financial statements with ROC. Applicable to all companies	AOC-4	<p>Within 30 days from the date of AGM.</p> <p>September 30, being last date for conduct of AGM,</p> <p>Last date for filing AOC-4 is October 30, 2023.</p>
3	Section 170(2) R/W rule 18 of Companies Appointment of Directors Rules, 2014	Intimation to ROC about appointment/change in designation of directors at AGM. Applicable to companies who have appointed/regularization directors at AGM.	DIR-12	30 days from date of AGM
4	Section 139 R/W rule	Intimation to ROC about appointment of new statutory auditor. Applicable if company has appointed/reappointed statutory auditor in the AGM.	ADT-1	Within 15 days after conduct of AGM.
5	Rule 8 of Companies prospectus and allotment of securities rules.	Filing of form PAS-6 with ROC for giving information about shares held in physical mode.	PAS-6	<p>October 30, 2023.</p> <p>Within 30 days from the end of half year.</p>

6	Regulation 13 sub-regulation 3 of SEBI LODR Regulations 2015.	Filing with stock exchanges a statement giving details of the number of investors complaints. Applicable to all listed entities	NA	21 days from the end of quarter. October 21, 2023.
7	Regulation 27 sub-regulation 2 of SEBI LODR 2015	Submission of report on corporate governance to stock exchange	Format prescribed by SEBI	21 days from the end of quarter. October 21, 2023.

SEBI COMPLIANCES /BSE/NSE CIRCULARS

8	Regulation 31 sub-regulation 1 of SEBI LODR 2015.	Filing of shareholding pattern of the company with the stock exchange.	Format prescribed in SEBI circulars	21 days from the end of quarter. October 21, 2023.
9	Regulation 31 sub-regulation 1 of SEBI LODR 2015.	Filing of shareholding pattern by SME listed entities	Format prescribed in SEBI circulars	21 days from the end of half year. October 21, 2023.
10	Regulation 74 sub-regulation 5 of Depository Participant regulations 1996.	Submission to stock exchange, certificate of timely demat of shares by all listed entities	N. A	No deadline mentioned in law but it is advisable to file within 21 days from end of quarter.
11	Regulation 76 of Depository participant regulations 1996	reconciliation of share capital audit	N. A	30 days end of quarter

MMJC's Podcast link:

MMJC Podcast Episode 9- Learn, Unlearn & Relearn Board's Report - Part 1

<https://youtu.be/IS1bLK3XszY?si=6GVJcHYvny6K75VM&t=5>

MMJC Podcast Episode 10 - Learn, Unlearn & Relearn Board's Report - Part 2

https://youtu.be/0ii7zcaD5CA?si=C3_iBBsXxSNiXJL&t=4