



### *Dear Professional Colleagues*

The world at large recognizes the fact that the Institute of Company Secretaries of India has treaded flawlessly on the path of progress, undeterred by impediments and hindrances that came in its way. Since 1980, every year, ICSI has taken up various initiatives that have cast an everlasting impact towards enhancing the reputation of the profession.

The recent regulatory prescriptions have recognized the pivotal role that company secretaries can play in ensuring the compliance of the law in true letter and spirit. There is a plethora of opportunities for the profession of Company Secretaries and we need to develop our capacities by garnering knowledge and latest information from multifarious sources. This responsibility is exclusively on us, at the ICSI.

In this direction, the Institute strongly felt the need to take up Financial Services as focused area this year. A step in that direction is:

### ***ICSI FinanCS - Financial Opportunities .....The ICSians Way***

#### ***Opportunity***

Company Secretaries in Practice are authorised to conduct the Internal Audit of Credit Rating Agencies (CRAs) on a half yearly basis.

#### ***Current Status***

Statutory Recognition under SEBI Regulations

#### ***Engagement Perspective***

The functioning of global financial markets depends in part upon reliable assessments of investment risks, and CRAs play a significant role in boosting investor confidence in those markets. Credit Rating is a symbolic indication of the current opinion regarding the relative capability of a corporate entity to service its debt obligations in time with reference to the instrument being rated. The ratings do not express opinions on whether the particular debt instruments should be bought or sold. They are only intended to convey information regarding the relative safety of the securities. Since their primary function is to evaluate credit risk, CRAs do not assess the economic appeal of investments.

In India, CRAs are governed by SEBI (Credit Rating Agencies) Regulations, 1999. These regulations provides detailed regulatory framework for registration, working and other related aspects of Credit Rating Agencies.

To bring more transparency into the functioning of credit rating agencies, SEBI has mandated Credit rating agency to have internal audit of their compliances conducted and authorised Practising Company Secretaries to undertake such internal audit. The Audit covers all aspects of CRA operations and procedures, including investor grievance redressal mechanism, compliance with the requirements stipulated in the SEBI Act, Rules and Regulations made thereunder and guidelines issued by SEBI from time to time. **[SEBI Circular MRD/CRA/CIR-01/2010 dated January 06, 2010]**

#### ***ICSI Initiatives***

ICSI always endeavours to promote the cause of the profession to excel in service delivery to various stakeholders. With a view to tap newer avenues available in the areas of financial services, the Institute regularly makes representations to Government and regulatory authorities such as SEBI, RBI, IRDA & IBA and apprise them about the potential value addition by a company secretary in the areas of financial services. Further for capacity building of the members, ICSI organises Seminars, Conferences and Training Programmes on contemporary topics inter alia related to financial services.

In our quest to bring newer opportunities for our Profession, we humbly remain

Sincerely yours,

**CS (Dr.) Shyam Agrawal**  
President, The ICSI

**CS Mahavir Lunawat**  
Chairman, Financial Services Committee  
& Central Council Member, The ICSI