

# Report

## Powers, Duties & Restrictions of the Board

25<sup>th</sup> May 2018

The Governance Committee of the Bombay Chamber organised workshop on Powers, Duties & Restrictions of Board on May 25, 2018 from 10.00 am to 1.30pm. Ms. Usha Maheshwari, Additional Director, Bombay Chamber welcomed speakers and delegates. She briefed about history and the milestone achieved by Bombay Chamber. 23 participants from different companies participated in workshop

The role of the Board of Directors (BoD) has increasingly come under scrutiny in light of recent allegations against the leaders of the top private sector banks in India. During the workshop the discussion was on the Regulatory provisions encompassing the duties, powers and restrictions of the Board, Delegation of Board Powers to Committees and liability of Experts while advising the Board, Powers of Regulators and Enforcement Authorities against the Board and Succession Planning in the Board – Process and its Importance etc.

The workshop began with an introduction and expectations of all delegates from the session. The speaker, Mr. Suhas Tuljapurkar, Managing Partner, Legasis spoke on Fiduciary Duties- Four corners of BoD, Statutory and Regulatory Landscape, Delegation- what can't be delegated?, Regulatory & Judicial Intervention & (focus on latest developments)

He elaborated that Board of Directors has four Fiduciary Duties that are

- Loyalty - **To act in the Interest of the Company**
- Care - **Duty to pay attention and take due care**
- Extra Care - **Careful Scrutiny of decisions:** Event Based.
- Disclosure - **Disclose all material information**

Further he stated that it is Board's Responsibility to ensure and set up organizational activities that are aligned in a way that supports the organization's business goals. He also explained Hallmarks for compliance duty of board which are

- Commitment from senior management
- Code of Conduct and Compliance Policies and Procedures
- Oversight, Autonomy and Resources
- Risk Assessment
- Training and Continuing Advice
- Incentives and Disciplinary Measures
- Third-Party Due Diligence
- Confidential Reporting and Internal Investigation
- Continuous Improvement: Periodic Testing and Review

He also touched upon topics like Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Reg, 2015 and Secretarial Standards. He explained about Statutory and Regulatory Provisions for delegation under Company Act and power and duties of the board which can't be delegate to others.

Further he explained the SC Judgement of Independent Directors which says "*Neither the independent directors nor the promoter directors shall alienate their personal properties or assets in any manner, nor if they do so, they will not only be liable for criminal prosecution but contempt of the Court.*"

He also spoke recent amendments for fees for filing which are that are

- Financial Statements & Annual Return can be filed with delayed filing fees of Rs. 100/- per day (after prescribed 30/60 days), different amount may be specified for different classes of companies.
- For other E- forms – additional fees will be prescribed; different amount may be specified for different classes of companies.
- In case of subsequent 2 or more defaults in submission of forms, higher fees may be prescribed.
- In case the due date of filings under Section 92 (Annual Return) or 137 (Annual Financial Statement) of the Companies Act, 2013 expires after 30/06/2018, the additional fee @Rs.100 per day shall become payable in respect of MGT-7, AoC-4, AoC-4 XBRL and AoC-4 CFS.
- In all other cases where the belated Annual Returns or Balance Sheet/Financial Statement which were due to be filed whether under the Companies Act, 1956 or the Companies Act, 2013, additional fee as per the applicable slab for the period of delay up to 30th June 2018 plus @Rs.100 per day w.e.f 1st July 2018 shall become payable.

At the end Ms. Usha Maheshwari delivered vote of thanks to speakers and delegates. The workshop was well appreciated by the delegates. Based on the oral and written feedback from delegates, the workshop was interactive, useful and informative for them.

