

# Rendezvous with ICSI

Hon'ble Union Minister of State for Finance and Corporate Affairs  
**Sh. Arjun Ram Meghwal**



*Dr. Harpreet Raman Bahl, ICSI interacting with Sh. Arjun Ram Meghwal*

**A** role model for every common man who has uncommon thoughts and wants to aims high in life, an example for every person hailing from Rural India where heart of the country resides, a live exemplar for every person who believes in seeing dreams with open eyes and wants to see these dreams coming true, a paragon who believes in soundness of character and not outlook of personality, an environmentalist at heart who can be often seen cycling on the roads to head for Parliament, a regulator who wishes to take Governance in every nook and corner of the country, he is **Union Minister of State for Finance and Corporate Affairs Sh. Arjun Ram Meghwal**, who rose from a common Indian hailing from a village of Rajasthan and hugged success through his sheer hard work and became an IAS officer, Member of Parliament, Sansad Ratna (Gem of Parliament) and today a Union Minister.

*ICSI is initiating a new series of making its readers well versed with such gem of personalities who can inspire and guide our way named 'Rendezvous with ICSI'. First in the series is a conversation on behalf of ICSI by Dr. Harpreet Raman Bahl where we attempted to get his views on different spheres pertaining to governance. ICSI believes you will find this conversation a knowledge enriching initiative for its stakeholders.*

**Dr. Harpreet:** My research about you revealed that it was a humble beginning of a common man representing Rural India who started his career as an operator in Telephone exchange, today, you are discharging such a colossal responsibility as a Union Minister of State for Finance and Corporate Affairs of Government of India. This is really inspiring. You played various roles in the position of an IAS Officer, Member of Parliament, the Best MP of the Year, and today, Union Minister of State for Finance and Corporate Affairs. Please throw a light on this

journey in your own words.

**Sh. Meghwal:** First of all, I would like to congratulate ICSI and President, ICSI to provide me this opportunity to interact with its stakeholders and to make an attempt to put my story before whole world and especially people who represent a large pie of rural India. My congratulations to you too for stealing time to do this in depth research about my journey so that it can make everyone believe in his/her abilities and reach pinnacle of success. Yes, this is a fact that I represent a common man

from Rural India and my father was a weaver by profession, we lived in a village, and in village too, like a majority population of those times, I lived in that undeveloped strata of India villages where even basic facilities of life were not available during my childhood. There were no roads, no sewage, no potable water and people had to go 3 km far to fetch potable water, no electricity and many basic facilities were lacking too. Till the time I got the job of an operator in a telephone exchange in the year 1974, still there was no electricity in my village. But, like many other personalities who struggled and came out brilliantly to serve India despite all these hurdles, I studied and completed my graduation in the lamp light, so, this is the glimpse of rural India I represent and I am proud of that I came this far as I never yielded to these circumstances and being well versed with the requirement of providing basic needs in every village in India, I am able to contribute to the goals of development of Rural India with more zeal and understanding even.

**Dr. Harpreet:** You have been honoured with ‘Sansad Ratna Award (Best Parliamentarian)’ in the year 2012 for being one of the Best MPs of Indian Parliament. What leadership lessons you would like to give to our CS professionals so that they can be ‘the Best version of themselves’ in their life too.

**Sh. Meghwal:** In Bikaner, which is my Parliamentary Constituency, I often interact with students of CS, CA through various seminars, and tell them the importance of a strong character building, I tell them happily how, when and who can bring India in the category of developed nations.

If an individual has a spectacular motivational level and power of self-introspection; which is called ‘screening’ in spiritual language, if you imbibe a habit of ‘screening’ and do self-introspection’ at the end of the day and then based on that you screen your good and bad deeds during the day and try to enhance the magnitude your good deeds and trim down the number of deeds which don’t benefit other human beings, you will automatically become best version of yourself and an inspiration for others as well.

**Dr. Harpreet:** You said 19<sup>th</sup> Century was Europe’s and 20<sup>th</sup> belonged to America and now it is said that 21<sup>st</sup> century will belong to Asia and in Asia too, India is going to take the lead in shaping the outcomes of the Continent. How this growth saga would be recognized across the Globe?

**Sh. Meghwal:** I go to meetings, conferences and seminars of ASSOCHAM, CII, ICSI, ICAI, CMA. I always put a question that who is going to lead in 21<sup>st</sup> century in when recession is going on? Historians gave a verdict that 19<sup>th</sup> century belonged

to Europe. But, when America dropped atom bomb on Hiroshima, Japan in 1945, it was projected that 20<sup>th</sup> century belonged to North America in historian conferences.

In the Annual Singapore Lecture 2002 by then Prime Minister Sh. Atal Bihari Vajpayee on India’s perspectives on ASEAN and the Asia Pacific Region, where he opined **“the 21st century is to be the century of Asia, it devolves upon the democracies of our region (ASEAN and Asia Pacific Region) to take the lead in making it happen.”**

May be world have perceived this statement out of imagination, yet, contemporary developments such as United Kingdom decision to leave the European Union, Greece problem, African continent having 54 countries, yet, country has matching GDP as of Asia. So, no continent feels close to Asia and emerge as a leader in 21<sup>st</sup> century. Oil producing countries thought so, but oil price up down, their economy tumbled, the lay-off in their corporate world started happening, banks closed or went for size reduction, their economic growth tumbled too. As far as Latin American countries are concerned, only Brazil was growing faster, but, during the last 2-3 years, their currency has taken a nose dive to fall as fast as 300-400%. So, Brazil is out of competition also.

Coming to American Economy, adopting of Mantra ‘Buy American, Hire American’ signals to the problem of dire unemployment there. American GDP is ranging between 1-2%, bankruptcy of notable American banks, American Visa rules are going to be stricter, therefore, America also seems out of race, so Asia is emerging as ‘*the hero*’ of the 21<sup>st</sup> century.

Further introspection in Asian situation points out that there would be four countries that would be participating and leading in this race i.e. India, China, Japan, Russia. As far as Russia is concerned, After disintegration, I feel, economy is supposedly growing, but the country’s human potential has declined. Though it is world’s biggest energy exporter, yet, its consumer demand continues to slump and the outlook for oil remains dim. Chinese economy performing worst in last 26 years in 2016 with a growth rate of 5-6%, And to lead in race, there need to be competitors, it a good phenomenon. So, in this competition, china is not a democratic country. Though, may be, today we are lagging Japan as far as Information Technology is concerned, but in times to come, we may also cover this Gap as per vision of present Government to take this lead through Digital India. Some intelligence reports have already predicted that India will become 3<sup>rd</sup> largest economy overtaking Japan in 2050. Our growth rate is proud 7 per cent even today and IMF report says it will touch 7.8 per cent. So, in 21<sup>st</sup> century, leader will be Asia and

India will emerge as a hero of Asia.

**Dr. Harpreet:** Sir, I feel from your factual interpretation about this growth saga as if we are saying “Mein Bhartiya hu, aur mera Bhartiya hona hi mere hi mere liye prayapat hai”

**Sh. Meghwal:** Yes, Mera Bhartiya hona mere liye prayapat hai aur mere liye garv ki bat hai. We failed all negative predictions by all economists and maintained our growth rate of 7 per cent. To project India as the leader on world map, our Prime Minister Sh. Modi ji has set a deadline of 2022 for all plans which coincides with India celebrating 75 years of Independence and jubilee celebrations will be there in that year. It makes sense that after 2022, we will surpass our growth targets for ‘Digital India’, isn’t it? Till 2022, Government will also realize the vision of Mahatma Gandhi “Swatch Bharat” which has been taken up by Ministry of Corporate Affairs as well, and then in 2022, in this 21<sup>st</sup> century only, this country will celebrate 100 years of independence.

So Govt. of India is trying level best for all round development of the country such as basic infrastructure, development of rural India, and demographic dividend which is an asset owned by India only out of all these 4 competing countries, so India is taking a visible lead.

So, if once the then Prime Minister, Atal Bihari Vajpayee ji had opined before whole world, or APJ Abdul Kalam had dreamed for India in Vision 2020, he mentioned “Dream is the one, which we see while our eyes are open”, so till we make our golden jubilee, whole world will say 21<sup>st</sup> century belongs to Asia.

**Dr. Harpreet:** we can say that in 21<sup>st</sup> century, every Indian will see the dream with open eyes as our revered Past President of India, Abdul Kalam ji wished for every India and India will take the lead certainly.

**Dr. Harpreet:** You opined that 2017 will be remembered as a ‘Year of Economic Reforms’. Is it due to demonetization drive and ‘Cashless/Digital Economy’ or some other factors too? What are the main challenges involved?

**Sh. Meghwal:** The year 2017 is certainly ‘Year of Economic Reforms’. This is so because, in 2017, for the first time after independence, the Union budget was presented on 1<sup>st</sup> Feb, departing from the colonial era tradition of presenting the Union Budget on the last working day of February, so that the legislative approval of annual spending plans and tax proposals could be completed before the beginning of new financial year on April 1 instead of June.

Second reform is ‘demonetization’, the number of

digital transactions has multiplied after this move. As per directions of Prime Minister, NITI Ayog has organized Digi-dhan Melas’ from 25 Dec 2016 to 14 April 2017. And, in these digi-dhan Melas’, both consumers and traders have been encouraged through daily and weekly reward system and also a mega draw. So, this budding awareness about digital transactions, will result in enhancing of tax net, increase in government revenue, reduced scope of Corruption as human element wont creep in due to digitization.

Next reform of 2017 is definitely GST. Due to GST, ease of doing business will be facilitated as it would be easier there would be automatic reduction of trade barriers. GST is one indirect tax for whole nation, replacing 17 types of indirect taxes w.e.f 1<sup>st</sup> July 2017 and putting an end to octroi which itself consumed so many precious physical and financial resources. Therefore, ease of doing business ranking would increase automatically of India will certainly soar. So, 2017 will certainly be Year of Economic Reforms.

**Dr. Harpreet:** You mentioned about India’s biggest tax reform GST and how it will lead to ease of doing business, is there still any hurdle in implementation of GST in your view as all are curious to know whether India will come under a single tax net after independence for the first time?

**Sh. Meghwal:** On 29<sup>th</sup> March 2017 only, GST bill was passed in Lok Sabha. Now, in first week of April, Rajya Sabha will also start discussion on the same and Government is confident that it will be passed in upper house of Parliament too. Coming to execution part, many officials have been trained both at central and state governments level. The registration of GST has been opened up. As far as there is a concern about multiple returns under GST, GST council is working on the same. Professional bodies under Ministry of Corporate Affairs like ICSI, ICAI, CMA, have played their role to create awareness about the same to aid the efforts of the Government.

GST is the historical reform putting an end to 17 indirect taxes. As human interface will reduce, so, corruption will be checked automatically, further, there will be no misuse of power as scrutiny will reduce to only 5 percent cases.

Government is also facilitating filing return under GST, and open up centres at appropriate places for facilitating tax payers. In rural India too, we are using Atal Seva Kendra to facilitate rural tax payers, suvidha kendras will be created, so that the return is filed properly through automated mode and cases falling under scrutiny are reduced to minimum.

**Dr. Harpreet:** Your views about recent amendments in Companies Act 2013.

**Sh. Meghwal:** In 2013, Companies Act was amended. But, Government was in receipt of many representations from stakeholders, therefore, Parliamentary Standing Committee was formed chaired by Veerappa Moily, the report has been submitted by the committee and such amendments have been approved. Therefore, there would certainly be an amendment in Companies Act in the times to come. The compliance requirements would be eased now which will further lead to ease of doing business in India.

**Dr. Harpreet:** About compliance requirements, a question arises how Government is planning to tame those companies who are Non-compliant in CSR Rules as MCA has noticed discrepancies in data and lapses lately.

**Sh. Meghwal:** I have been invited to CSR workshops. A strata considers CSR as non-mandatory, I convince them, this is mandatory and you have to take it in your Boards. For non-compliant companies, Ministry is serious and our RoCs have sent notices and for those companies who have not bothered replying to such notices, directions have been sent to take action against these defaulter companies under Companies Act 2013 as prescribed u/s 135.

Yet, there are other honest companies who are contributing a lot to do their bit through their contribution to the Swatch bharaat drive, are making sanitation facilities available in rural India.

Yet, we are trying our level best that the survival aspect is ensured, efforts have been made that if they are undertaking plantation drives, such trees have survived or not. We are not making any partiality in action against defaulting companies and even PSUs who have evaded rules have been served notice too.

**Dr. Harpreet:** Yeah, it seems that follow up is necessary for checking up effectiveness of CSR initiatives of corporate sector and doesn't this call for role of CSR audit?

**Sh. Meghwal:** CSR audit is an integral part of Social audit. Corporate houses such as Tatas, Birlas have been undertaking it since long voluntarily. I hail from Rajasthan. There are examples of those who excelled in this area from Rajasthan such as Birla, Dalmia, and Banger. They used to build water wells, hospitals, school, provided scholarship and numerous other voluntary initiatives for the well being of the society to give it back, they used to do it earlier times also. Now when mandate has been given, CSR will be well taken by others seriously too. We can go for taking some steps for CSR audit under social audit in future if the concept of CSR is not well taken by companies.

**Dr. Harpreet:** we have learnt that you have been a role model for corporate world for undertaking CSR activities leading to environment conservation as you yourself ride a bicycle for contributing your bit to 'go green' drive and reducing carbon emissions. Even we watched you on your bicycle today morning for this interview while entering.



*He is often visible on Delhi roads riding his bicycle to be a trend setter in environment conservation and reduction in corporate emissions.*

**Sh. Meghwal:** Yeah, I am doing it for a long time and this fact has been noted by various foreign delegates too. Once a foreign official recognized me from this unique identity of mine in abroad too and appreciated this endeavour a lot. I am the policy maker and I need to lead by example which others may follow.

**Dr. Harpreet:** Whether Ministry of Corporate Affairs is planning some concrete steps for 'Companies without Women Directors'.

**Sh. Meghwal:** In Lok Sabha too this issue has been

well taken that every board should must have at least one women director. Companies take a shield and make an excuse of non-availability of suitable woman candidates. The stand is that women are excelling in any other sector your name, then how boards are not finding suitable woman candidates, this is inappropriate reason cited by them.

To take up this matter seriously, we have formed a Group of Ministers (GoM), and we will discuss the matter in this GoM, and we will place suitable candidates on Boards.

**Dr. Harpreet: How Bankruptcy Code will help to improve Ease of Doing Business?**

**Sh. Meghwal:** This is a new intervention, Insolvency and Bankruptcy Board of India, Mr. Sahoo, is the Chairman of IBBI. The Code had to brought because there were cases pending since long, arbitration mechanism was not proper; therefore, country's physical resources were lying idle. There were IBFR cases that were pending, land, building, Human resources were not being utilized. Now all these will be put to use. IBBI will not let this happen now, there would not be any scope for defaulters to escape by running out of country, and enforcement will be looked after by IBBI now. All this will lead to ease of doing business itself.

**Dr. Harpreet: How India may achieve its vision to be a 'Global Leader in Corporate Governance'?**

**Sh. Meghwal:** India MSME sector is playing a prominent role and we have to promote this sector. Handloom, handicrafts, KVIC activities have to be pushed up. Skill India, Make in India program, start-up India, stand up India have to have a push.

All these initiatives require following of good governance practices and taken together the introduction of governance to the root level through MSME sector will push India as a global leader in governance.

While taking governance to global level, we have to stick to our ancient roots. We have to teach Indian governance values to the world. I wear this typical Rajasthani attire and turban and I am told that it will project me as an 'illiterate'. I tell them, let them project so, when I will speak my values, they will come to know. Lately, I was in Kenya for an International Conference, and was supposed to be in western attire, I became adamant to wear my traditional Indian dress. I told them Vivekanand ji did the same while in Chicago and upheld our values there. He told them "In your culture, tailor makes a gentleman, in my culture, character makes a gentleman". I believe so.

I congratulate ICSI and that has initiated finding roots of Corporate Governance in ancient Indian

scriptures from Vedas and upnishads and to take this treasure at global level. I congratulate President, ICSI for that. Even when he speaks, he quotes Vedas. I urge him to come out with some good publications on spiritual management.



*His traditional attire is evidence of his firm belief in rich Indian heritage and he feels proud representing India on international platforms in this typical Rajasthani Turban and Kurta Pyjama and Ethnic Indian Jacket*

**Dr. Harpreet: What role do you see Company Secretaries to play in realizing goal of India taking lead in Asia and shaping its growth saga especially Company Secretaries in Rural India.**

**Sh. Meghwal:** Company Secretaries should acquire best of technical knowledge related to good governance in their field, look after legal aspects and stakeholders interest. At the same time, they should also be the conscious keepers of their boards and guide them about dharma and adhama. They should take the lead and move towards the broader vision of national governance. It takes dedication to make your country stand in the league of developed nations, Company Secretaries should play a vital role in that.

**Dr. Harpreet: 'Heart of India resides in villages.' How happiness index and prosperity of Indian villages may be enhanced, so that rural-urban divide be bridged up.**

**Sh. Meghwal:** President, ICSI CS (Dr.) Shyam Agrawal has already discussed this vital issue with me. I view that there are many rural banks, financial institutions that have no audits yet. Such banks and financial institutions may be tapped and should be pushed for complying the rules. Rural CS should not migrate to cities. This will create a further imbalance. Yes, I am aware of the

regional imbalance issue of is with ICSI too. We will work on that in times to come and trace the avenues for rural CS professionals. Cities can take any more population move. Smart cities will take care of that for cities. In rural sector, we are trying to provide basic infra. Companies Act will try to make provisions for checking such rural migration.

**Dr. Harpreet:** By the year 2019, you plan to turn 2 villages in all parliamentary constituencies to be developed as Adarsh Grams. As Minister of Corporate Affairs, what is your dream and expectation from ICSI for realize this vision?

**Sh. Meghwal:** Yes, there is such a plan. I have myself adopted 3 villages, Bikampur, Toliyasar and Rozri village bordering Pakistan. In my view, to check rural migration urban cities, we have to focus on start-up India and encourage Jugaad entrepreneurs. ICSI should help these entrepreneurs in aspects relating to incorporation and compliance. Further, governance aspects must be instilled deep in these entrepreneurs to make India lead globally in governance. I have a firm belief that President, ICSI will take steps in this direction and realize this vision of Government of India.

**Dr. Harpreet:** What/who is your inspiration?

**Sh. Meghwal:** In the childhood, my father warned me to pull me out of school if I was to fail ever. However, rather getting demotivated, I got motivated from this warning. In fact, this motivation level went so high that I made it to the Indian Administrative Services owing to sheer hard-work and diligence. So, I see the glass half full rather than half empty in every situation.

Then, I learn a lot from mother nature. Presently, when I witness our Prime Minister Sh. Modi Ji working for such long hours, that inspires me too. Further, The vision of Dr. APJ Abdul Kalam inspires me. Atal ji poems for 'New India' provide me a zeal too. And I wish that that new generation should read biographies, motivational stories, childhood leaning and character building related stuff too.

**Dr. Harpreet:** Your worthy message to Young

## Company Secretaries

**Sh. Meghwal:** To all ICSI members, Nav Varsh 2074 (Indian New Year 2074), I wish you to progress, grow, lead, guide the way of others, gain unending knowledge, become guide to your companies and give them inputs on governance and lessons on niyati.

**Dr. Harpreet:** Few words for the Institute of Company Secretaries of India

**Sh. Meghwal:** The Institute of Company Secretaries of India has attained a remarkable mark by reaching the milestone of 50,000 members. On this occasion, I congratulate ICSI, President CS (Dr.) Shyam Agrawal, and all ICSI members. At the same time, I have an expectation from the Institute and its members that they should play their role as Corporate Governance professionals with full dedication and responsibility while act as 'Conscious Keepers' of the companies and watch over those black sheeps in the corporate sector who play foul by taking advantage of some existing legal loopholes. For ensuring setting up Good Governance practices, I think, ICSI members have a monumental role to play while acting as 'advisor' to the corporate sector. I know ICSI will keep on guiding the way of its professionals to establish best governance practices in Indian Corporate Sector and contribute to a great extent to the objective of Government of India for making India a world leader in Governance.

I would like to conclude this month's rendezvous on this self note:

***"Simplest definition of success is when your 'signatures' become an 'autograph', let us all start this journey today and 'create' our autographs."***

**Dr. Harpreet Raman Bahl**  
Office of the President, ICSI  
harpreet.bahl@icsi.edu