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ICSI's Secretarial Standards pave the way for uniform, consistent and better practices

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CS Atul H Mehta President, ICSI

t the Institute of Company Secretaries of India (ICSI), transparency and accountability are considered essential. The challenge today lies in benchmarking standards of excellence in every sphere of corporate activities and to strengthen the confidence of investors, stakeholders, regulators and the public at large. It is here that the

role of professional bodies such as the ICSI becomes crucial. They are expected to not only ensure that they mould quality professionals but also lay down standards of professionalism and encourage the consistency of corporate practices. It is to ensure best secretarial practices and ethical standards that the ICSI established the Secretarial Standards Board in 2000.

Secretarial Standards and the Companies Act, 2013

Section 118 (10) of the Companies Act 2013 requires every company to observe Secretarial Standards with respect to general and board meetings. Also, as per section 205(1)(b), it is the duty of the company secretary to ensure the company complies with the applicable Secretarial Standards.

Need for Secretarial Standards

Although the Companies Act 2013 and the rules framed under it are detailed and comprehensive, there are places where the law is silent. Companies follow diverse secretarial practices in complying with the law provision, in cases where the Companies Act is silent.

ICSI is the first institution to issue these secretarial standards, and India is the only country to have mandated it. The Secretarial Standards have been notified vide Notification No ICSI No 1(SS) of 2015 dated April 23, 2015, and published in the *Gazette of India Extraordinary Part III* Section 4. These will be effective from July 1, 2015. These standards apply to board and general meetings and eight lakh companies in India will have to comply with these. By adhering to these, companies will be able to ensure adoption of uniform, consistent and better practices.