



PD, PP&S/BM/17

May 11,2018

*Dear Professional Colleagues,*

**Sub. : Recognition for Company Secretary under SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018**

The Securities and Exchange Board of India had constituted a Committee on Corporate Governance under the Chairmanship of Shri Uday Kotak with the aim of improving standards of Corporate Governance of listed companies in India. ICSI also had a representation on the Kotak Committee where significant recommendations were made in the Report submitted to the SEBI relating specifically to the profession keeping in sight their significance in strengthening the existing governance scenario.

The SEBI in its Board Meeting held on 28th March, 2018 accepted majority of the Kotak Committee recommendations to be included in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, SEBI has issued the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 vide its notification No. SEBI/LAD-NRO/GN/2018/10 dated May 09, 2018 which provides for more stringent Corporate Governance Framework and enhanced compliance mechanism for listed entity in India.

SEBI has recognised the significant role played by a Company Secretary as a Governance Professional under the SEBI Listing Regulations and recognised the role to be played by a Company Secretary under various provisions of the aforesaid notification, which are discussed below:

- **“Senior Management”** shall mean Officers/Personnel of the listed entity who are members of its core management team excluding Board of directors and normally this shall comprise all members of management one level below Chief Executive Officer/ Managing Director/ Whole Time Director/ Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include **Company Secretary** and Chief Financial Officer [**Regulation 16 (1) (d)**]
- **Secretarial Audit** - Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its Annual Report, a Secretarial Audit Report, given by a **Company Secretary in Practice**, in such form as may be specified with effect from the year ended March 31, 2019 [**Regulation 24A**]
- A certificate from a **Company Secretary in Practice** that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority [**Schedule V, Part C, Clause(10) (i)**]

The ICSI is in process of organising a series of capacity building knowledge sessions on this opportunity. The Institute is taking all necessary steps to strengthen the Company Secretary Professionals to stand tall to Expectations and Responsibilities cast on us by various stakeholders.

Wishing all the luck for future Professional Endeavors.

Sincerely Yours

**CS Makarand Lele**

President, ICSI