PRESS RELEASE

CS S. N. Ananthasubramanian, President, Council of the ICSI welcomes the brand new, modern, growth oriented and futuristic Company Law passed by Rajya Sabha today (08.08.2013). On getting the assent of the Honorable President of India and notification in the gazette, it will replace the existing statute for governance of companies in the country, i.e., the Companies Act, 1956.

He stated that, The new Law is a progressive and forward looking which promises improved corporate governance norms, enhanced disclosures and transparency, facilitation of responsible entrepreneurship, increased accountability of company managements and auditors, protection of interest of investors particularly small and minority investors, better shareholder democracy, facilitation of corporate social responsibility (CSR) and stricter enforcement processes.

A significant move is the change in discourse from control to self-regulation. It presents a paradigm shift in the way every stakeholder in a corporation has to think, act and perform. This transports India into the big league as far as corporate democracy is concerned. India has transcended into the frontline space in corporate legislation and would pave the way for increase in investment propositions, added President, Council of the ICSI.

The Act also contains various provisions for the protection of small investors- introduction of class action suits is one obvious example. The Act is designed to balance the stakeholders' interests, viz, promoters, shareholders, public at large.

According to CS S. N. Ananthasubramanian, President, Council of the ICSI, The new law will further accelerate the transformation of company secretaries to corporate governance professionals by recognizing them as Key Managerial Persons in a Company along with the Chief Executive Officer / Managing Director / Manager, Whole-Time Director and Chief Financial Officer. The Company Secretary is expected to become the Chief Governance Officer of the Company and lead the governance initiatives. Further, it envisages a much larger role for Company Secretaries in areas of secretarial audit, restructuring, liquidation, valuation and much more.

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