

CS: A Preferred Professional



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

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ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003

tel 011-4534 1000 fax +91-11-2462 6727

email info@icsi.edu website www.icsi.edu

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ICSI House, 22, Institutional Area, Lodi Road,
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Phones : 011-4534 1000, 4150 4444 • **Fax** +91-11-2462 6727

E-mail info@icsi.edu • **Website** www.icsi.edu

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PREFACE

“

Our aim may be as high as the endless sky, but we should have a resolve in our minds to walk ahead, hand-in-hand, for victory will be ours.

- Shri Atal Bihari Vajpayee

”

In its journey of more than five decades, the profession of Company Secretaries has achieved highest of milestones and made a mark in the corporate sector as an epitome in promoting good Corporate Governance. Today, each Company Secretary is the face of good governance and an ambassador of the Profession.

The knowledge and skills that a Company Secretary possesses and acquires during his professional journey make him highly competent to handle complex corporate situations. The indepth understanding of a Company Secretary synthesizes wide spectrum of available opportunities including corporate, economic, financial, commercial, industrial and allied laws in addition to the management, administration, finance and accounts. As a Preferred Professional, Company Secretary has the expertise to decipher laws in a manner befitting and benefiting the stakeholders while also keeping the regulators assured of the compliances and governance.

This publication titled '**CS: A Preferred Professional**' is an attempt to capture the journey of the Profession in brief, the core areas for the Profession, key attributes of the Company Secretaries, the expectations of the Regulators & other stakeholders, recognitions accorded to the Profession, emerging areas for the Profession and the way forward.

Besides being recognised as a Company Secretary, it is all the more important to be recognised as a governance professional by all the stakeholders to provide indispensable services to the corporates and society as a whole. As a Preferred Professional, I urge all the members to stand together for the growth of the Profession and growth of one and all. I wish that this publication not only serve as the perfect guide for professional colleagues but also help in advancing excellence in the profession.

I commend the efforts of the Directorate of Professional Development of the ICSI in bringing out this publication under the able guidance of CS Alka Arora, Joint Director and leadership of CS Asish Mohan, Secretary, ICSI at this righteous moment and providing guidance to the members in transcending boundaries to reach new heights as a Preferred Professional.

Given the fact that improvement is a continuous process, suggestions of the readers to improve this publication are most welcome.

Place: New Delhi
Date: 4th October, 2022

CS Devendra V. Deshpande
President
The Institute of Company Secretaries of India



The CS Profession

“
There is a direct correlation between governance and prosperity.
- Barack Obama
”

1. Introduction

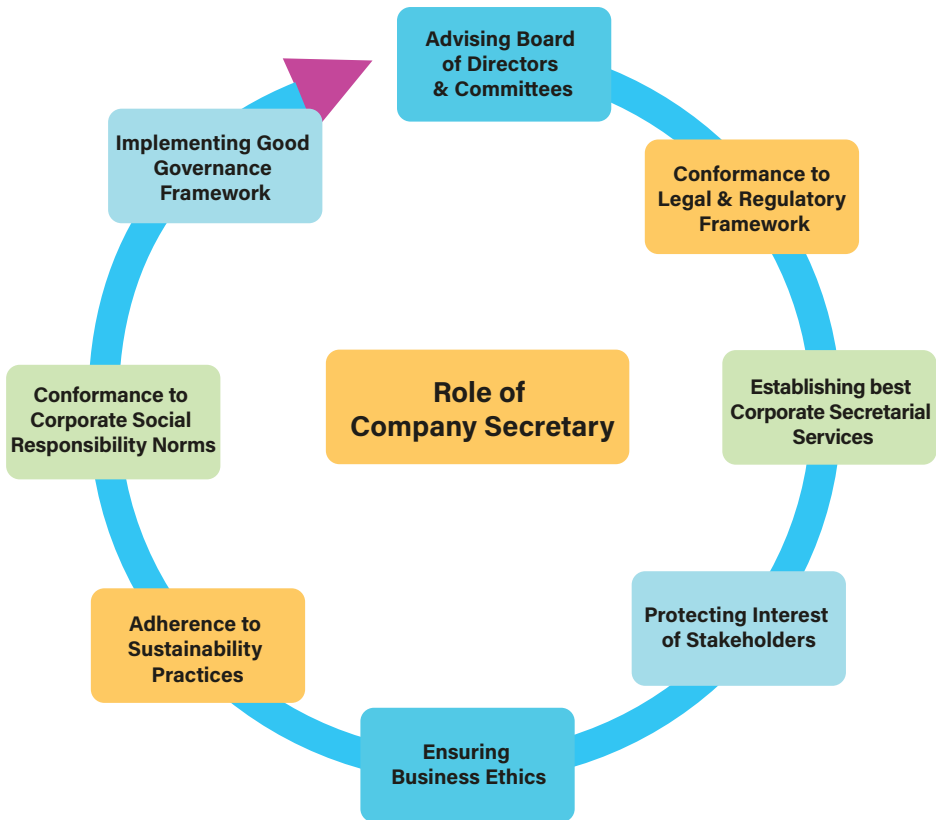
A 'Company Secretary' is a senior, strategic-level corporate professional who plays a leading role of a Key Managerial Personnel (KMP) entrusted with the responsibility of the company's Corporate Governance. Corporate Governance is more than just complying with laws, regulations, standards and codes; it is also about creating a culture of good management practices. The position of a Company Secretary as the KMP comes close to that of the Chief Executive Officer or the Managing Director and underlines the importance of the role played by him in the company. He provides professional guidance to the board, individual directors, management, shareholders and other stakeholders on the governance aspects of strategic decisions for the growth of the company. As an advisor, he advises the Board on the best management practices and work ethics to be adhered to that will ensure wealth creation for the company. He also plays a critical role in organizing and implementing board's decisions, its committees and general body meetings while ensuring compliance with the existing legal structure to safeguard the interests of all stakeholders.

A company's reputation is one of its most prized possessions in pursuit of sustained growth. It is essential that this asset is not undermined by breach of law or failure to follow best practices. The Company Secretary as a compliance officer ensures that legislation is not infringed, that regulations are adhered to, and the areas of potential risks are identified and dealt with.

The Company Secretary, whose position is unique within a company, plays a major role in encouraging and monitoring best practices. The role of a Company Secretary requires him to keep up-to-date with changes and new developments to understand their implications across a wide range of business activities. To remain a distinct professional, he fulfills his role and duties assiduously.

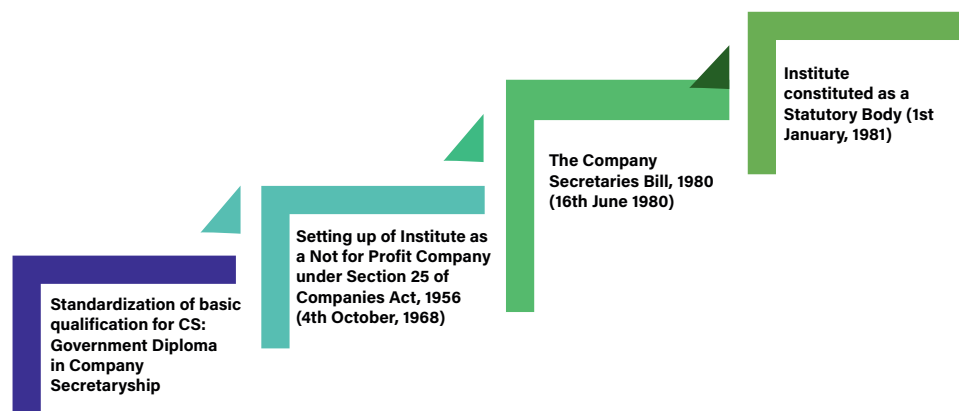
The Companies Act, 2013 (*the Act*) piloted a new era of corporate governance and transparency in the Indian corporate sector by introducing significant changes in the provisions relating to governance, e-management, compliance, enforcement, disclosure norms, auditors, mergers and acquisitions, etc. The Act laid

greater emphasis on good governance practices by enhancing the responsibility and accountability of Boards. While the law reposes enormous responsibilities on companies as regards compliances of various provisions in true letter and spirit, the list of laws falling under the ambit of a company's compliance umbrella is extensive. With each law and its compliance holding significance in its own accord, the need arises for an appropriate mechanism and utilization of expert services from the brigade of professionals highly attuned in their job of maintaining extensive compliance and all in all good governance i.e. the 'Company Secretaries.'



The Company Secretary plays a much broader role of acting as an 'Advisor' to the Board to shoulder the responsibility for the organisation's corporate governance. The responsibility for developing and implementing processes to promote and sustain good corporate governance largely falls within the ambit of the Company Secretary. Irrespective of the type of company, the role of Company Secretary has expanded beyond simply ensuring statutory compliance to becoming a pivotal one where the skills of the Company Secretary can have a direct impact on the effectiveness of the Board and organisation and ensuring corporate governance being followed in true letter and spirit.

2. Journey of the Profession: As Humble Beginning



The need of the profession of Company Secretaries was first felt in early 1950's when the business environment had started changing, necessitating the need of a professional to bring Corporate Discipline. The Concept of 'Secretary' was mooted during the discussions on the Companies Bill introduced in the Parliament in the year 1953 under the dynamic leadership of Pt. Jawahar Lal Nehru, the First Prime Minister of India.

The Institute of Company Secretaries of India (ICSI), as it stands today, is the culmination of hard work, dedicated efforts and most importantly the foresight of the visionaries of the likes of Shri D.L. Mazumdar, the first Secretary of Department of Company Law.

Government Diploma in Company Secretaryship - The Government had set-up an Advisory Board on a non-statutory basis, to help it in standardizing the basic qualifications needed for manning the position of Company Secretaries and to hold the qualifying examinations. Subsequently, the conduct of examination by the Department of Company Affairs leading to Government Diploma in Company Secretaryship (GDCS), marked the beginning of the profession of Company Secretaries in an organized manner.

For over a period of 7 years, out of a total of 9665 candidates appearing for GDCS examination, only 318 passed the exams, signifying high standards of examinations.

Institute set-up as a Not for Profit Company - In the wake of substantial increase in the number of candidates for GDCS, The Institute of Company Secretaries of India was set-up and registered as a company on 4th October, 1968 under Section 25 of the Companies Act, 1956 with its registered office at New Delhi to regulate and develop the profession of Company Secretaries and take over from the Government of India the entire work connected with the Company Secretaries examination and to carry on the same in all its branches. The work relating to Company Secretaries Examination and allied matters were taken over by the Institute with effect from 1st January, 1969. The

first examination leading to the Associate membership of the Institute was conducted in April, 1969.

The Company Secretaries Bill, 1980 - The Bill established the new era for the profession of Company Secretaries. While moving the Company Secretaries Bill, 1980 for consideration by the Lok Sabha on 16th June, 1980, Late Shri P. Shiv Shankar, Hon'ble Minister of Law, Justice and Company Affairs, said "An essential ingredient in the healthy growth of the corporate sector is the induction of professional management. The Government attaches special importance to the development of professional management, so that the corporate sector can evolve and function in tune with the changing needs of the times, and the social responsibilities that this important segment of the economy has to shoulder. The profession of Company Secretaries has an important part to play in the introduction of professionalism in the area of corporate management."

Institute constituted as a Statutory Body - In 1980, the Government enacted the Company Secretaries Act, 1980 to make provision for regulation and development of the Profession of Company Secretaries and converting the Institute into a statutory body with effect from 1st January, 1981. Owing to space requirements, the Institute shifted from Office at Safdarjung Enclave to current premises at "The ICSI House" at Lodi Road. The then Hon'ble President Shri N. Sanjeeva Reddy laid the foundation stone of the building and Shri M. Hidayatullah the then Vice President of India inaugurated "The ICSI House" at Lodi Road on 27th January, 1982.

3. Glimpses of Achievements and Initiatives of the ICSI

After conversion into a statutory body, the ICSI took several initiatives for the development of Company Secretary profession. Major achievements/initiatives are covered below:

1981-1985

- First draft of Secretarial Audit Report issued
- Company Secretaries Regulations, 1982 made effective
- ICSI recognised as a Public Institution of national importance under Income-Tax Act, 1961
- Student Company Secretary monthly Bulletin released
- Opening of Foreign Exam Centre

1986-1990

- CS in whole-time practice recognized under the Companies (Amendment) Act, 1988
- First Recognition to Company Secretary in Practice- Signing of Annual Return
- Draft Secretarial Standards on transfer/ transmission of shares introduced
- Introduction of Secretarial Audit for assisted companies by Manipur and Assam Industrial Development Corporations
- Secretarial Modular Training Programme launched
- New Syllabus adopted

1991-1995

- CS recognized to pre-certify documents filed with RoC
- Recognition to the Profession u/s 44AA of Income Tax Act, 1961
- Recognition to ICSI as Research Institution u/s 35 of Income Tax Act, 1961
- PMQ course on Capital Markets and Financial Services launched
- MOU signed with ICSA, London
- Foundation Course introduced

1996-2000

- Setting up of Research wing - CCGRT
- Recognition for Ph.D
- MOU with Professional Institutes
- Core Area of Practice - Proviso to Sec 383A(1) of the Companies Act, 1956 introduced
- Constitution of Secretarial Standards Board
- ICSI Website launched
- First PCS Conference held

2001-2005

- Institution of ICSI National Award for Excellence in Corporate Governance
- Recognition under Clause 49 of Listing Agreement
- Issuance of SS1/SS2/SS3 for voluntary adoption
- Adoption of Vision and Mission Statement
- Companies (Amendment) Bill 2002, Companies (Second Amendment) Bill, 2002 and Competition Bill (2002) passed by both Houses of Parliament expanding employment and practice opportunities
- Introduction of New Syllabus

2006-2012

- PMQ Course in Corporate Governance launched
- Recognition by SEBI, RBI and various other regulators
- New ICSI Logo unveiled
- Online Student Registration
- Global Networking
- Recognition to PCS for pre-certification of e-forms under MCA 21
- Capital Markets Week introduced
- Constitution of Peer Review Board and introduction of Peer Review Guidelines
- Vision 2020 released
- Six Secretarial Standards released for voluntary adoption
- Corporate Secretaries International Association constituted with ICSI as its Founder Member
- Institute received Excellence Award at the India Corporate Week by MCA in 2009
- Web-based e-learning module for CS Foundation Course launched
- Prefixing of "CS" allowed to members to their respective names

2013-2018



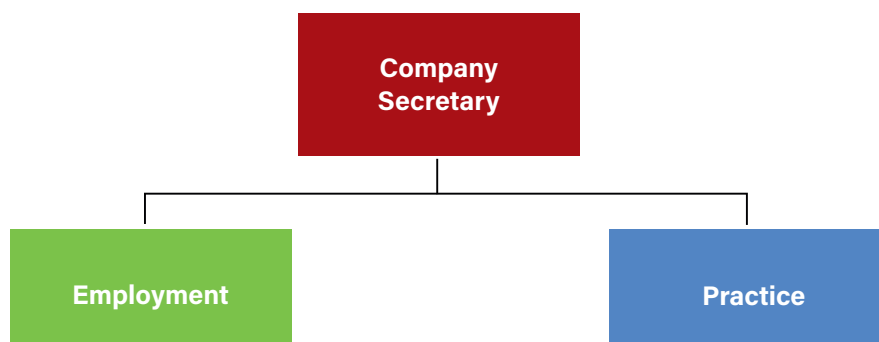
- CS recognised as Key Managerial Personnel (KMP)
- ICSI CSR Excellence Awards introduced
- GST Monthly Newsletter introduced
- ICSI Motto adopted
- SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) notified under Companies Act, 2013
- CS recognised as Compliance Officer under SEBI (LODR) Regulations, 2015
- SS-3 and SS-4 launched for voluntary adoption
- Constitution of Auditing Standards Board
- Vision 2022 released
- New Syllabus Introduced
- ICSI IIP constituted
- ICSI RVO constituted
- International CS Olympiad Awards introduced
- COE, Hyderabad inaugurated
- Malaysian Association of Company Secretaries (MACS) adopted SS issued by ICSI as benchmark
- ICSI Academic Helpline launched
- Fee waiver scheme launched for students in J&K and North-Eastern region.
- Shaheed Ki Beti Certificate initiative launched
- ICSI Signature Award launched

2019-2022



- Launch of eCSin Portal
- Launch of UDIN Portal
- Launch of Placement Portal
- Launch of Disciplinary Portal
- Launch of PCS Portal
- 6 Overseas Centres established
- 1st ever Hybrid National Convention & PCS Conference organised
- Launch of Crash/Certificate Courses
- Consolidation of ICSI Guidelines
- Digilocker services launched
- Introduction of Auditing Standards
- ICSI International ADR Centre constituted
- ICSI Institute of Social Auditors (ICSI-ISA) constituted
- CSEET Introduced
- MOU's under Academic Connect
- ICSI Continuing Professional Education: Self Assessment Modules launched
- New Categories of Awards introduced: Best Secretarial Audit Report, Best PCS Firm Award, BRS Award
- New Syllabus Introduced
- First National Conference of Corporate CS held
- Recognitions by various Regulators accorded to the Profession
- Strengthening of CS Regulations
- Various Webinars organised for members & students
- Secretarial Standard Week launched
- PMQ Course on Internal Audit & Arbitration launched
- 100% fees concession given to Covid -19 affected students
- MoUs for software for members
- 1st International Conference of ICSI Overseas Centre-Dubai organised
- Yuvotsava for students commenced
- New Training Structure for students

4. Practice and Employment side of the Profession



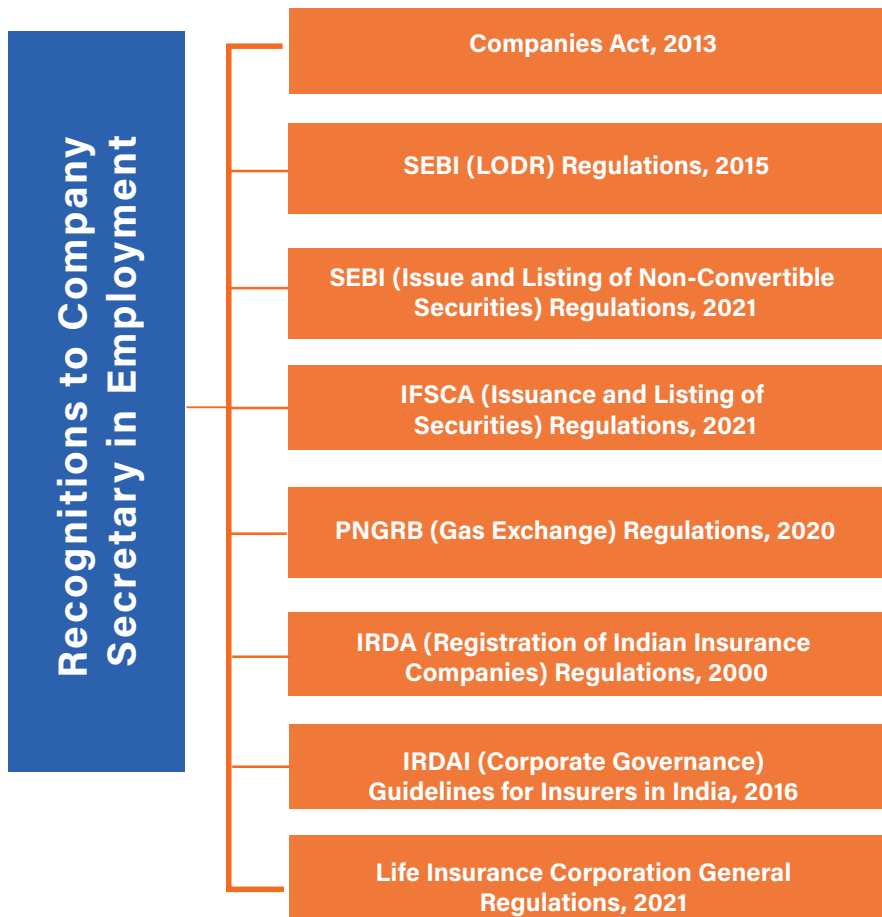
A student who has passed the Professional Programme examination of the Institute and has undergone prescribed training or exempted therefrom on the basis of experience is eligible to apply for Associate membership of the ICSI. After receiving the membership of the ICSI, member is entitled to be engaged either in employment or in practice.

A Company Secretary in employment is a robust professional aiding the efficient management of the corporate sector by playing the role of a Key Managerial Personnel (KMP) or Compliance Officer of a company. The Company Secretary has become to be accepted by all as an independent and indispensable professional. The role of Company Secretary in employment has transformed itself into a full-fledged Governance Professional occupying a critical place in the company's organizational hierarchy balancing the interests of the Management, Board, Shareholders and other stakeholders.

Alternatively, a Company Secretary may also practice independently as a professional after obtaining a Certificate of Practice (CoP) as provided in the Company Secretaries Act, 1980. Not merely concentrating on Corporate laws, Company Secretary in practice is the preferred professional who is finding depth in the areas of Intellectual Property, Business advisory, International laws, Commercial laws, Economic growth & Development projects, etc.

A. Company Secretary in Employment

Section 2(24) of the Companies Act, 2013 provides that ***"Company Secretary" or "secretary" means a Company Secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a company to perform the functions of a Company Secretary under this Act.***



(i) Provisions governing appointment as Key Managerial Personnel

The Companies Act, 2013

Section 2(51) of the Companies Act, 2013 provides that Key Managerial Personnel (KMP), in relation to a company, means

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the Company Secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer.
- (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
- (vi) Such other officer as may be prescribed.

Appointment of KMP

Section 203(1) of the Companies Act, 2013 provides that every company belonging to such class or classes of companies as may be prescribed shall have the following whole-time key managerial personnel:

- (i) Managing director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer.

Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provides that the every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have whole-time key managerial personnel.

Sections 203 of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provides for appointment of Company Secretaries in Companies not covered under Rule 8 and reads as every private company which has a paid up share capital of ten crore rupees or more shall have a whole-time Company Secretary.

Further, Section 203 (2) provides that every whole-time key managerial personnel of a company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

KMP in Whole-time Employment

Section 203(3) provides that a whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:

Provided that nothing contained in this sub-section shall disentitle a key managerial personnel from being a director of any company with the permission of the Board:

Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act, shall, within a period of six months from such commencement, choose one company, in which he wishes to continue to hold the office of key managerial personnel.

The provisions mandatorily require engaging the Company Secretary as a KMP on a 'whole-time basis' in prescribed classes of companies. A KMP should hold office on whole time basis means that the KMP must contribute all his time in the efficient management of the company and as such the appointment as whole-time KMP shall not be in more than one Company except in its Subsidiary Company at the same time. It may be noted that the companies not covered under Section 203 of the Companies Act, 2013 read with Rule 8 and 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, may also voluntarily appoint any or all Key Managerial Personnel for efficient management of their company.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Compliance Officer and his/her Obligations (Regulation 6)

- (1) A listed entity shall appoint a qualified Company Secretary as the compliance officer.
- (2) The compliance officer of the listed entity shall be responsible for-
 - (a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.
 - (b) co-ordination with and reporting to the Board, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.
 - (c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.
 - (d) monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors:

Provided that the requirements of this regulation shall not be applicable in the case of units issued by mutual funds which are listed on recognised stock exchange(s) but shall be governed by the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

A Company Secretary as the Compliance officer of a company is responsible for the efficient administration of a company particularly with regard to ensuring compliance with the statutory and regulatory requirements. He is entrusted to interact, coordinate, integrate and cooperate with various other functional heads in a company, keep the board members informed of their legal responsibilities and also represent before the statutory and regulatory authorities on behalf of the company for ensuring compliances required under various laws. Being a Compliance officer under the SEBI (LODR) Regulations, 2015, a Company Secretary is also required to ensure the compliances under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ensuring that Unpublished Price Sensitive Information (UPSI) is handled with utmost diligence, people having access to UPSI do not trade in company shares or misuse the information as well as timely disclosures to Stock Exchanges.

Senior Management (Regulation 16 (d))

'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 the 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.

(iii) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021**Filing of draft offer document (Regulation 27 (4))**

The lead manager(s) shall ensure that the draft offer document clearly specifies the names and contact particulars including the postal and email address and telephone number of the compliance officer who shall be a Company Secretary of the issuer.

(iv) IFSCA (Issuance and Listing of Securities) Regulations, 2021**Compliance Officer and his Obligations (Regulation 130)**

- (1) A listed entity shall appoint a qualified Company Secretary as the compliance officer.
- (2) The compliance officer of the listed entity shall be responsible for-
 - (a) ensuring conformity with the regulatory provisions applicable to the listed entity in true letter and spirit;
 - (b) co-ordination with and reporting to IFSCA, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in the manner as specified from time to time; and
 - (c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.

(v) Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020**Appointment of Compliance Officer (Regulation 30)**

- (1) Every Gas Exchange or Clearing Corporation shall appoint a compliance officer who shall be a Company Secretary as defined in paragraph (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) and be responsible for monitoring the compliance of the Act, Regulations, bye-laws and rules of the Gas Exchange or the Clearing Corporation as applicable and directions issued thereunder and for redressal of grievances of the members, trading licensees and their respective clients.
- (2) The compliance officer shall immediately and independently, report to the Board any noncompliance of any provision stated in sub-regulation (1) observed by him.

(vi) IRDA (Registration of Indian Insurance Companies) Regulations, 2000**Key Management Person (Regulation 2(1)(i))**

“Key Management Person” will include members of the core management team of an insurer / applicant including all whole-time directors/ Managing Directors/ Chief

Executive Officer and the functional heads one level below the Managing Director / Chief Executive Officer, including the Chief Financial Officer, Appointed Actuary, Chief Investment Officer, Chief Risk/ Compliance Officer and the Company Secretary.

**(vii) IRDAI (Corporate Governance) Guidelines, 2016 for Insurers in India
Compliance Officer (Clause 11.4.2)**

Each insurer should designate Company Secretary as the Compliance Officer whose duty will be to monitor continuing compliance with these guidelines.

B. Company Secretary in Practice

As per Section 2(25) of the Companies Act, 2013, "Company Secretary in practice" means a Company Secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980 (56 of 1980);

Section 2(2) of the Company Secretaries Act, 1980 defines a Company Secretary in Practice and reads as follows: Save as otherwise provided in this Act, a member of the Institute shall be deemed to be in practice when, individually or in partnership with one or more members of the Institute in practice or in partnership with members of such other recognised professions as may be prescribed, he, in consideration of remuneration received or to be received,

- a. engages himself in the practice of the profession of Company Secretaries to, or in relation to, any company; or
- b. offers to perform or performs services in relation to the promotion, forming, incorporation, amalgamation, reconstruction, reorganisation or winding-up of companies; or
- c. offers to perform or performs such services as may be performed by -
 - i. an authorised representative of a company with respect to filing, registering, presenting, attesting or verifying any documents (including forms, applications and returns) by or on behalf of the company,
 - ii. a share transfer agent,
 - iii. an issue house,
 - iv. a share and stock broker,
 - v. a secretarial auditor or consultant,
 - vi. an adviser to a company on management, including any legal or procedural matter falling under the Industries (Development and Regulation) Act, 1951 (65 of 1951), the Companies Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), any of the rules or bye-laws made by a recognised stock exchange, the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Foreign Exchange Management Act, 1999 (42 of 1999), the Competition Act, 2002 (12 of 2003)], or under any other law for the time being in force,
 - vii. issuing certificates on behalf of, or for the purposes of, a company; or

- d. holds himself out to the public as a Company Secretary in practice; or
- e. renders professional services or assistance with respect to matters of principle or detail relating to the practice of the profession of Company Secretaries; or
- f. renders such other services as, in the opinion of the Council, are or may be rendered by a Company Secretary in practice;

and the words to be in practice, with their grammatical variations and cognate expressions, shall be construed accordingly.

In addition to Section 2(2) of the Company Secretaries Act, 1980, Regulation 168(2) of the Company Secretaries Regulations, 1982 also specifies areas of practice for Company Secretaries as under:

| Regulation 168 (2): Areas of Practice for Practising Company Secretary | |
|---|--|
| Secretary | Trustee |
| Executor | Administrator |
| Arbitrator | Receiver |
| Appraiser | Valuer |
| Internal Auditor | Management Auditor |
| Management Consultant | Representative on financial matters including taxation |
| Appointment made by the Central or any State Government, Court of Law, Labour Tribunals, or any other statutory authority | |

Concept and Evolution of Company Secretary in Practice

The concept of Company Secretary in Practice took firm roots with the recognition of Secretary in Whole-time Practice under Section 2(45A) of the Companies Act, 1956. Besides this statutory recognition, a Company Secretary in Practice was conferred recognition under Section 33(2), 149, 161 and Schedule XIII of the Companies Act, 1956. In addition some state financial institutions also introduced the concept of Secretarial Audit in respect of Companies assisted by them. These corporations prescribed annual Secretarial Audit of Companies for the assisted companies to be conducted in the manner prescribed by the Institute.

The Department's circular Nos. 14/90 dated 05/09/1990 and 5/91 dated 26/02/1991 directed Registrars of Companies to take on record all documents filed by companies within a reasonable period of say ten days if the same are certified by a Company Secretary in Practice, with a view to avoid delay in registration of documents, was another significant development for the practicing side of the profession.

Another significant development was the direction issued by the SEBI advising all Stock Exchanges to amend the listing agreement to provide for insistence by the company that Registrar and Share Transfer Agents (RTAs) produces a certificate from the Company Secretary in Practice that all transfers have been completed within the stipulated time.

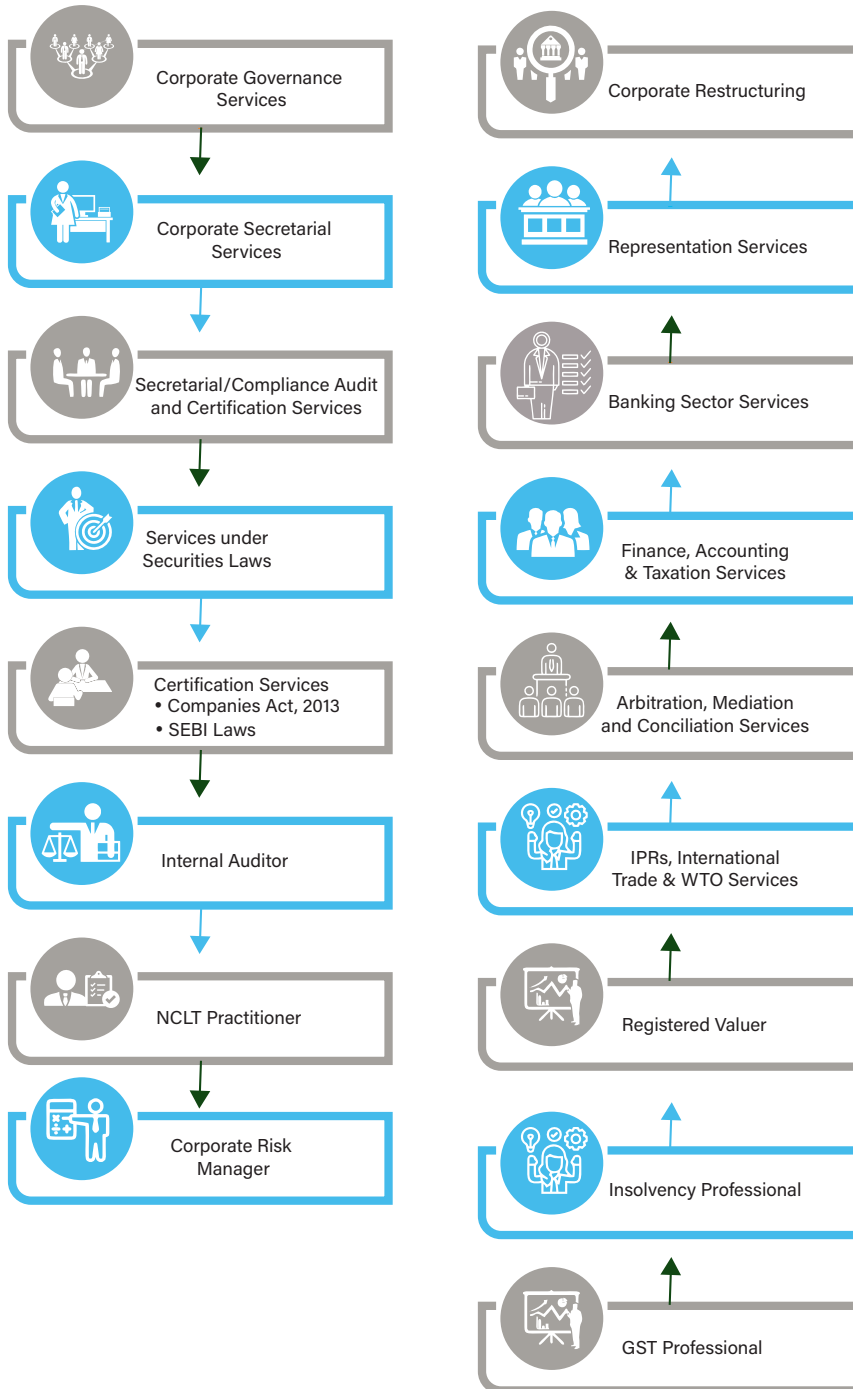
The enactment of the Companies (Amendment) Act, 2001, especially the insertion of proviso to sub-section (1) of section 383A relating to issue of compliance certificate by Company Secretaries in Practice for companies not required to employ a whole-time secretary and having a paid-up share capital of Rupees Ten Lakhs or more, which has to be filed with the Registrar and is also to be attached with the Board's Report by the company, not only strengthened the status of the profession but also served to provide the necessary impetus and fillip for the growth of the practicing side of profession.

The MCA increased the limit of paid up share capital for compulsory appointment of Whole-time Secretary from Rs. 2 crore to Rs. 5 crore by notifying the Companies (Appointment and Qualifications of Secretary) Amendment Rules, 2009 *vide* its notification dated 5th January, 2009. Accordingly, every company having paid up share capital of Rs. 10 lakhs or more but less than Rs. 5 crores was required to file with the Registrar of Companies a Compliance Certificate from a Practising Company Secretary. This further increased the opportunities for Practising Company Secretaries as more number of companies were required to obtain the Compliance Certificate.

The Company Secretaries in practice are entrusted with the responsibility of conducting Secretarial Audit for listed companies, Validation of substantially expanded Annual Return, appearance before Tribunals and many more implicit and explicit areas. The Company Secretary in practice is expected to perform with diligence, report with objectivity and display a level of professionalism. They are required to consolidate and strengthen in diversified areas, such as business valuation, cross border insolvency, Intellectual Property Rights (IPR), FEMA Compliances, Income Tax, GST, Excise Duty, Industrial Laws, Competition laws, RERA and several other laws.

Over the years, the Institute has secured various statutory recognitions providing wider opportunities for the Company Secretary in Practice. From Companies Act, 2013 to Insolvency and Bankruptcy Code, 2016, Real Estate (Regulatory and Development) Act, 2016, Law on Goods and Services Tax, Law of Arbitration and Conciliation, Intellectual Property law, and many more, the Company Secretaries are recognized to perform various functions aligning the operative implementation of legislative regime in the country. Arrays of recognitions are also being accorded to Company Secretaries under various other Central and State laws.

Core areas for Company Secretary in Practice



Secretarial Audit (Section 204)

- (1) Every listed company and a company belonging to other class of companies as may be prescribed shall annex with its Board's report made in terms of sub-section (3) of section 134, **a secretarial audit report**, given by a Company Secretary in practice, in such form as may be prescribed.
- (2) It shall be the duty of the company to give all assistance and facilities to the Company Secretary in practice, for auditing the secretarial and related records of the company.
- (3) The Board of Directors, in their report made in terms of sub-section (3) of section 134, shall explain in full any qualification or observation or other remarks made by the Company Secretary in practice in his report under sub-section (1).
- (4) If a company or any officer of the company or the Company Secretary in practice, contravenes the provisions of this section, the company, every officer of the company or the Company Secretary in practice, who is in default, shall be liable to a penalty of two lakh rupees.

As per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the other class of companies shall be as under –

- a) Every public company having a paid-up share capital of *fifty crore rupees or more*; or
- b) Every public company having a turnover of *two hundred fifty crore rupees or more*; or
- c) Every company having outstanding loans or borrowings from banks or public financial institutions of *one hundred crore rupees or more*.

Annual Return (Section 92)

The Annual Return is a comprehensive document and contains information about the company relating to its share capital, directors, shareholders, changes in directorships, etc. Much reliance is placed on the annual return by the regulators, shareholders, judicial and other regulatory authorities. Section 92 of the Act provides that annual returns of companies shall be required to be certified by a Company Secretary in Practice. The certification shall be to the effect that the company has complied with all the provisions of the Act.

SEBI (LODR) Regulations, 2015 - Secretarial Audit and Secretarial Compliance Report (Regulation 24A)

- (1) Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a Company Secretary in practice, in such form as specified, with the annual report of the listed entity.

- (2) Every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year.

Corporate Secretarial Services

- Promotion, formation and incorporation of companies and matters related therewith
- Filing, registering any document including forms, returns and applications by and on behalf of the company as an authorized representative
- Co-ordinating Board/general meetings and follow-up actions thereof
- All work relating to Securities and their transfer and transmission
- Custodian of corporate records, statutory books and registers

Secretarial/Compliance Audit and Certification Services

- Secretarial/Compliance Audit
- Signing of Annual Return & other declarations, attestations and certifications under the Companies Act, 2013

Certification Services (Indicative)

Companies Act, 2013

- Promotion, formation and incorporation of companies and related matters
- Signing and Certification of Annual Return
- Certification of various e-forms and other documents including annual filings (Including LLP's)

SEBI Laws

- Certification to the effect that all transfers have been completed within the stipulated time
- Half-yearly certificate regarding maintenance of 100% security cover in respect of listed non- convertible debt securities
- Certificate regarding compliance of conditions of corporate governance
- Certificate 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

Appointment on the basis of Expert Knowledge

- **Expert** - Section 2(38) of the Companies Act, 2013 provides that 'expert' includes an engineer, a valuer, a Chartered Accountant, a Company Secretary, a Cost Accountant and any other person who has the power or authority to issue a certificate in pursuance of any law for the time being in force.

- **Scrutinizer** - Rule 20(ix) of the Companies (Management and Administration) Rules, 2014 provides that the Board of Directors shall appoint one scrutinizer, who may be Chartered Accountant in practice, Cost Accountant in practice, or Company Secretary in practice or an Advocate, who, in the opinion of the Board can scrutinize the e-voting process in a fair and transparent manner.
- **Technical Member** - Section 409 of the Companies Act, 2013 provides that Company Secretary who has been in practice for at least fifteen years may be appointed as a Technical Member of the NCLT.
- **Internal Auditor** - As per Section 138 of the Companies Act, 2013 the Board of Directors may appoint Company Secretaries as an internal auditor to perform internal audits of the company's internal controls.

SEBI has also prescribed Company Secretary in practice to undertake an internal audit of various Capital Market Intermediaries:

- Internal Audit of Credit Rating Agencies;
- Internal Audit of Stock Brokers/Clearing Members/Trading Members;
- Internal Audit of Registrar and share transfer agents (RTAs);
- Internal audit & concurrent audit of depository participants;
- Annual compliance audit of research analyst;
- Reconciliation of share capital audit;
- Yearly audit of Investment Advisors.

NCLT Practitioner

- Analysis and drafting in respect of matters which are required to be dealt with by NCLT or NCLAT.
- Appear before the Tribunal on behalf of the Company
- Appeal to Supreme Court
- Help the Company to execute the order of the Tribunal
- Liquidator

Issue of shares and other securities

- Advisor/consultant in issue of shares and other securities
- Drafting of prospectus/offer for sale/letter of offer/ other documents related to issue of securities and obtaining various approvals
- Listing/delisting of securities with recognized stock exchange
- Private placement of shares and other securities
- Buy-back of shares
- Raising of funds from international markets ADR/ GDR/FCCBs/FCEBs/ ECB
- Due diligence

Corporate Restructuring

- Foreign Collaborations and Joint Ventures
- Setting-up Joint Ventures/Wholly owned subsidiaries abroad
- Ensuring compliance of Takeover Regulations and other applicable laws
- Ensuring compliance with Prohibition of Insider Trading Regulations

Representation Services

Company Secretaries have been authorized to represent before:

- Registrar of Companies and Regional Directors
- National Company Law Tribunal and National Company Law Appellate Tribunal
- Competition Commission of India
- Securities Appellate Tribunal
- Telecom Disputes Settlement and Appellate Tribunal
- Authorities under Real Estate (Regulation & Development) Act, 2016
- Authorities under the Pension Fund Regulatory & Development Authority Act, 2013
- SEZ Authorities
- Central Electricity Regulatory Commission
- Tax Authorities

Banking Sector Services

- Diligence Report and Certification in respect of Consortium/Multiple banking arrangement made by Scheduled Commercial Banks/Urban Co-operative Banks
- Loan Syndication and Documentation, registration of charges, status and search reports

Finance, Accounting & Taxation Services

- Determination of appropriate capital structure
- Budgetary controls
- Project Reports and Feasibility Studies
- Tax management, tax planning, returns and reports under Income-Tax, GST and other taxation laws

Arbitration, Mediation and Conciliation Services

- Advising in commercial disputes
- Acting as Arbitrator/Conciliator in domestic and international commercial disputes
- Drafting Arbitration/Conciliation Agreements

IPRs, International Trade & WTO Services

Advising on matters related to:

- IPRs under TRIPs Agreement of WTO
- Anti-dumping, subsidies & countervailing duties
- Foreign Trade Policy and Procedures (also issuing certificates thereunder)
- Intellectual Property licensing and drafting of Agreements
- IPR – Protection, Management, Valuation and Audit
- Acting as registered Trade Marks Agent

Registered Valuer

A Company Secretary in Practice with requisite experience and after passing the examination can become a Registered Valuer for conducting valuation required under the Companies Act, 2013. A Registered Valuer may conduct valuation of securities or financial assets as per Companies (Registered Valuers and Valuation) Rules, 2017, if required under any other law or by any other regulatory authority. The field of valuation, as an area of activity is still untapped, demanding the presence of experts possessing the right knowledge and capabilities which brings upon the realisation that Company Secretaries as professionals can tap this huge opportunity.

Insolvency Professional

Company Secretaries having passed necessary examination, possessing prescribed number of years of experience, enrolled with an Insolvency Professional Agency and registered with Insolvency and Bankruptcy Board of India (IBBI) as an Insolvency Professional, can take up matters relating to corporate insolvency resolution process as Interim Resolution/Resolution Professionals, as well as also take up voluntary liquidation cases. They can also act as authorized representatives for a class of creditors in a meeting of Committee of Creditors in a resolution process.

GST Professional

With their expertise in interpreting laws and skills to tackle and manage regulatory compliances under GST, Company Secretaries render value added services to the trade and industry while acting as extended arms of regulatory mechanism. A person having passed CS final examination is eligible for enrolment as GST Practitioner. Company Secretaries provide guidance and advisory services to business entities to interpret GST laws and assist in effectively discharging various compliances under GST while undertaking activities like tax planning, maintenance of GST records, drafting legal documents like replying to show cause notices, conducting impact analysis, etc.

C. Other Opportunities

A Company Secretary apart from the roles mentioned in previous paras may also explore opportunities in the Academics as Faculty. Company Secretary being expert in various general and commercial laws may teach at graduate and post graduate level as visting or guest faculty at Universities, Management Institutions, etc.

UGC is considering to introduce a new provision that would allow non-Ph.D. holders to teach in Central Universities. Notably, the government is planning to implement this decision under the National Education Policy (NEP) 2020, in order to have more industry experts as teachers in the Universities. UGC is also planning to create new and special positions that will no longer require a Ph.D. degree as a mandatory requirement for teaching. These new positions are likely to be professors of practice and associate professors of practice. Once these changes will be notified by the UGC, it will provide ample opportunities for professionals like Company Secretaries to be appointed as Faculties in the Central Universities.

UGC Recognition to Company Secretary Qualification

Company Secretaries are eligible to apply for UGC (NET) to pursue Ph.D. in any of the universities across India approved/recognized by UGC on the subjects related to CS course after qualifying NET or other similar tests. The ICSI also has a full-fledged academic and research wing that enhances the acumen and expertise of its members and students and encourages them to undertake research in crucial areas like corporate governance, company law, CSR, tax laws, securities laws, capital market, finance, accounting, economic and other commercial laws etc.

5. Role, Responsibilities & Duties of Company Secretary

A Company Secretary in today's world is a Senior Corporate Officer with wide-ranging responsibilities, who serves as a focal point for communication with the Board of Directors, Senior Management and the company's shareholders. He occupies a key role in the administration of critical corporate matters. A key responsibility for the Company Secretary is to ensure that the Board has the proper advice and resources for discharging its fiduciary duty under the law. Providing advice on Corporate Governance issues is an increasingly important role for Company Secretaries. Many shareholders, particularly Institutional Investors, view sound Corporate Governance as essential to Board and Company's performance. They are quite vocal in encouraging Boards to perform frequent Corporate Governance reviews and to issue written statements of Corporate Governance principles. The Company Secretary is usually the Executive to assist directors in these efforts, providing information on the practices of other Companies and helping the Board to tailor Corporate Governance principles and practices to fit the board's needs and expectations of investors.

Duties of Company Secretary

The Companies Act, 2013

Section 205 of the Companies Act, 2013 read with Rule 10 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 prescribes the functions of Company Secretary and reads as follows:

205. (1) The functions of the Company Secretary shall include,—

- (a) to report to the Board about compliance with the provisions of this Act, the rules made thereunder and other laws applicable to the company;
- (b) to ensure that the company complies with the applicable secretarial standards;
- (c) to discharge such other duties as may be prescribed.

Explanation.—For the purpose of this section, the expression “secretarial standards” means secretarial standards issued by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 and approved by the Central Government.

Rule 10 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 prescribes further duties to be discharged by the Company Secretary, as under:-

- (1) to provide to the directors of the company, collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers;
- (2) to facilitate the convening of meetings and attend Board, committee and general meetings and maintain the minutes of these meetings;
- (3) to obtain approvals from the Board, general meeting, the government and such other authorities as required under the provisions of the Act;
- (4) to represent before various regulators, and other authorities under the Act in connection with discharge of various duties under the Act;
- (5) to assist the Board in the conduct of the affairs of the company;
- (6) to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices; and
- (7) to discharge such other duties as have been specified under the Act or rules; and
- (8) such other duties as may be assigned by the Board from time to time.

These provisions casts an onerous responsibility on the Company Secretaries in employment in the discharge of their duties and they are expected to exhibit a proactive and responsible role to meet the expectations of the respective companies and regulatory authorities.

SEBI Act and Regulations made thereunder

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) establishes a framework for corporate governance applicable to every listed entity in India and requires the appointment of a Compliance Officer to ensure conformity with the regulations in letter and spirit. The Compliance officer along with the Chief Executive Officer is authorized to sign the quarterly compliance report on Corporate Governance that is filed with the Stock Exchanges.

The Compliance Officer is *inter-alia* responsible for carrying out numerous core functions including co-ordination with recognised stock exchange(s) and depositories vis-a-vis compliance with rules, regulations and other directives of SEBI; monitoring e-mails received by grievance redressal division; maintenance of

appropriate procedures to ensure correctness, authenticity and comprehensiveness in information being filed with SEBI etc.

The SEBI (Prohibition of Insider Trading) Regulations, 2015 propagates a self-regulatory mechanism to enforce prohibitions on insider trading in listed entities and, thereby, entrusts more responsibilities on the Compliance Officer. The Compliance Officer could be any senior officer who is designated so and is reporting to the Board of Directors. The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records and monitoring adherence to the provisions of PIT Regulations for preservation of Unpublished Price Sensitive Information (UPSI). Every trading plan is required to be reviewed and approved by the Compliance Officer before it is notified to the stock exchanges on which the securities are listed. Every company whose securities are listed on stock exchanges and every market intermediary registered with SEBI is mandatorily required to formulate a code of conduct to regulate, monitor and report trading by its employees. The onus of administering the code of conduct is on the Compliance Officer. The Compliance Officer shall also advise the Board of Directors on the designated person proposed to be covered by the said code of conduct.

The role of Compliance Officer in a listed company is abound with risks for a professional from a regulatory perspective. Therefore, it is extremely important for the professional to meticulously examine the applicable SEBI regulations while accepting the role of a compliance officer and negotiate on matters such as D&O liability insurance or indemnity protection prior to accepting such a position in a listed entity.

6. Career Planning and Development

Starting a career as a Company Secretary brings many duties & responsibilities. The Company Secretary takes care of the onus of the company in different responsibilities and completes everything in time. It is required before starting a career as Company Secretary that the role is well understood and the pros and cons attached to the position.



Company Secretary takes an upper-level position in all the organizational matters including company law, securities market, corporate strategies and related areas. Company Secretaries have an important role in the functioning of a company. They have several statutory as well as moral duties towards the company. They take up different roles and responsibilities such as compliances, representation and drafting, etc. With the increase of companies and greater focus of the Government and Regulators on good governance and compliances, the scope of Company Secretary profession is only going to increase in the near future and thus, a person can take up this esteemed profession to build a successful career.

The Company Secretaries Act, 1980 and the Regulations framed thereunder, lay down a strong foundation for the regulation and development of the profession. The Council of the Institute from time to time issues various guidelines to regulate the members and build their capacities in the profession. The guidelines provide for mandatory attendance at learning programmes, dress code to be followed by Company Secretaries, peer review by fellow professionals, advertising of professional services, and so on.

Professional development refers to skills and knowledge attained for both personal development and career advancement. Professional development encompasses all types of facilitated learning opportunities, ranging from degrees to formal coursework, conferences and informal learning opportunities situated in practice. There are a variety of approaches to professional development, including consultation, coaching, practice, self study, mentoring, reflective supervision and technical assistance.

The world is undergoing rapid changes in the knowledge landscape. With various dramatic scientific and technological advances, such as the rise of big data, machine learning, and artificial intelligence, many unskilled jobs worldwide may be taken over by machines, while the need for a skilled workforce, with multidisciplinary abilities will be increasingly in greater demand.

As the legal and regulatory environment continue to evolve and change, the Company Secretaries need to stay updated with new emerging areas. To cater to the new opportunities and substantial challenges in market today, the Company Secretaries must pursue a holistic approach. They should recognize the change, pursue the opportunity, take risk, responsibility and make better use of resources. Additionally, a Company Secretary should be well aware of the new updates and technologies which will help him to adopt the most suitable technology. There should be continuous zeal to learn new things and handle the technology. However, before you dive into a new practice area, do your research and understand what clients are looking for. The Company Secretaries profession has plenty to offer, it is crucial to think beyond, act and achieve more.

Building future of a profession would need an unclouded commitment on the part of the professionals. Professionals need to discover and identify choices which might have been insufficiently exploited and pursued. As strategic managers, Company

Secretaries should be more aware of the choices and make conscious use of them. The need of the hour is to be responsive and innovative in providing creative solutions to corporates meeting the aspirations of dynamic environment. Company Secretaries need to be ever vigilant so as to respond to the challenges in a more positive and proactive way.

To succeed in this environment, Company Secretaries must continually improve their service delivery methods. It is only the innovative and strategic professionals who can stay ahead in the competition. It lies in identifying right strategies, effective compliance management, good governance norms and ethical practices, providing creative solutions and guiding companies rightfully.

7. Role of Company Secretaries in National and Global Governance

The speed and the tenor with which the changes are happening in India and abroad, make it imperative for professionals to keep pace with these changes in all their dimensions to surge ahead in promoting good governance and sustainability of the corporate and nation as a whole.

As professionals being exclusive custodian of governance expertise, they need to profess high ethical and moral values, and to redeem governance culture. As specialist in Corporate Governance, Company Secretaries continuously own the responsibility to ensure that the corporate sector creates a governance culture that is able to generate wealth in a sustainable, ethical and socially beneficial manner and fulfils their obligation to all the stakeholders.

The Company Secretaries are the guardians of Company's Governance and an independent adviser to the corporates. As Governance professionals, they are the guardians of not only huge funds invested in the corporate but also of the stakeholder trust, they need to ensure that such trust is not breached and funds are utilized towards sustainable growth. As Governance Professionals and the practitioners of corporate governance, they are in a leading role in making India a global leader in good governance practices. Foremost, it is important to adhere to values of honesty, integrity, truthfulness and adopt the best practices.

Governance Professionals have a significant impact on the level and quality of governance and development of a conducive governance culture within the organisation whether it is banking sector, insurance sector, non-governmental organisation (NGO), financial markets, etc. The governance professional assists an entity to adopt a vision and strategy enforcing the elements of good governance. Governance professional provides effective and efficient safeguard against corruption, fraud and mismanagement and ensures responsiveness towards its multiple stakeholder groups.

Emerging economic and regulatory scenario requires Board of Companies to be competent enough to handle the compliance requirements under various jurisdictions. The Company Secretary is the most coveted officer to ensure compliances across jurisdictions and this is the reason that today appointment of a Company Secretary

is being made mandatory in various jurisdictions. The role of Company Secretary is transforming at the global platform into the Governance professional.

At the global frontier, the Institute is a founder member of Corporate Secretaries International Association (CSIA) and has linkages with various International bodies involved in promoting the cause of Corporate Governance. The Malaysian Association of Company Secretaries (MACS) has launched Secretarial Practice Guide on meetings of the Board of Directors by adopting Secretarial Standard-1 on Board Meetings issued by the ICSI. It is a testimony that other global organisations are adopting our governance frameworks.

Currently, the Institute has six overseas centres opened in United States of America, Australia, UAE, United Kingdom, Singapore and Canada. The leadership role of the Institute in Corporate Secretaries International Association (CSIA) and participation of the Institute in International Conferences is an indication of Institute's growing global presence.

The ICSI, as a premier organization of international repute with an apparatus of serving professional excellence in compliance and governance, has been instrumental in going hand in hand with the governments' initiatives towards establishing and advancing the culture of methodical good governance in the nation.

The ICSI has not only acted in its role as the pioneer of pursuing good governance, rather it has spawned good governance in areas beyond corporate governance and has sprawled good corporate governance beyond the boundaries of this nation. The ICSI takes pride in its roots in ancient history and intends to take it along in its journey forward and expand extensively with its Vision to be a global leader in promoting good corporate governance and Mission to develop high calibre professionals facilitating good corporate governance.

Our Nation's unique wisdom emanating from our cultural heritage and the remarkable achievements during the last 75 years provide us with the intrinsic strength of offering something that the global community requires. India as a Vishwaguru in promoting Good Governance can provide the impetus, guidance and direction for strengthening the same. A Company Secretary is considered one of the core guidance providers for an organization due to the specialized skills and technical knowledge gained in the course of their dealing with many corporates. They are the natural conscience keepers for the corporate sector being specialists in the fields of corporate governance, regulation and processes. Professionalism entails possessing specialist knowledge and following a standard of conduct based on ethics that governs the use of this knowledge when providing services to the corporate. Company Secretaries, as governance professionals provide specialist knowledge to various corporates, are viewed as one carrying additional moral responsibility with honesty, objectivity, impartiality and high integrity.

Company Secretaries are well suited to play a significant role in national as well as global governance. In developing a global and sustainable corporate governance model, they identify corporate governance practices that promote a durable culture

of sustainability within the organizations. Considering the evolving responsibility of navigating from national to global governance, the Company Secretaries play an integral role in driving awareness at Board level by advising the Board on adoption of best practices that facilitates the Board's understanding of compliance, Risk Management, ESG and Technology Governance.

The Corporate world looks upon the Company Secretaries to build a sustainable corporate governance model that can be benchmarked with international peers. To achieve this, they need to continually develop their skill sets to enhance their level of awareness required for the changing role through training and professional development programs. They also need to be responsive to changes to guide the organizations through more complex regulatory environment and closer stakeholder scrutiny in an integrated and holistic approach.

CS: A Preferred Professional

“

The future depends on what you do today.

– Mahatma Gandhi

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1. Introduction

India has gone through a major structural transformation since 2014 (when it was ranked 10th) and is now the 5th largest economy, overtaking the United Kingdom. There is also a possibility that India will overtake Germany by 2027 and Japan by 2029. India is behind 4 countries (USA, China, Japan and Germany) in terms of the size of the economy. State Bank of India (SBI) released a research report recently which states that India is likely to become the third largest economy in the world by 2029. The Union Finance Ministry has reported that the Indian economy is on course to achieve a projected 8-8.5% growth based on high-frequency indicators for the first quarter of the FY 2022-23. Several high frequency indicators like E-way bills, rail freight, port traffic, GST collections and power consumption have demonstrated a V-shaped recovery in the economy.

Today India is the fastest growing economy among the G-20 economies. India is at the first place in terms of smartphone, data consumption and second in terms of Internet users. India is at the second place in the Global Retail Index, India is the third largest energy consumer country of the world and the world's third largest consumer market is in India. India has created a new record by doing merchandise exports worth 470 billion dollars this year. There is unprecedented investment in the infrastructure.

The number of patents granted in the country has increased four times in the last five years, whereas trademark registrations have increased five-fold. In the Resolving Insolvency rankings, India has moved from 108th to 52nd position and in the Global Innovation Rankings (GI) to 46th place among 132 economies. In the Global Competitive Index, India has moved to 37th position in 2022 as compared to 71st position in 2014.

New technology, business practices, changes in the global economy creates need for new or evolving professional opportunities. The professional world is always evolving, and today that evolution is largely spurred by advances in technology.

In the emerging scenario Company Secretary is a well-versed professional who plays multifarious roles in a Company, and company is not required to consult other professionals for various requirements. The timely advice of a Company Secretary saves businesses, in particular Startups and MSMEs, from huge costs, unwanted legal issues, penalties and most importantly time.

These developments indicate that the scope of work and recognition for Company Secretaries is going to evolve like never before. New opportunities are opening up for the Company Secretaries. Regulators are reposing faith in the profession by according new recognitions. Company Secretaries are now called the Governance Professionals and rightly so as they now are seen as a key role player in the overall governance structure of not only the corporate but of the entire country.

2. Characteristics of a Professional



Seize every opportunity

It must be noted that an opportunity does not knock just once. It knocks all the time, though one may not recognize it. One technique is to learn from successful people by finding out how they achieved success.

Start by asking questions

Successful people will share their knowledge and experiences with you if you ask good questions that stimulate their thinking and responses. The quality of the information you receive depends on the quality of your questions. The key to connect with others is conversation and the secret of conversation is to ask the right

questions. A conversation can lead to a relationship and a nurtured relationship can produce amazing results.

Dedication

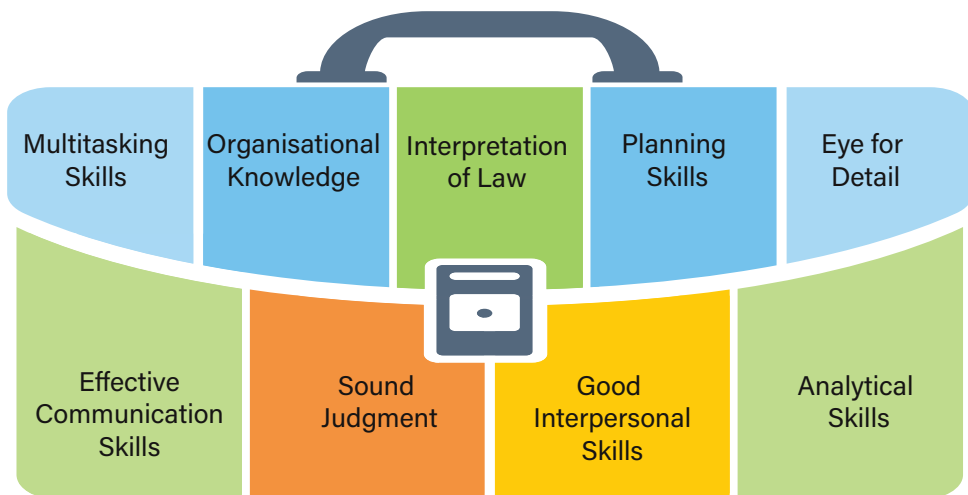
Two questions you should ask yourself on a fairly regular basis i.e. “What can I do to contribute to my profession—to my employer and my professional association?” and “How can I be professionally accountable?” Perform your duties with dedication and commitment to achieve desired outcome.

Develop persuasive powers

Being professionally accountable means knowing how to influence people. The future belongs to the competent. Company Secretaries need to be multifaceted in competence and become charismatic communicators with technical competence and excellent people skills, especially in negotiating. This means developing the habit of learning everywhere, every day.

If you want to be successful, you will have to get used to being a professional. How you look, talk, write, act and work determines whether you are a professional or not.

3. Key Attributes of a Company Secretary



The word 'professional' may be defined in two ways - one refers to a person with a high degree of knowledge or skill in a particular field and other means the way a person performs his duties, i.e., with a high standard of professional ethics, sound behaviour at work, right attitude, etc. The second implication is difficult to attain. It is easy to do a job, but to do it well is a challenge. Actually, being a professional means more than simply acquiring a degree. It means being true to your chosen profession and trying to excel in any job assigned. Professionalism is an attitude towards work rather than anything else and it has to be acquired over a period of time.

A Company Secretary works in a very dynamic environment constantly working towards meeting Regulators, Corporates and other Stakeholders expectations. There are some basic qualities that are essential for any Company Secretary as the landscape for the professionals is ever evolving in terms of regulatory, economic, technological and global developments.

Company Secretary as a multi-disciplinary professional is expected to be in the forefront as the preferred professional in the fast evolving and emerging dynamic environment, not only in India, but globally as well. The corporate sector, government and the regulators have very high expectations from the CS professional which requires the Company Secretary both in employment and in practice to raise the bar, achieve excellence and continue the good work.

Below is an overview of some attributes that a Company Secretary should possess:

(i) Multitasking Skills

A Company Secretary has to perform many tasks simultaneously making sure that corporate compliances; supporting communications between management and the board of directors, etc. is up to date. It is very important to be able to deal with priorities in a time bound manner. Because the job does tend to be quite varied, a Company Secretary has a number of tasks on his desk at any one time. In such a scenario, a Company Secretary should possess excellent multi-tasking skills to cater to the needs of the Organisation, Regulators and other stakeholders in timely and efficient manner.

(ii) Organisational Knowledge

A Company Secretary must understand the business and the context of their organisation. They must be able to translate governance theory into the appropriate frameworks, policies and processes for their organisation. The chairperson will not only depend on the Company Secretary to bring compliance issues to the attention of the board of directors at meetings, but also to provide solutions for implementing actions. The Company Secretary must be able to develop and implement these in a way that their organisation can readily understand and comply with the same.

(iii) Good Knowledge of Interpretation of Law

Company Secretary acts as an administrator, a mediator, an advisor and decision maker in an organisation. The Board looks upon the Company Secretary for advice relating to Board processes, compliances, governance and sustainability related aspects. It is, therefore, expected from a Company Secretary that he possesses good interpretation and legal skills to respond to such requirements. A Company Secretary should not only be good in just his core domain, viz. Company law, but also all other applicable laws. Even if a Company Secretary role may not require to be involved in other legal matters, yet interpretation of law is a must have skill.

(iv) Planning Skills

A Company Secretary must have plans in place at all times. This is essential, given that board and committee meeting cycles are schedule-driven and external and internal compliance obligations must be met on time. This means Company Secretary have to be good at managing priorities, because there are always several ongoing projects that will require attention at the same time.

(v) An Eye for Detail

A Company Secretary must ensure that the work of the board, in particular, as well as that of the organisation is executed correctly, without mistakes or omissions. For example, the Company Secretary acts as the shareholders' first point of contact with the company. Circulation of announcements, correspondence regarding dividends, registration of share ownership, transfers and all areas relating to shareholdings must all be managed seamlessly.

(vi) Effective Communication Skills

Company Secretaries work with senior people – board members or directors, CEOs, senior executives and often many senior external stakeholders (including regulators, investors, etc.). They must possess discretion, diplomacy, tact, emotional intelligence and good negotiation skills. They must be able to listen well and effectively communicate both orally and in written form. The Company Secretary should build effective working relationships with all board members, offering impartial advice and acting in the best interests of the company. In promoting board development, the Company Secretary should assist the chairman with all development processes, including board evaluation, induction and training.

(vii) Sound Judgment

The ability to assess and make sound judgments, often in circumstances involving conflicting situations, is a key requirement for a Company Secretary. This is especially so, given the senior people with whom a Company Secretary has to deal with. The Company Secretary also has an important role in communicating with external stakeholders, such as investors, and is often the first point of contact for queries. The Company Secretary should work closely with the Chairman and the board to ensure that effective shareholder relations are maintained.

(viii) Good Interpersonal Skills

Interpersonal skills are those skills which a person deploys while dealing with fellow colleagues. Apart from professional goals, we also have certain personal goals which we seek to maximize at work place. This includes finding good colleagues and developing relationships. Maturity, Honesty and Openness will certainly help in improving interpersonal skills. Networking skills are the initiation of workplace

relations while interpersonal skills help to gel this further. In short, interpersonal skills are a must for an aspiring Company Secretary.

(ix) Analytical Skills

Analytical skill consists of categories that include logical reasoning, critical thinking, communication, research, data analysis and creativity. These skills help in predicting future market dynamics and identifying the different advantages and risks of a specific pathway. Analytical skills are useful as it helps professionals to come up with solutions to multiple situations and determine what measures should be taken immediately based upon the analysis of data in hand. Acknowledging challenges and assessing the circumstance for potential solutions is a key competency for Company Secretary at all stages.

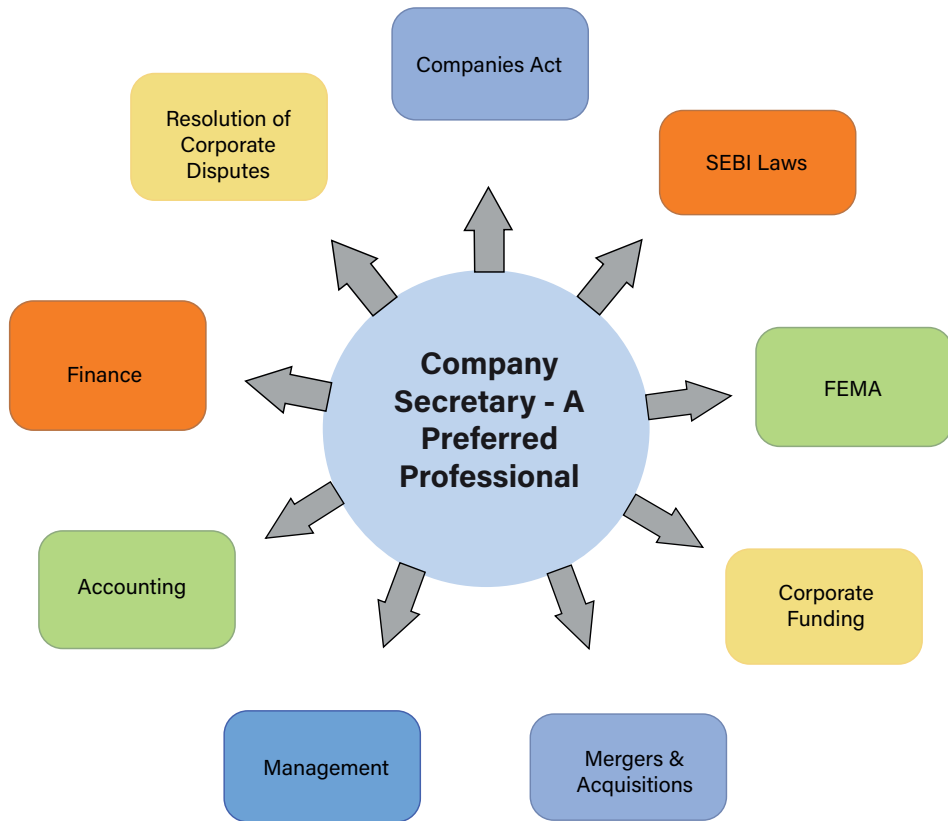
4. Why is CS a Preferred Professional?

A Company Secretary is a competent, independent professional who has vast experience and exposure. He is not only thoroughly conversant with the technicalities and substantive provisions of the corporate laws but is also a highly specialized professional in the matter of compliances enjoined under various statutes and the rules, regulations, bye laws, guidelines made thereunder.

Company Secretary, being Key Managerial Personnel and Corporate Manager, knows entire internal and external business environment of the Company and guides the Company. Internal business environment includes vision, mission and objectives of organisation and its structure, corporate culture and style of function of top management, actual resources and technological capabilities of the organisation. External business environment includes micro and macro business environment which contains factors like economic, political, legal, social factors, global market conditions, technological and demographic changes and competitiveness.

A Company Secretary acts as an in-house legal expert and a compliance officer of the Company. Being a multidisciplinary professional, he/she renders Corporate Governance Services, Corporate Secretarial Services, Secretarial/ Compliance Audit and Certification Services, Corporate Laws Advisory Services, Representation Services, Arbitration & Conciliation Services, Financial Market Services, Strategic Management Services, Finance and Accounting Services, Taxation Services, International Trade and WTO Services, etc.

A Company Secretary in Practice (PCS) is also a multidisciplinary professional having expertise in the Companies Act, SEBI laws, FEMA, corporate funding, mergers and acquisitions, management, accounting, finance, resolution of corporate disputes, etc. A PCS renders various services viz. certification/attestation, compliance, advisory, representation and arbitration, conciliation services and the other services as prescribed under Section 2(2) of the Company Secretaries Act, 1980 to the corporations, body corporates, societies, trusts, associations, enterprises, undertakings, etc.



Companies Act, 2013 has substantially enhanced the scope for a Company Secretary and expectations of the regulator from Company Secretaries, both in employment and in practice. Considering the impact created by the profession in guiding the corporates in governance and compliances and also shaping the regulatory framework beyond the boundaries of Company Law in areas such as FEMA, Competition Law, Securities Law, Insolvency, Valuation, GST, Taxation Laws, Arbitration, etc., it can be said that CS is the preferred professional with multi-disciplinary focus.

Company Secretary possess expert knowledge in various laws, strategic management and operations of the company. The Regulators have reposed trust on the profession since its inception and in the last few years several recognitions have been accorded to Company Secretaries by the MCA, SEBI, IFSCA, PNGRB, Ministry of Consumer Affairs and other regulators, which is testimony to the growing relevance of the Company Secretaries profession in the emerging areas.

The expectations from the Company Secretaries, as they are being referred to as "*Governance Professionals*" extend to the areas of Corporate Social Responsibility (CSR), Business Responsibility and Sustainability Reporting (BRSR) and Environment Social Governance (ESG), all of which taken together highlight the focus on sustainability,

where the Company Secretary is considered as a *preferred professional*, having expert knowledge of subjects concerned combined with required skills.

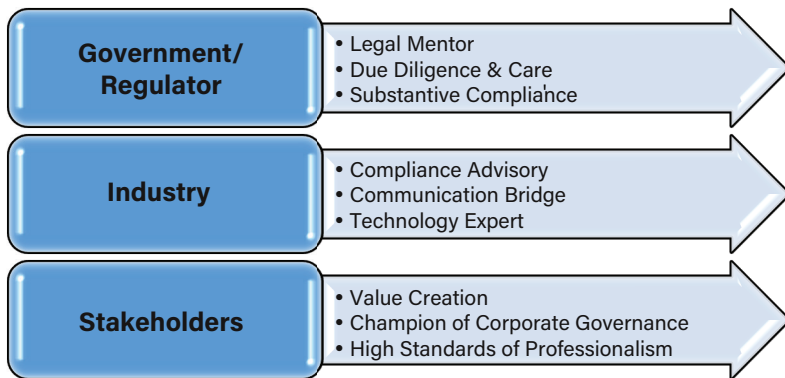
The prominent role of Company Secretaries in these areas, being at centre stage of any organisation is worth mentioning here. Also, there has been a paradigm shift in the role of Company Secretary after introduction of ESG, Social Audit and Business Responsibility and Sustainability Reporting (BRSR) from just being a Compliance Officer to his journey in becoming a Preferred Professional.

Today, Company Secretary is the preferred professional in the entire gamut of Corporate Laws. Meeting the rising expectations from the corporates and the regulators, the CS professional has shown the capability to take on bigger roles in areas beyond Corporate Laws. With the growing importance and emphasis on ESG and related areas, dealing with various non-financial metrics becomes imperative, where the expertise of CS comes in handy. In the wake of the push for achieving the Sustainable Development Goals (SDG's) through various initiatives such as CSR, ESG and Social Stock Exchanges in India as well as certain other countries in the world through similar initiatives, the CS is invariably the looked-to professional by the Corporates and the regulators.

As the opportunities are getting increased on account of changed economic, commercial, legal and digitalised environment, among various professions, Company Secretary is a Preferred Professional. The fast evolving technological changes, new regulations and legislations have opened new domains for Company Secretaries.

Company Secretary profession is moving into an era of specialization and there is a need to up skill constantly by embracing technology and exploring new opportunities opening up for the profession. We have to re-invent and build the next generation practicing firms and move forward to provide world class services by building new delivery systems to clients across the globe in new areas such as Forensic Audit, Arbitration, Sustainability, Co-operatives, Startup support services, Valuation, Insolvency and Bankruptcy, Cyber Risk Management and provide a host of Business Advisory Services to clients to remain at forefront amongst other professionals.

5. Expectations from the Company Secretary



Company Secretaries as a professional have proven their mettle at every front, they have essential knowledge and skills to drive the corporates, and enhance national growth. Yet again with the speed the regulatory framework is changing, the Company Secretaries have to be prepared and always remain at forefront to meet the expectation of regulators and other stakeholders.

In the last few years, we have seen drastic change in the position of Company Secretary moving from Boardroom to the outside world whether it is with regulators, government, shareholders or with the stakeholders, at large. The compliances are getting stricter day by day whether w.r.t Corporate Governance or the legislations and thereby giving infinite opportunities to Company Secretaries. The regulators have reposed immense confidence in Company Secretary by bestowing upon him with the position of Key Managerial Personnel (KMP) and Compliance Officer.

Global businesses have also redefined the role of Company Secretaries and the Government and regulatory authorities' increasingly and continuously reposing greater trust and confidence in the profession. The new digitalised corporate environment has made businesses more complex and the complexities of modern businesses have given rise to the emergence of many varied newer areas of specialization such as compliance with SEBI guidelines, raising of resources through various instruments to augment foreign investment, risk management, Exim Policy, MSMEs and Start-ups, GST, IPR legislation, International arbitration, Foreign collaboration and Joint ventures, CSR and sustainability.

Company Secretary must perform his duties with reasonable care and ensure all business procedures to be matching with all legal provisions. A profession is all about appropriate response to situations. The forte of the professionals is that it can't be programmed and requires application of mind, of course, ethical application of mind. The emerging regulatory paradigm is certainly demanding and would be more demanding with the passage of time.

(i) Expectations of the Government & Regulators

(a) Legal Mentor

A key expectation of Regulators from professionals is that they accept legal and ethical responsibilities for their work and give due emphasis to the interest of the public and society. A Company Secretary is looked upon by the regulators, as ethical and trustworthy professional whose professional competence has made a mark in the corporate sector. Therefore, there is a need to foster a value revolution with deeper conviction and creative consciousness, leading us to be the best governed professionals.

(b) Due Diligence & Care

With the rapid change in business environment and consequent emergence of new regulatory regime, the role, profile and expectations of stakeholders from Company Secretaries are increasing in equal proportion and sometimes beyond.

Today's Company Secretaries have a more demanding role than their peers in the inception times. Today they have to look beyond a just 'probity and prudence' and to focus on managing competing imperatives. The changed environment and the internal compulsions arising from greater competition and the need to improve market share/ profitability gave rise to the quest for greater efficiency and the need to reposition themselves.

(c) Substantive Compliance

The new regulatory framework requires Company Secretaries to be adaptive, and agile on the one hand, and to equip themselves in terms of knowledge, expertise and other technical skills to efficiently deliver value added services. An appreciation and understanding of emerging dynamic business and regulatory environment would certainly help in measuring expectations and the competencies to convert these challenges into opportunities.

(ii) Expectations of the Industry

(a) Communication Bridge

Corporates need Governance professionals to provide professional guidance to shareholders, boards, individual directors, management, and other stakeholders on the governance aspects of strategic decisions. The corporate expects them to act as a bridge for information, communication and advice between the board and management and between the organization and its shareholders and stakeholders.

(b) Technology Expert

The Covid-19 pandemic has emphasized upon the immense potential technology hold in the conduct of businesses and the same is likely to continue in future. The industry and the business community is looking for value addition to their business. A Company Secretary needs to leverage the advantages of technology and make the best use of them in all the emerging areas like internal audit, forensic audit and such other compliance and governance related areas.

Needless to mention that Company Secretaries need to invest in improving their technology expertise, take the highest advantage of digitalization and be 'industry ready' and accordingly need to reposition themselves in order to meet the expectations of the industry. Value addition and stakeholders' wealth maximization will be the key 'mantras' to sustain the growth momentum in the market place. Multi-tasking and versatile knowledge would be the required skill sets to reach the pinnacle. Therefore, a new orientation in thinking, perception and action is required. A Company Secretary must be industry ready professional who knows how to apply his knowledge in real life situations while entering the corporate sector.

(c) Compliance Advisory

The profession of Company Secretaries needs to evolve to meet the challenges of a more dynamic business and regulatory environment. The Companies Act, 2013, SEBI

Listing Regulations, 2015 and the GST regime etc. depict significant improvements in the corporate sector operations and cast huge responsibility on Company Secretaries.

A Company Secretary provides consultancy services and guidance on various strategic, governance and compliance issues. MSME's go through a series of funding starting from seed capital to first round and second round, each valuing the MSMEs at a different stage. With this much importance to MSMEs and "Self-Reliant India" concept, the role of Company Secretary becomes multi folded on both the front i.e. compliances and advisory.

Company Secretaries have a unique role to play and an opportunity to contribute towards the Start-up India initiative. Through their professional training, experience, and skills, Company Secretaries can help the start-up entrepreneurs to build systems, processes, and practices that promote compliance with regulations and governance practices from the beginning.

Start-ups are most favourable business model in the *Atmanirbhar Bharat*. The role of the Company Secretary in Start-ups is beyond the traditional one. A Company Secretary can, not only guide start-ups right from conceiving idea, incorporation, funding, approvals, licences, day-to-day business affairs like compliances, valuations, but also detect and minimise frauds and scams and to stay abreast with corporate governance as a conscious keeper.

(iii) Expectations of the Stakeholders

(a) Value Creation

Good governance leads to sustainable value creation, accountability, effectiveness and long-term stability of the organization. Corporate governance is about value creation in a value based manner. Good Governance paves the way for securing a good position in the judgment of stakeholders and as a result well governed companies create more wealth than their peer group companies. Good corporate governance not only increases shareholders value but helps in maintaining trust and confidence of the stakeholders.

(b) Champions of Corporate Governance

Company Secretaries are the natural conscience keepers for the corporate sector since they are specialists in the fields of corporate governance, regulation and processes and are the eyes and ears of the Board on such matters. Company Secretaries play a pivotal role in ensuring that companies are not just complying with the laws and regulations but these are getting implemented in the spirit of those laws and regulations. It is they who validate board processes and ensure that companies do the right things always. The proper functioning of the corporate sector depends on good corporate governance and good corporate governance depends on Company Secretaries who, as gate keepers, serve the interests of the company and the society with honesty and integrity.

(c) High Standards of Professionalism

Organisations are increasingly demanding to illustrate corporate transparency and accountability in handling their internal affairs. Company Secretaries are expected to serve the broader interests of the public and contribute to promoting a culture of good governance while they serve the interests of their clients. In this context, Company Secretaries in the discharge of their roles and responsibilities must aspire to a higher standard of professionalism beyond fulfilling the requirements of the law and expectations of clients.

As a Company Secretary's role has progressively become essential to a company's proper operations, and so has the demand for this job position. A Company Secretary does not just hold the highest position in the organisational structure, but the role is highly significant within the entire organisation and outside of it. This work profile offers countless career opportunities with challenging circumstances. As a preferred professional, the Company Secretaries shall endeavor to raise the bar with the evolving times to contribute meaningfully to the public interest.

6. Measures for meeting the Expectations

The key to achieve greater heights and meeting the expectations of stakeholders is to challenge ourselves, introspect ourselves with tasks requiring a high degree of skill and commitment. High degree of skills and commitment comes from continuous learning and practice. Continuous learning provides vision beyond the normal vicinity that helps in identifying emerging opportunities and guidance for preparedness.

The profession has been very dexterous, responsive and adaptable to transform itself to the changing times from industrial revolution to Industry 4.0 where a paradigm shift is occurring as the dawn of digital era begins. Technology is not only disrupting but also enabling innovation across the industry and organizations. Technology is changing the traditional way of businesses like the emergence of Blockchain, Artificial Intelligence, Data Analytics, Internet of Things and Robotic Process Automation which necessitates our profession to enhance its ability to reimagine, realign and reboot itself to navigate the risk emerging with digital economy but also nurture innovation for value creation by supporting new businesses.

The knowledge, expertise and experience of Company Secretaries in all fields is being further enhanced with the help of digital tools. A comprehensive plan will enable profession to raise the bar by understanding the demands and resources required to build the pathway of growth for the profession and the nation.

In the present environment where everybody is fully committed in establishing a good governance culture, Company Secretaries in practice & in employment are providing their value driven expertise to the Corporates in various fields like Secretarial Audit, Due Diligence, and Insolvency, etc. as a part of good Corporate Governance. The transparency, integrity & honesty must be reflected in every single task that is performed by Company Secretaries. It is all about the good corporate governance

and transparency which makes the ease of doing business better. It is well known that if a company does not have good corporate governance practices in place, it cannot sustain. A Company Secretary is duty bound to nurture the culture of Good Corporate Governance and guide the corporate in rightful manner and pose readiness for newer ideas, thoughts and assist in economic development as a whole. Company Secretaries should be sought for with conviction by the stakeholders, for abilities to deliver value, for knowledge and skill-sets. Company Secretary should emphasise on quality of service delivery and adopt a professional approach rather than quantum of service and shall always maintain trust and confidence of the corporate. Company Secretaries should enlarge portfolio and enhance competencies in strategic areas such as IPR, Valuation, Arbitration, etc.

Dr. Martin Luther King Jr. once remarked, "The ultimate measure of a man is not where he stands in moments of comfort, but where he stands at times of challenge and controversy". If you strategize, plan and are willing to embrace change, then you will be able to acclimatize the changing business milieu. Being flexible allows a professional to act proactively and guide the entities response to changes without being paralyzed with fear and uncertainty.

Company Secretaries need to ensure that the company delivers outstanding sustainable business performance year after year. They will need to take broader strategic view on the position of company within the wider society, how it establishes in communicating its values, how it protects its reputation, how it adheres to highest ethical standards, and how it integrates sustainability within business and so on. Company Secretaries must invest in self-development and building leadership skills to meet the ever increasing expectations.

Emerging Areas and Role of Company Secretary

“

You must do the things you think you cannot do.

- Eleanor Roosevelt

”

1. Introduction

India is witnessing a phenomenal growth and expansion in the corporate sector. Economic growth is a fundamental requirement for the development of a country which can be fuelled by professional support. Be it MSMEs, Start-ups, Government Organisations, Corporations; professionals are necessary for long term success and sustainability. The growing demand for specialists in almost every sphere of the corporate functions has led to the emergence of professionals who can perform specialized skills with near perfection in their respective fields.

A Company Secretary is a preferred professional who is responsible for efficient management of the corporate sector. In a rapidly changing economy, industrial environment and emergence of the need for corporate governance and ethical business practices, role of a CS has also changed substantially over last three decades. The stakeholders are becoming vigilant towards good governance. In view of the increasing emphasis on adherence to the norms of good corporate governance in today's business environment, there has been increased focus on the professionals like Company Secretaries who support and guide the management team in generating long-term added value for the shareholders and society at large. Presently, the CS profession has achieved a significant position in corporate world by stepping in a leadership role.

The rapid corporatization has brought about a sea change in the role and profile of a Company Secretary. Besides embarking upon traditional areas of practice, Company Secretaries are preferred to advise and guide on various Strategic aspects of business for identifying expansion opportunities, issuing due diligence certificate, arranging foreign collaborations, amalgamations, mergers, acquisition, takeovers, setting up of subsidiaries and joint ventures within and outside India, etc.

With each passing day, the profession is commanding respect not only in the corporate sector but is well regarded by authorities and other stakeholders in India. Company Secretaries possess the power to influence the nations' corporate governance framework. Company Secretaries have major role in ensuring

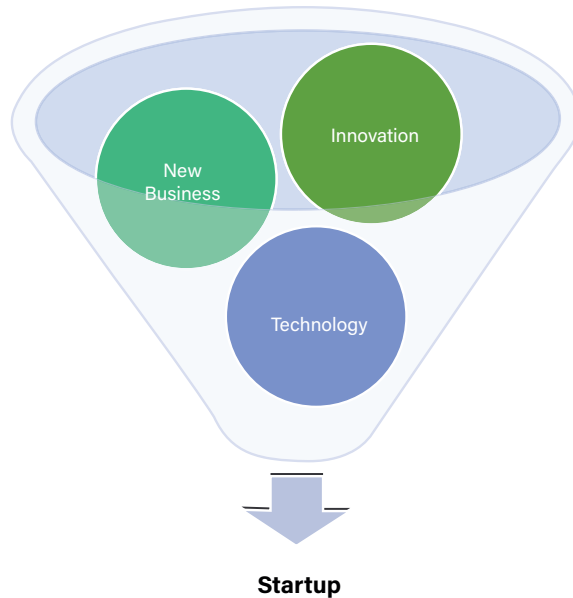
adherence to law in letter and spirit by the corporate to enable rise of well-governed businesses boosting the economic sector, helping the nation towards rapid economic growth.

As the corporate sector has been witnessing economic and regulatory changes and unforeseen market environment, Company Secretaries as multi-skilled and multifaceted professionals, are ready to undertake newer areas and explore many fertile and untapped areas. The new digitalised corporate environment has made businesses more complex and the complexities of modern businesses have given rise to the emergence of many varied newer areas of specialization such as MSMEs and Start-ups, Arbitration, Risk & IPR Management, Forensic Audit, RERA, Labour Laws, CSR and Sustainability, etc. Tapping these emerging areas requires a changed mind-set and confidence.

2. Some new or untapped areas for the Profession

A. Start-ups & MSMEs

(i) Start-Ups



Start-up is a young venture or a company with a core technological component and high growth potential. These are entrepreneurial ventures in their early stages of operations typically aimed at resolving a real life issue with an innovative product or service. These ventures are typically small in nature, new, and funded either by founding entrepreneur or a group of investors who believe in the founder or company concept.

With the Government initiatives, start-up has gained its feet and many Young ventures are routing entrepreneurship through Start-ups. Under the Start-up India initiative, the focus of Government is towards innovation, development, deployment or

commercialization of new products or services. The initiative is aimed at providing an easier way to entrepreneurs to set-up new business networks. Startups are playing a very important role in generating employment within the country and also by reducing the dependency on other countries. A number of startups are also able to raise millions of funding from the foreign investors and thereby making India an investment hub.

The Government hopes to accelerate spreading of the Startup movement:

- From digital/ technology sector to a wide array of sectors including agriculture, manufacturing, social sector, healthcare, education, etc.; and
- From existing tier-1 cities to tier-2 and tier-3 cities including semi-urban and rural areas.

The Action Plan is divided across the following areas:

- Simplification and Handholding
- Funding Support and Incentives
- Industry-Academia Partnership and Incubation

Definition of Startup (only for the purpose of Government schemes)

Startup means an entity, incorporated or registered in India not prior to five years, with annual turnover not exceeding INR 25 crore in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence.

Provided also that an entity shall cease to be a Startup if its turnover for the previous financial years has exceeded INR 25 crore or it has completed 5 years from the date of incorporation/ registration.

Provided further that a Startup shall be eligible for tax benefits only after it has obtained certification from the Inter-Ministerial Board, setup for such purpose.

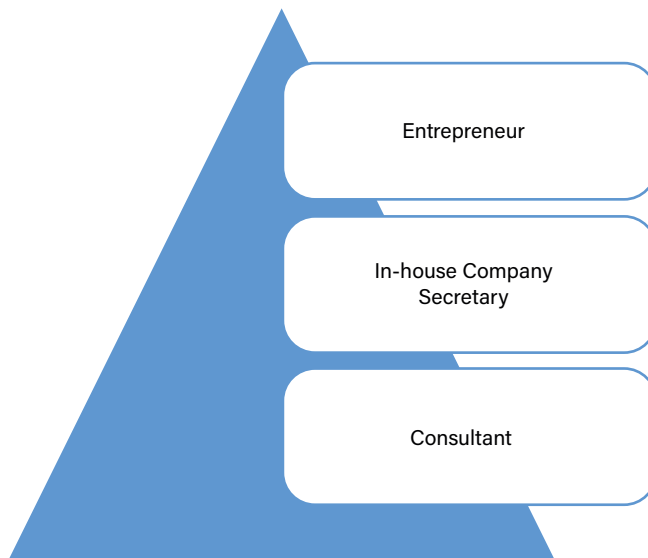
(ii) Micro, Small and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises (MSMEs) play a significant role in the global economy and particularly in our country where MSMEs constitute nearly 94% of the industrial enterprises in the economy. The sector contributes 36% of the total value of exports of the country and employs over 80 million people. The contribution of the MSME sector to the output of the country is 40% and to the GDP is over 8%. In recent years, the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. MSME is the pillar of economic growth in many developed, and developing countries in the world. MSMEs have played a prominent role in the development of the country in terms of creating employment opportunities.

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. The Act seeks to facilitate the development of these enterprises and also enhance their competitiveness. It provides the first ever legal framework for recognition of the concept of "enterprise" which comprises both manufacturing and service entities. It defined medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, Micro, Small and Medium.

| MSME Classification applicable w.e.f 1st July, 2020 | | | |
|---|--|--|---|
| Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover | | | |
| Classification | Micro | Small | Medium |
| Manufacturing Enterprises and Enterprises rendering Services | Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover; not more than Rs. 5 crore | Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover; not more than Rs. 50 crore | Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover; not more than Rs. 250 crore |

Role of Company Secretaries in Start-ups and MSMEs



- i. **As an Entrepreneur:** The word '*Entrepreneur*' is a French word meaning 'to undertake'. An entrepreneur is an innovative initiator who takes the responsibility to translate ideas into commercially viable innovation, entities, or businesses. Entrepreneurs are playing a key role world over and especially in a nation like India, which is on the verge of becoming a US \$ 5 trillion economy. Company Secretary can become a successful Entrepreneur having expert knowledge and experience in corporate, taxation and legal subjects.
- ii. **As In-house Company Secretary:** Depending on their size and nature, the start-ups and MSME's may appoint full-time Company Secretaries to help them in compliance related matters which inter-alia include, complying with applicable rules and regulations, acting as an advisor to the Board, maintaining of minutes and records, timely review of regulatory and statutory changes. The Company Secretary is responsible for ensuring compliance with statutory and regulatory requirements under various laws such as Companies Act, SEBI Laws, FEMA, Labour laws, etc. and it is his responsibility to ensure that the company and its directors operate within the law.
- iii. **As Consultant:** Startup India Hub is a one-stop platform for all stakeholders in the Startup ecosystem to interact amongst each other, exchange knowledge and form successful partnerships in a highly dynamic environment. Company Secretaries may provide various services viz. incorporation services, registration services, legal and documentation services, etc. and hence act as Startup consultant. A Practicing Company Secretary can be very useful to a Startup and save the company from very high costs for non-compliance, legal issues and delayed filings.

Services rendered by Practicing Company Secretaries in Start-ups and MSMEs



(i) Incorporation & Secretarial Services

A Practising Company Secretary guides the founders or promoters in incorporating the Company with articles and objectives in line with their business requirements. If the business so necessitates, the Company Secretary can also advise about different kind of business constitution like companies, Limited Liability Partnerships, etc.

A Company Secretary in Practice is known for the secretarial services and is an expert in providing such services like; change in directors, change in registered office address, change in business objects of the company, issuance of shares, closure of company, etc. With these niche skills, a Practising Company Secretary is a professional for all the secretarial aspects for any startup.

A Company Secretary can help Entrepreneurs / Business Establishments to get registered under the MSMED Act, 2006 and advise them in relation to MSME Investment, Benefits and Compliance Matters.

(ii) Fund Raising Services

Every start-up and MSME need funds in order to run the business properly and the start-up must ensure that investment comes through proper banking channels. In India, the Reserve Bank of India (RBI) regulates or monitors all the foreign funds which are being invested and the professionals like Company Secretaries are very well versed with all the reporting requirements to the RBI. In some of the reporting made to RBI such as FC- GPR (Foreign Currency Gross Provisional Return) form. Practising Company Secretary may certify such form for approval of the said investment.

(iii) Registration and Licensing Services

A Practising Company Secretary can help the Start-ups and MSMEs in all kind of registration and licensing services like registering the business with food safety authority, organic certification authority, local licenses from municipality, drug license, Real estate license, Import Export Code (IEC), government e-marketplace registration and many other licenses and registrations.

Further, Company Secretaries guide the entrepreneurs on the criteria of Startups in India and assist in applying for the Start-up India registration, and obtaining the Certificate of Recognition for Start-ups.

(iv) Taxation Services

From taxation perspective, there are many activities which require professional assistance including filing of returns (income-tax, GST), preparation of documentation for appeals, supporting audits, and any other informational needs. As a consultant, Practising Company Secretary can also provide such taxation services.

(v) Legal Drafting & Advisory Services

Company Secretaries can help in drafting of various agreements including shareholders agreements, contracts and deeds. A Startup for day-to-day business

activities forms various business associations for which a valid contract and agreement is necessary with the legal terminology and specifics varying for each contract. A Company Secretary is very well versed in the art of drafting and is usually engaged by the Startups as per the needs of the parties to contract.

Company Secretary can advise Startups and MSMEs on compliance of legal and procedural aspects, particularly under SEBI Laws, Foreign Exchange Management Act, Depositories Act, Labour Laws, IPR, Mergers and Amalgamations and Strategic Alliances & Foreign Collaborations and Joint Ventures. Company Secretary can act as an advisor to investors, depositors, and stakeholders.

(vi) Risk Management Services

Any business is subject to the risks, in case of Startups, risk involves creation and lack of appropriate market, IPR risk, team conflicts, etc. The Company Secretary, can assist the entrepreneurs in handling risks, maintaining proper records, assessing the situation and guiding appropriately in a transparent manner.

A Company Secretary can guide the MSME's both at policy and operational level in formulation of various responsible business policies, implementation of the principles enshrined, allocation of budgets and approval of the budgets allocated for these activities and reporting & disclosures.

Additionally, a Company Secretary can serve as a single window service provider to Startups and MSME's such as Selection of organizational structure (Sole Proprietorship, Company, Partnership, LLP, OPC etc.), Setting-up of MSMEs, Listing of MSMEs and Legal and Regulatory Compliances, handling labour laws compliances, guide MSME on fund raising, legal documentation, signing of Annual Returns of the Company, maintaining Statutory Registers, Acting as Legal Advisor and Representative, Handling matters of GST, Labour laws and Corporate Laws, Conducting Secretarial Audit or Due diligence before seeking for the funds, Handling matters relating to conversion of Sole proprietorship or Partnership to Companies or any other form of business entities, Issuing Compliance Certificate to ensure compliance of various regulatory prescriptions in case of listing in MSME Exchange, Handling matters of Public issue, Preparation of detailed project report, providing guidance on Export matters.

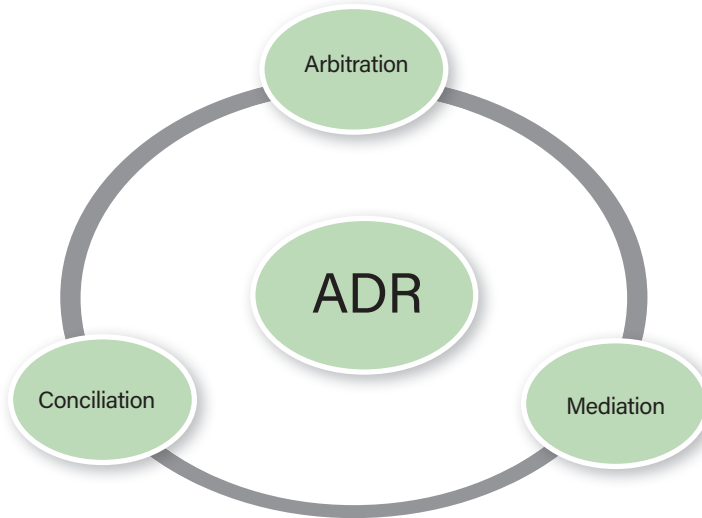
B. Alternative Dispute Resolution (ADR)

The Alternative Dispute Resolution (ADR) mechanism which consists of primarily Arbitration, Mediation, Conciliation, Negotiation and *Lok Adalat*, helps in supplementing and complementing the Courts, by providing an avenue for resolution of disputes outside the Court system, and also in respect of international disputes by avoiding the complex questions of conflict of laws. Online Dispute Resolution (ODR) is the resolution of disputes, using digital technology and ADR techniques, that can help resolve disputes efficiently and affordably.

The concept of ADR is capable of providing a substitute to the conventional methods of resolving disputes. ADR offers to resolve all type of matters including

civil, commercial, industrial and family, etc. where parties are not being able to start any type of negotiation and reach the settlement. Generally, ADR uses neutral third party who helps the parties to communicate, discuss the differences and resolve the dispute.

Part I of the Arbitration and Conciliation Act, 1996 formalizes the process of Arbitration and Part III formalizes the process of Conciliation. Part II is about Enforcement of Foreign Awards under New York and Geneva Conventions.



i. Arbitration

The process of Arbitration cannot exist without valid arbitration agreement prior to the emergence of dispute. In this technique of resolution, parties refer their dispute to one or more persons called Arbitrators. Decision of arbitrator is binding on parties and their decision is called 'Award'. The object of Arbitration is to obtain fair settlement of dispute outside of court without necessary delay and expense.

Any party to a contract where arbitration clause is there, can invoke arbitration clause either himself or through their authorized agent which refer the dispute directly to the arbitration as per the Arbitration clause. Here, arbitration clause means a clause that mention the course of actions, language, number of arbitrators, seat or legal place of the arbitration to be taken place in the event of dispute arising out between the parties.

The role of the Court, as far as the arbitration is concerned is limited to regulating the process whereas the merits of the dispute are left to the Arbitrator(s) appointed as per the arbitration agreement. Arbitration mechanism offers a timely, confidential, less formal and cost-effective approach for the binding determination of disputes. It provides the parties with a greater control of the process than a Court hearing. The quasi-judicial nature of arbitration makes it both attractive and effective.

ii. Mediation

Mediation is a voluntary, binding ADR mechanism in which an impartial and neutral mediator facilitates disputing parties in reaching a settlement. A mediator does not impose a solution but creates a conducive environment in which disputing parties can resolve all their disputes. Mediation is a structured process where a neutral person uses specialized communication and negotiation techniques. It is a settlement process whereby disputing parties arrive at a mutually acceptable agreement.

Mediation is an informal process, there are no strict or binding rules of procedure. Mediation enables disputing parties to interact even on one-to-one basis. Mediation is interest based rather than rights based. Mediation enables parties to settle their own terms of agreement.

While there is no standalone legislation for mediation in India, there are several Statutes containing mediation provisions, such as the Code of Civil Procedure, 1908, the Arbitration and Conciliation Act, 1996, the Companies Act, 2013, the Commercial Courts Act, 2015, and the Consumer Protection Act, 2019. As India is a signatory to the Singapore Convention on Mediation (formally the United Nations Convention on International Settlement Agreements Resulting from Mediation), it is in process of enacting a law on mediation governing domestic and international mediation.

The Government of India has introduced the Mediation Bill, 2021 in the Parliament in December, 2021. The objectives of the Bill include the promotion, encouragement and facilitation of mediation, enforcement of domestic and international mediation settlement agreements and making online mediation an acceptable and cost-effective process.

iii. Conciliation

Conciliation, like mediation, is a voluntary, flexible, confidential, and interest based process. The parties seek to reach an amicable dispute settlement with the assistance of the Conciliator, who acts as a neutral third party.

The main difference between conciliation and mediation proceedings is that, at some point during the conciliation, the Conciliator will be asked by the parties to provide them with a non-binding settlement proposal. A mediator, by contrast, will in most cases and as a matter of principle, refrain from making such a proposal.

Conciliation is a voluntary proceeding, where the parties involved are free to agree and attempt to resolve their dispute by conciliation. The process is flexible, allowing parties to define the time, structure and content of the conciliation proceedings. These proceedings are interest-based, as the conciliator while proposing a settlement, not only take into account the parties' legal positions, but also their commercial, financial and / or personal interests.

Opportunities for Company Secretaries under ADR

- The Council of ICSI has permitted the Company Secretary in Practice to "Act as an arbitrator, mediator or conciliator for settlement of disputes or being on the panel

of arbitrators or representing in arbitration, mediation or conciliation matters." Accordingly, many Company Secretaries in Practice are already acting as arbitrators in commercial disputes and are also on the panel of arbitrators at Bombay Stock Exchange, National Stock Exchange, Bombay Chamber of Commerce & Industry, Multi Commodity Exchange and Metropolitan Stock Exchange of India Ltd.

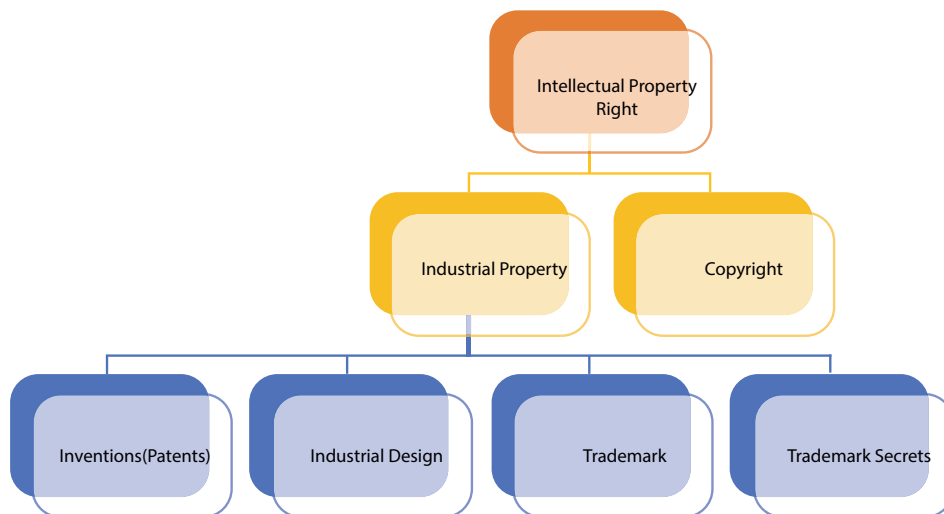
- The Delhi International Arbitration Centre (DIAC) vide notification dated November 24, 2020 has revised the rules for empanelment of Arbitrator(s) with DIAC. Under the revised rules a Company secretary (within the meaning of the Company Secretaries Act, 1980) having minimum ten years of practice experience as a Company Secretary is eligible for empanelment as Arbitrator.
- A Company Secretaries has been recognised for being empaneled as Mediator or Conciliator under Section 442 of the Companies Act, 2013 read with Rule 4(g) of the Companies (Mediation and Conciliation) Rules, 2016, notified by Ministry of Corporate Affairs, Government of India.
- Under Section 26 of the Arbitration and Conciliation Act, 1996 an arbitrator has been accorded powers to appoint one or more experts to report it on specific issues. Therefore, Company Secretary can be appointed during arbitration proceedings to give their expert viewpoints.

Role of Company Secretaries in ADR

- Advising on arbitration, negotiation and conciliation in commercial disputes between the parties.
- Acting as arbitrator in domestic and international commercial disputes.
- Drafting Arbitration/Conciliation Agreement/Clause.
- A CS can also advise the client whether a particular dispute is arbitrable or not. In case of arbitrable disputes, he/she can provide various services like advising/representing the clients on selection of arbitrator, initiating the arbitral proceedings, preparation of statement of claims or defence, pleadings etc. He can help in deciding which ADR process the client should choose.
- Areas where CS can settle the disputes through ADR:
 - Company Law
 - Commercial Contracts
 - Issues relating to amalgamation, mergers, takeovers etc.
 - Breach of Contracts
 - Buy Back of Shares
 - Sale and Purchase of Securities
 - Lease or Hire Purchase Transactions
 - Insurance Claims
 - Securities Fraud

- Joint Venture Agreements
- International or cross-border commercial disputes

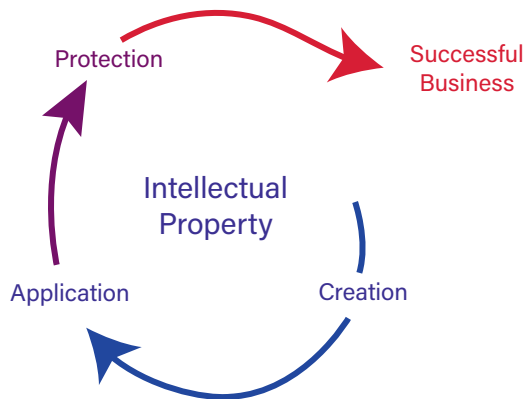
C. Intellectual Property Rights (IPR)



Intellectual property is a form of intangible asset created with respect to the business and its operations. These may include trademarks, copyrights, and patents apart from designs, and geographical indication.

Any invention is the result of creative thinking, time, efforts, and consistency and Intellectual Property Rights is purely a legal framework to protect the interests of these creators and innovators who created or invented such things. This framework assures an inventor or creator that their inventions are protected from piracy or misuse and such prohibited acts under laws are strictly punishable with respective penalties. In India, Intellectual Property Rights are protected by the following laws that strictly prohibit the circulation of duplicated copies by giving the originator an exclusive right to his/her intellectual inventions under:

1. The Patents Act, 1970
2. The Trade Marks Act, 1999
3. The Copyright Act, 1957
4. The Designs Act, 2000
5. The Geographical Indications of Goods (Registration & Protection) Act, 1999
6. The Semiconductor Integrated Circuits Layout Design Act, 2000
7. The Biological Diversity Act, 2002
8. The Protection of Plant Varieties and Farmers' Rights Act, 2001



Role of Company Secretaries in IPR

A Company Secretary possess skills such as analytical reasoning, research and drafting skills, knowledge of legal aspect and competence to manage IPR. There is a huge potential for the Company Secretaries in this area in particular in assisting and guiding Startups in IPR protection in following aspects:

- Advising on registration of patents, trademarks and copyrights
- Advising on Intellectual Property Licensing and drafting of agreement
- Advising on passing off/infringement matters

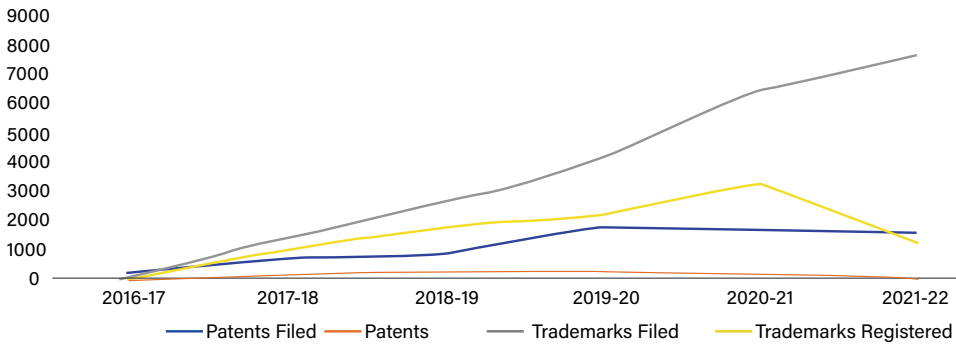
As per Rule 144 of the Trade Marks Rules, 2017 read with the Trade Marks Act, 1999, a member of the Institute of Company Secretaries of India has been authorised to be registered as a Trademarks Agent. As a trademark agent a Company Secretary can advise on all the legal aspects of Trademark filings, registration, and objections and can assist corporates in checking for name/trademark availability and arrange for filing the application of brand / trade name registration with concerned Registry as per the due process and with all required documentation including affidavit, copy of the trademark, Power of Attorney, etc.

Similarly, as far as other forms of intellectual property is concerned a Company secretary can assist in performing searches, drafting and filing of applications, resolving objections raised.

Further, these days' business houses are more conscious of their IPRs and protection of intellectual property has become so important that companies are interested in carrying out intellectual property audits to identify their intellectual assets and manage these assets. Company Secretary can pursue career as Intellectual Property (IP) Professionals and protect the intellectual property assets of their clients.

As a matter of fact in case of startups it is worth mentioning that the number of patent and trademark applications have increased rapidly since 2016. According

to Annual Report 2021-22, Department for Promotion of Industry & Internal Trade, patent applications by Startups is 1692.



D. Forensic Audit

Forensic Audit is an examination of a company's financial records to derive evidence which can be used in a court of law or legal proceeding. Forensic Audit represents an area of finance that combines detective skills and financial insight. The forensic audit professionals dig deep into financial reports, locate financial transactions and figure out the anomalies or occurrence of fraud in the company.

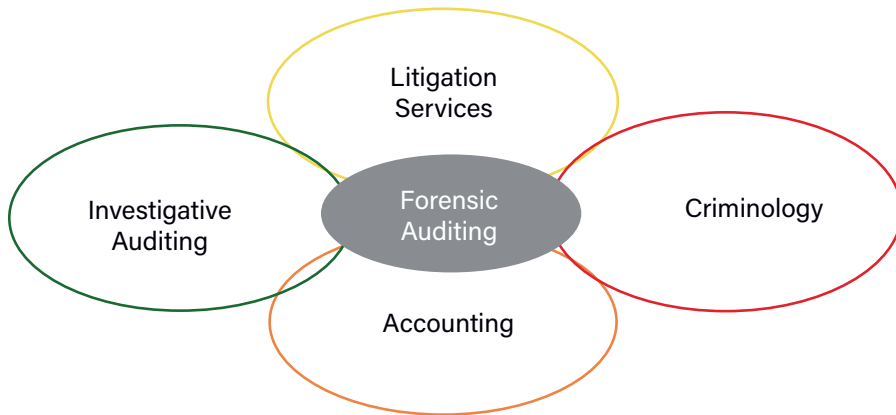
Forensic Audit plays an important role in enhancing the corporate culture. Forensic Audit has an imperative role in assisting the corporates for maintaining efficiency and merit. On the larger parameters, Forensic audit as tool mix of accounting and investigation is serving all the five E's of good governance and make the corporates to grow and develop on the parameters of being Effective, Efficient, Easy, Empower, and Equity.

Forensic Auditing is used in a number of ways and for a number of purposes and not just for fraud detection. Forensic Audit is conducted during Mergers and Acquisitions, Litigations, Financial fraud and siphoning of funds. The horizon has been expanded and the practices are being modified as the Companies are intending to conduct the Forensic Audit for understanding the health of the business in terms of performing and non-performing assets. This enables the management of the company to take investment and financial decisions.

A Forensic Audit provides for early detection and prevention of fraud that may be a false statement, misrepresentation of facts, corruption and bribery. One of the most common frauds committed is Financial Statement Fraud i.e. window dressing the balance sheet with the wrong information either increasing or decreasing the values to boost the liquidity, profits, and performance of the company.

With increasing complexity in financial frauds and greater demand for transparency and accountability, the need for professionals is greater than ever. There are varied roles played by the Company Secretaries in the field of Forensic Audit. Further, the present day progressive changes in the Forensic Audit are expanding the gateway of opportunities for the Company Secretaries to guide, advice, operationalize, and appear in the matters related to Forensic Audit.

Role of Company Secretaries in Forensic Audit



- A Company Secretary would use his/her investigative accounting and legal skills to examine the documentary and other available evidence to give his/ her expert opinion on the matter. Their services could also be required by Government departments, the Revenue Commissioners, etc. for investigative purposes.
- A Company Secretary might be called upon to assist in business investigations which could involve funds tracing, asset identification and recovery, forensic intelligence gathering and due diligence review.
- Company Secretaries are eligible to be engaged in litigation and assisting with evidence, strategy and case preparation.
- Company Secretary may help the investigating authorities in collecting evidences and other investigation purposes.
- Company Secretaries can carefully examine the accounts and balance sheets and use their skills to find out whether there is any fraud committed or any anomaly associated with it by giving expert opinion.
- A Company Secretary is trained in assisting in electronic data recovery and enforcement of IP rights etc.

Experience and engagement of Company Secretaries referred above help them to offer suggestions as to internal control that owners could implement to reduce the likelihood of fraud. Some forensic auditors because of their specialist training they would have received in legal mediation and arbitration, have extended their forensic auditing practices to include providing Alternative Dispute Resolution (ADR) services, in absence of which a matter could be expensive and time consuming for individuals or businesses involved in commercial disputes with a third party.

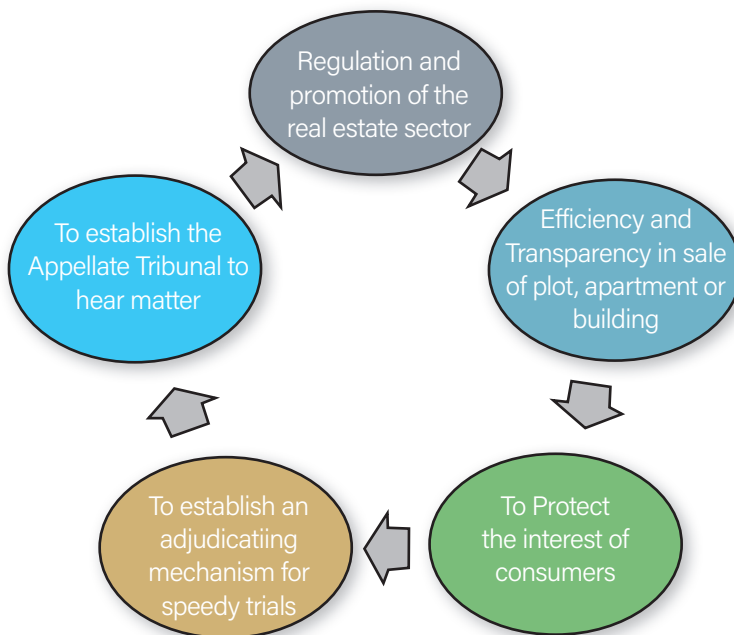
E. Real Estate Sector

Real Estate, plays a vital role in every aspect of an economy, society and environment. Businesses and society can't function without the services of commercial property,

including the provision of offices, shops, factories, malls and many other forms of real estate. It is therefore a fundamental source of employment and economic growth. The real estate has a catalytic role in fulfilling the demand for housing for the various socio-economic classes. Real Estate Sector, which seems to be one of the major contributors in the inclusive growth of the nation with the contribution of 8.53% of total GDP.

The Indian economy experienced robust growth in the past decade and is expected to be one of the fastest growing economies in the coming years. It has also been estimated that real estate contribution to India's GDP is estimated to increase to about 13 per cent by 2028. Increasing share of real estate in the GDP would be supported by increasing industrial activity, improving income level, and urbanisation.

The Real Estate Market in India has seen a stable rise over the years. However, instances of project delays and rising overhead costs have called for stern measures to ensure that a governing mechanism is established to avoid loopholes in the industry. In a bid to boost investments in the real estate sector and protect home buyers, Real estate Regulation and Development Act (RERA) was enacted in 2016. RERA specifies the creation of a Real Estate Authority and Appellate Tribunal for each State. Under RERA, all real estate projects in each State and Union Territory will be monitored by the respective governing authorities. RERA is of extreme significance as it mandates registration of projects and real estate agents. RERA will guarantee more precision between the developers and buyers thereby ensuring transparency.



Objectives of RERA

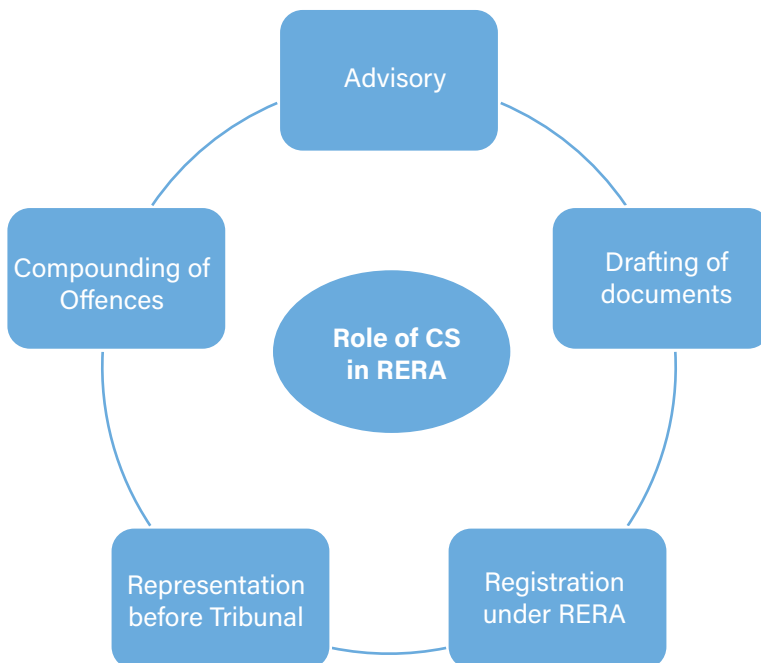
Role of Company Secretaries under RERA

RERA has given immense opportunity to the practising professionals such as Company Secretaries. There are certain persons/projects (viz. Promoter, real estate agent and real estate project) for which registration under RERA is mandatory. Professionals can impart their expertise in order to assist Promoters as well as to Real Estate Agents.

A Company Secretary has been recognised under Real Estate (Regulation and Development) Act, 2016 to act as Authorised Representative before the Appellate Tribunal or the Regulatory Authority or the Adjudicating Officer, as the case may be. This itself shows the trust the legislation bestows on Company Secretaries.

Further Company Secretary in Practice, as an expert can indulge in providing services in respect of:

- Financial Advisory Services to the Real Estate developer
- Guide on various applicable provision particularly on real estate project
- Registration and extension procedure of real estate project with competent authority
- Various obligation, functions and duties of promoter in a real estate project
- Penal Provisions under the Act
- Funding Options for Real Estate Project
- Taxation aspects for Real Estate Project
- Legal & Regulatory Compliances
- Valuation of Projects under RERA



F. INTERNATIONAL FINANCIAL SERVICES CENTRES (IFSC)

The IFSCA is a unified authority for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre (IFSC) in India in the areas of banking, insurance, securities and funds management. At present, the GIFT IFSC is the maiden international financial services centre in India. Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, SEBI, PFRDA and IRDAI regulated the business in IFSC. The main objective of IFSCA is to develop a strong global connect and focus on the needs of the Indian economy as well as to serve as an international financial platform for the entire region and the global economy as a whole.

The immediate priority areas where professional services will be required include listing of equity and debt instruments for raising capital as well as secondary trading (including derivative trading), non-deliverable forwards in INR-foreign currency, hub for all types of investment funds, aircraft leasing and financing, international bullion exchange, FinTech hub, etc.

Role of Company Secretaries in IFSC

- i. Company Secretary has been recognized as 'Compliance Officer' to be appointed under Regulation 130 of IFSCA (Issuance and Listing of Securities) Regulations, 2021 issued vide gazette notification dated 16th July, 2021.
- ii. Company Secretary in Practice is authorized to certify that all the requirements of the International Financial Services Centres Authority Act, 2019 read with IFSCA (Registration of Insurance Business) Regulations, 2021 and notifications issued under section 2CA of the Act have been complied with by the applicant as per the requirements specified in Form B & Form C of the IFSCA (Registration of Insurance Business) Regulations, 2021 issued vide Gazette Notification dated 18th October, 2021.
- iii. Company Secretary in Practice is authorized to certify the net worth certificate of IFSC Insurance Intermediary Office (IIIO) under Regulation 13 (6) of the International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021 issued vide Gazette Notification dated 18th October, 2021.
- iv. Company Secretary in Practice is authorised to conduct annual audit of Capital Market Intermediaries under regulation 22 and issue Net-Worth Certificate to the applicant willing to register as a capital market intermediaries with the IFSCA under Schedule I of the IFSCA (Capital Market Intermediaries) Regulations, 2021 issued vide Gazette Notification dated 18th October, 2021.
- v. Company Secretary in Practice is authorised to certify Paid-up capital and Net-worth requirements on half yearly basis under Regulation 8(5) of the International Financial Services Centres Authority (Insurance Web Aggregator) Regulations, 2022, issued vide notification dated 31st January, 2022.
- vi. As per Circular No. 329/IFSCA/DPM/TS/QJ/2021-22/1 issued by the IFSCA on 19th January, 2022, the entities fulfilling the specified conditions as per this

circular, shall be considered as 'Qualified Jewellers' and shall be permitted to transact as trading members / clients of trading members, on India International Bullion Exchange (IIBX), for the purpose of import of gold under the ITC(HS) codes 71081200 and 71189000. One of the conditions mentioned in Para 2(b) of the aforesaid Circular provides that the aforesaid entities will be required to submit a certificate, stating that 90% of the average annual turnover in the last 3 financial years are through dealing in goods under precious metals and the Company Secretary in Practice have also been authorized to provide aforesaid certificate.

Further Para 2(c) and Para 4 of the aforesaid Circular also require the entities as mentioned above to have a minimum net worth of ₹ 25 crore as per their latest audited financial statement and they are required to submit a net worth certificate to that effect. Further, the IFSCA has also authorized the Practicing Company Secretary to issue aforesaid certificate.

Additionally, Company Secretaries can provide their expert advise in:

1. Buy-back of shares
2. Raising of funds from international markets – ADR/GDR/ECB
3. Acting as compliance officer under listing agreement
4. Compliance officer for various capital market intermediaries
5. Advisor/consultant in issue of shares and other securities in India and abroad
6. Drafting of prospectus/offer for sale/ letter of offer/other documents related to issue of securities and obtaining various approvals in association with lead managers
7. Listing / delisting of securities
8. Private placement of securities

G. Co-operatives

Co-operatives are autonomous association of persons owned, controlled and run by members to realise their common economic, social, and cultural needs, aspirations and goals. Cooperative societies in India were first formed in late 1890's when farmers in western Maharashtra rebelled against money lenders' tyranny for agricultural loans. In the year 1904, the British government in India enforced the Cooperative Society Act, to safeguard interests of poor farmers in Maharashtra. Since independence, India has seen a huge growth in co-operative societies mainly in the agriculture, sugar, dairy, housing and banking sectors. With the achievement of Independence and the initiation of planning, the role of co-operatives underwent a sweeping change. Co-operation no longer signified a 'series of activities organized on cooperative lines' but it was acknowledged as an organization that could play 'a very constructive role in the encouragement of economic and social democracy and in the execution of democratic planning in the country'. Co-operatives work on the principle of voluntary and open membership, democratic member control, membership economic participation,

autonomy and independence, education, training and information, co-operation among co-operatives and concern of community.



Values governing Co-operatives

Constitution and Governing Laws

The incorporation, regulation and winding up of co-operative societies (other than those operating in more than one State) is a State subject and is governed by the State laws on co-operative societies. In the case of co-operatives with objects not confined to one State, their incorporation, regulation and winding up fall in the central domain and are governed by the Multi-State Co-operative Societies Act, 2002. As the vast majority of co-operative societies are operating only in one State, the State Government and the Registrar of Co-operative Societies appointed by the State are the main regulatory authorities for the cooperative societies.

When co-operative societies engage in banking business, in addition to the regulatory laws applicable to co-operative societies, the central laws governing banking are attracted. Thus, the Banking Regulation Act, 1949 has been made applicable to co-operative banks.

The Government of India has in July 2021 created Ministry of Cooperation vide Cabinet Secretariat's Notification No. 1/21/7/2021-Cab. dated 6th July, 2021 with an objective of building cooperative societies as the pivot of a whole gamut of economic activities, from financial services to production of finished goods. The principal activities of the Ministry include streamlining processes for 'Ease of doing

Business' for co-operatives and enabling development of Multi-State Cooperative Societies.

Role of Company Secretaries in Co-operatives

A Company Secretary being an expert in Corporate Laws offers variety of Statutory and Non-statutory services to co-operatives. The professional support being provided by Company Secretaries can be summarised as under:

- i. **Role in Producer Companies:** The Companies Act, 2013 provides that every Producer Company, having an average annual turnover exceeding Rs. 5 crores in each of three consecutive financial years shall have a whole time Company Secretary pursuant to Section 378X of the Companies Act, 2013.
- ii. **Registration of co-operative societies:** A Company Secretary offers the services for registration of co-operative societies.
- iii. **Act as Secretary of Co-operative:** A Company Secretary may act as the Secretary of the Co-operative Societies and can oversee and ensure that Co-operative Societies including various Co-operative Banks are in compliance with the laws applicable thereto including other services like preparation of annual accounts, budget, income and expenditure statements, maintenance and operation of bank accounts.
- iv. **As advisor to Co-operative Societies:** The Company Secretary can act as an advisor to the Co-operative Societies in legal and other matters regarding the activities of the society.
- v. **A Company Secretary can offer following services in banking cooperatives:**
 - a. Assist in developing the Compliance Policy of the Cooperative.
 - b. Assist the Board and Senior Management in overseeing the implementation of the Compliance policy including policies and procedures, prescriptions in Compliance Manuals, internal code of conduct etc.
 - c. Play the Central Role in identifying the level of Compliance risk in the organisation.
 - d. Monitor and test compliance by performing sufficient and representative compliance testing, and the results of such compliance shall be reported to Senior Management.
 - e. Ensure Compliance of regulatory/supervisory directions given by RBI in both letter and spirit in a time bounded and sustainable manner.
 - f. Attend to compliance with directions from other regulators in cases where the activities of the entity are not limited to the regulation/supervision of RBI.

H. Labour Laws

Economic development means not only creation of jobs but also working conditions in which one can work with freedom, safety and dignity. For improving the life and

dignity of labour force of the country by protecting & safeguarding the interest of workers, promotion of their welfare and providing social security to the labour force both in organized and unorganized sectors, Parliament enacted various Labour Laws. These laws are meant to provide economic and social justice to workforce in any organisation.

Labour laws are the one dealing with employment laws in any organization whether it is a manufacturing organization or trading organization or shops and establishment. The labour laws address the various administrative rulings and procedure to be followed, compliance to be made and it addresses the legal rights of, and restrictions on, working people and their organizations. As such, the labour laws mediate in many aspects of the relationship between trade unions, employers and employees. In other words, Labour law defines the rights and obligations as employees, union members and employers in the workplace.

The Government has been working towards simplifying, amalgamating and rationalizing the relevant provisions of the Central Labour Laws and consolidating the same into four Labour Codes for bringing out reforms in the provisions relating to minimum wages, bonus, industrial relations, social security and safe working environment, etc. The Code on Wages, 2019 was passed by Parliament and received the assent of the President on 8th August, 2019. The Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 have been passed by the Parliament and assented to by the President on 28th September, 2020.

Since Labour is in the Concurrent List of the Constitution, rules are required to be framed by the Central Government as well as by the State Governments. The Central Government has already published the draft rules for all four Codes. As a step towards implementation of the four Labour Codes out of the 30 States and 8 Union Territories (UTs), most of the States and UTs have published draft Rules for the Codes. The Government intends to implement all four Codes by the Centre and States in a seamless transit to the new legal framework in the country. The new Codes are in tune with the changing labour market trends and at the same time accommodate the minimum wage requirement and welfare needs of the unorganised sector workers, including the self-employed, gig and migrant workers, within the framework of legislation.

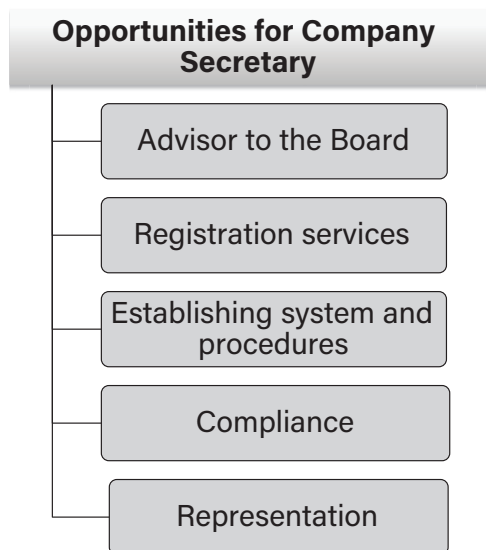
Company Secretaries by virtue of their professional knowledge and skills render competent professional services and enable proactive compliance with the Labour Laws, with utmost care and diligence in the best interest of the industries as well as stakeholders.

The Practicing Company Secretaries assist and help the organizations to find out the number of laws which are applicable to them at the first place. In companies where no Company Secretary is required to be employed, the Practicing Company Secretaries have got a great opportunity to explore the areas of compliance in those companies under various laws that are applicable – it is a vast scope for the

practicing Company Secretaries since the laws are innumerable and one needs to be focused in ensuring compliance.

As an initiative towards guiding the members, the Institute released a Handbook on the Code of Wages, 2019 (the code) covering various new aspects introduced through the Code, explaining provisions in a simple, easy manner so as to accord better understanding to the members looking forward to practice in the field of labour laws.

Role of Company Secretaries under Labour Laws



Company Secretary has to play an important role in the new regime of Labour Codes. Company Secretaries have to guide the top management on the new Labour Codes and impact thereof on the industries. The compliance of Labour Codes is important for good corporate governance and Company Secretary by virtue of his knowledge can render value added services in ensuring the compliance of these new Labour Codes to protect and further the interests of labour, industry and all stakeholders at same time, thus preventing undesirable actions and penalty for non-compliance.

Role of Company Secretary under Labour Code inter-alia is as under:

- To obtain registrations of the establishment under applicable Labour Codes.
- Submission of returns on a regular basis to the authorities established under the Codes.
- Drafting of various deeds and documents relating to employment like HR manual, offer /appointment letter, Non-disclosure agreement, transfer letter, warning letters, termination letter etc.

- Advisory services relating to salary structure and pay roll related compliances.
- Representations services before authorities established under the Code. Periodical audits of the Companies/Firms and their contractors/vendors to ensure full compliance of the Code.
- Act as a conciliator to resolve disputes between employer and employee as per the provisions of the Codes.
- Implement an adequate system to ensure regular and timely compliance of the provisions of the code on wages.
- Maintenance of appropriate records with regard to employees of the establishment under various Labour Codes like employee register, register of attendance, wage, overtime, fine, deduction for damage and loss, wage slip etc.
- Display of various notices in the establishment like abstract of the code, minimum rate of wage, day, date and time of wage payment, name and address of the Inspector-cum-Facilitator etc.
- Ensure adequate facilities related to health, safety and welfare of the employees have been provided for the employees on behalf of the establishment under various codes.

I. Sustainability

Sustainability has gone mainstream in the corporate world. Investors increasingly understand that a corporation's performance on pertinent environmental, social, and governance (ESG) factors directly affects long-term profitability. It primarily focuses on the organization's environmental and social performance along-with its impact on various sustainability issues. Sustainability reporting involves assessment and reporting of material risks and opportunities arising out of environmental and social factors. There is an increased focus of investors and other stakeholders seeking businesses to be responsible and sustainable towards the environment and society. Thus, reporting of company's performance on sustainability related factors has become as vital as reporting on financial and operational performance. ESG today is broadly thought of as a reporting framework, however originally it was a framework developed for evaluating the sustainability related disclosure of listed companies for investors. ESG can be better understood as under:

- The E, or environmental, component of ESG encompasses how a company is exposed to and manages risks and opportunities related to climate, natural resource scarcity, pollution, waste, and other environmental factors.
- The S, or social, component of ESG includes information about the company's values and business relationships. For example, social topics include labour and supply-chain standards, employee health and safety, product quality and safety, privacy and data security, and diversity and inclusion policies and efforts.

- The G, or governance, component of ESG incorporates information about a company's corporate governance. This could include information on the structure and diversity of the board of directors; executive compensation; critical event responsiveness; corporate resiliency; and policies on lobbying, political contributions, and bribery and corruption.

SEBI introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR). The intention of the BRSR framework is to link the performance of a listed entity on business, financial and economic parameters with its ESG performance so that the stakeholders such as the regulators, investors, suppliers, creditors and others have the necessary information to be able to make an assessment and evaluation of the progress made by the listed entity in terms of growth and sustainability in totality considering all parameters wherein financial parameter is one of them. It can be readily seen that the BRSR framework lays emphasis on sustainability initiatives and their disclosures by the listed entity.

The expectations from the Company Secretaries, as they are increasingly being referred to as "governance professionals" now also extend to the areas of Corporate Social Responsibility (CSR), Business Responsibility and Sustainability Reporting (BRSR) and Environment Social Governance (ESG), all of which put together highlights the focus on sustainability, where the CS has ample opportunities to excel as a preferred professional.

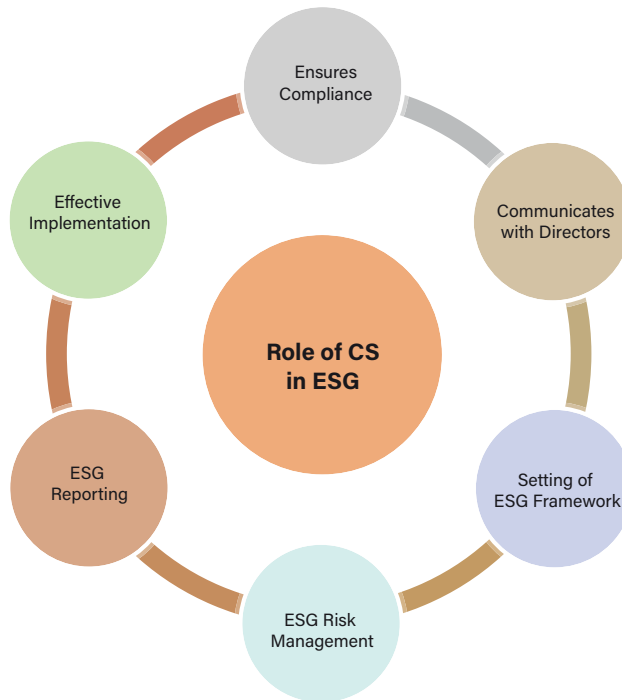
The disclosure requirements in the wake of emerging ESG landscape are rapidly as well as dynamically changing. Company Secretaries, being at the centre-stage with respect to reporting to the Board and their committees on various non-financial metrics as part of his / her responsibilities towards governance are in an ideal position to provide internal support to the various sustainability initiatives. In the capacity of advisor to the Board, the CS can strive to drive brain storming discussions on ESG and sustainability, include specific issues and initiatives on sustainability in agendas of the Board or the appropriate committees, and look to generally integrate sustainability mandates into the regular board processes. With the help of CS practitioners, companies may find it worthwhile to recommend the incorporation of the best practices in ESG followed by other entities.

SEBI also undertook a benchmarking exercise with internationally accepted disclosure frameworks before coming out with the BRSR reporting format. The scenario promises good prospects in the form of exciting opportunities to a new generation of ESG professionals where a CS both in employment and in practice may well find themselves to be "the preferred professionals" considering their exposure to Governance and Compliance Management systems in the corporate world, which will give them a definite edge over other professionals.

Role of Company Secretaries in ESG

Company Secretaries help the companies in adopting the below mentioned steps to start their journey towards ESG implementation:

- **Conducting health check:** Company Secretaries make an assessment of the current compliance level towards ESG. Further Company Secretaries identify key ESG areas which are going to materially affect the business performance and stakeholders.
- **Industry Benchmarking:** Conducting a benchmarking exercise into the assessment provides information on the ESG maturity of competitors. This will also help Company Secretaries in understanding industry challenges, opportunities, and best practices related to ESG.
- **Establishing Governance Structure:** Company Secretaries have been setting up dedicated ESG functions within the organization and identifying specific goals for it. Apart from regular monitoring by the Board of Directors, it will be prudent that ESG progress is governed by the Company Secretaries.
- **Setting-up ESG framework and Goals:** The crucial step for Company Secretaries is to build an ESG framework for the Company which will provide a roadmap. One can look at the established frameworks like UN SDGs and then identify goals that will align with business objectives, meet stakeholder expectations and also demonstrate commitment to ESG.
- **Implementation of ESG:** For effective implementation of ESG, it is necessary for Company Secretaries to ensure that there is integration between ESG and business practices. Each function shall assign responsibility and accountability towards key performance indicators of ESG and then regularly monitored for the identified deliverables.
- **ESG Risk Management:** Regulation 21 of the SEBI (LODR) Regulations, 2015 requires the formation of a Risk Management Committee for the top 1,000 companies by market capitalisation and conducting Risk Management for various risks including ESG related risks. Transparent and consistent assessment of ESG risks and their integration into the existing Risk Management Framework will provide a comprehensive risk framework. This will also mean that Company Secretaries needs to regularly review and update the ESG strategy depending on ever-changing business challenges or regulatory framework.
- **Reporting:** Accurate and transparent reporting of ESG parameters is important. Transparent reporting enables stakeholders to gain a clear picture of a company's direction and progression. Apart from BRSR, Company secretaries can adopt standards like GRI and IR to arrive at an appropriate report.



J. Social Stock Exchange & Social Audit

SEBI vide notification dated July 25, 2022 amended, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations") to provide a broad framework for Social Stock Exchange. The broad framework was notified on 19th September by SEBI.

Chapter X-A of ICDR Regulations deals with Social Stock Exchange. Concept of Social Auditor is introduced under this Regulation.

Regulation 292A of ICDR Regulations provides as under:

(f) "Social Auditor" means an individual registered with a self-regulatory organization under the Institute of Chartered Accountants of India or such other agency, as may be specified by the Board, who has qualified a certification program conducted by National Institute of Securities Market and holds a valid certificate;

(g) "Social Audit Firm" means any entity which has employed Social Auditors and has a track record of minimum three years for conducting social impact assessment;

(h) "Social Enterprise" means either a Not for Profit Organization or a For Profit Social Enterprise that meets the eligibility criteria specified in this Chapter;

(i) "Social Stock Exchange" means a separate segment of a recognized stock exchange having nationwide trading terminals permitted to register Not for Profit Organizations and / or list the securities issued by Not for Profit Organizations in accordance with provisions of these regulations.

This paves the way for non-profit enterprises as well as for-profit social enterprises to list themselves on the Social Stock Exchange and raise monies; the idea of such exchange was first floated by the Finance Minister in her Budget 2019-20 speech. There are about 34 lakh NGOs in the country and even if 1% list then that number will come to about 34,000. As social enterprises which get listed and raise monies, will now be required to undergo mandatory Social Audit, this will be a great opportunity for Social Auditors. By assessing the impact on society, they will be able to create more value.

In respect of disclosures, a social enterprise, raising funds or registered on SSE, will be required to submit an Annual Impact Report. The annual impact report will be audited by a social audit firm employing a Social Auditor.

Evolving Role of a Company Secretary

- Annual Impact Report- The Company Secretary as a social auditor in a social audit firm is eligible to audit the annual impact report of a Social Enterprise, which is either registered with or has raised funds through a Social Stock Exchange or a Stock Exchange.
- As a consultant: A Company Secretary can advise the social enterprises and not for profit enterprises on matters relating to listing and compliances of the Regulations. A Company Secretary can also guide on the related governance aspects.
- A Not for Profit Organization registered on the Social Stock Exchange(s), including a Not for Profit Organization whose designated securities are listed on the Social Stock Exchange(s), are required to make annual disclosures to the Social Stock Exchange(s) on matters specified by the Board, within 60 days from the end of the financial year or within such period as may be specified by the Board. Company Secretaries may assist the not for profit organizations in preparing and finalising the annual disclosures.

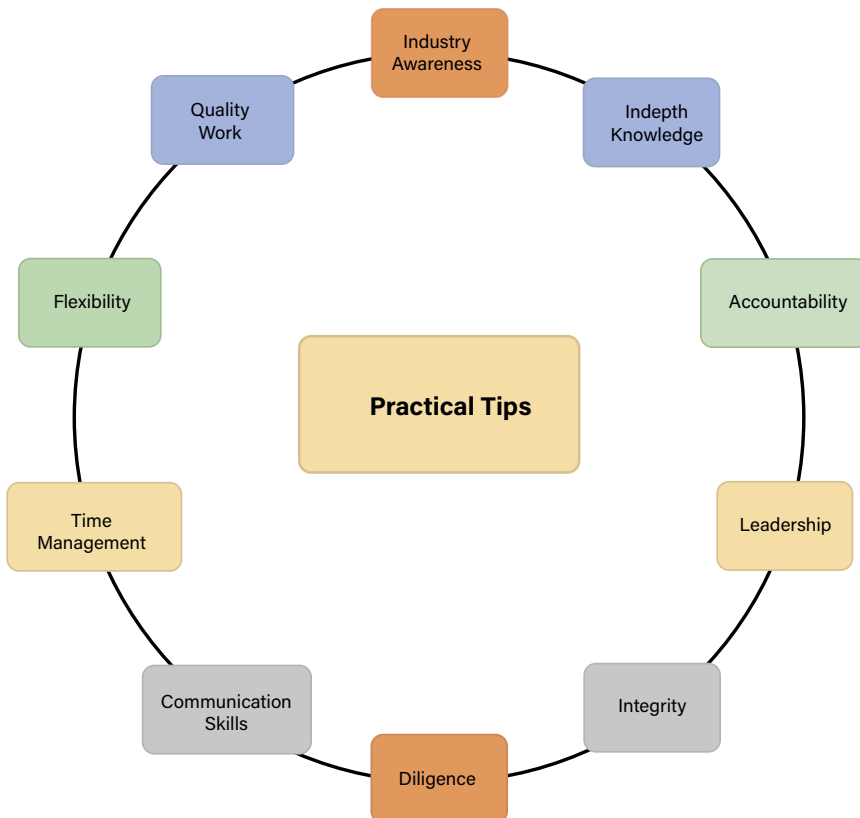
3. Practical Tips to Venture into New Areas

World over, the Company Secretaries are now being looked as governance professionals. A Company Secretary is an official representative of any organization whose main function is to communicate with shareholders, owners, and directors to carry out the selected policies by ensuring that the company is working according to the laws and regulations. The Company Secretary is responsible for the overall systemic administration of a company and is one of the key members of the corporate sector. They play an indispensable role in the corporate world ensuring effective coordination and communication among various departments.

For Company Secretaries, it is very important to understand the necessity for continuous skill development, learning the business in global dimensions, understanding technology and to have a focus on research and development activities. The role of the governance professional is one that crosses any number of sectors.

A Company Secretary should possess the following traits to enter into new areas:

- **Industry Awareness:** Changes in the economic and regulatory environment provides new avenues for professionals. An awareness is required about the emerging opportunities for venturing into new areas of practice. Members need to keep an eye on regulatory updates for the same.
- **Indepth Knowledge:** The profession of Company Secretary requires constant updation about the changes in laws, rules and regulations. Knowledge updation in the emerging areas or anticipated areas where new opportunities may arise provide members with early mover advantage.
- **Accountability:** Being a professional it is their duty to be accountable for their work. They are entrusted with responsibilities and thus are expected to take up ownership for their job.



- **Leadership:** Being accountable is the path to leadership. It is a quality that a Company Secretary should possess to excel in its job.

- **Integrity:** Company Secretaries are known by their integrity. Keeping moral principles intact and being ethical are the key factors of being country's one of the preferred professionals.
- **Diligence:** Company Secretary should show diligence in work. One should make utmost effort to execute their responsibilities with care because that is what is expected from them. They should be thorough in their job.
- **Communication Skills:** Company Secretaries serve as a link between the Company, the Board of Directors and other stakeholders. Hence, communication is important to ensure that the gap is bridged between the Company and its stakeholders. The Company Secretaries must also have strong communication skills to interact with higher authorities.
- **Time Management:** Timeliness might seem simple, but it is one of the most important qualities in a professional like Company Secretary.
- **Flexibility:** The law is changing every day and as professionals, Company Secretaries should also be adaptive to the changes. This profession requires flexibility and the willingness to change.
- **Quality Work:** Delivering quality work every single time is what is expected of a Company Secretary. This includes accuracy and in-depth knowledge about their field of work as well as providing practical support to the Board.

It is clear from the foregoing that Company Secretaries have come to be accepted by all as an independent and indispensable professional. The role of Company Secretary has not merely changed; it has transformed itself into new dimensions.

CS as multi-disciplinary governance professionals are expected to be in the forefront as the preferred professionals in the fast evolving and emerging dynamic environment, not only in India, but globally as well.

Brief Guide to Recognitions for the Profession

“

Don't worry when you are not recognized, but strive to be worthy of recognition.

– Abraham Lincoln

”

1. Introduction

We have studied in the earlier chapters how the Profession has grown over the years and has gained trust of the Regulators and stakeholders. A Company Secretary whether in employment or in practice is recognized under various legislations, rules & regulations to perform the given assignment and ensure good governance at all the levels.

In the year 1974, the Companies (Amendment) Act, 1974 recognised the concept of whole-time Company Secretary in the company, with the introduction of Section 383A. The section made it mandatory for every company falling under the prescribed class to appoint a whole-time secretary and also mentioned that where the Board of directors of any such company comprises only two directors, neither of them shall be the secretary of the company. Since then, the Profession has gained confidence of the Regulators and other stakeholders.

Later in the year 1978, the Sachar Committee had observed as under:

“There is a growing evidence that, in order to cope with the complexities of modern business, more and more professional people are taking up positions in companies previously held by owner-managers. One important step which the Government had taken right in 1956 was to conceive the profession of company secretaries. Finally, the Amendment Act of 1974 provided for compulsory appointment of whole-time secretaries in companies of certain size, namely, companies having a paid-up capital of Rs.25 lakhs or more. This process of professionalisation of management needs to be carried forward.” (para 5.5)

After the enactment of Company Secretaries Act, 1980, it was with the Companies (Amendment) Act, 1988 that the concept of whole time practice by the members of the Institute was recognized whereat the Company Secretary in practice were accorded certification of the Annual Return, it is since then that the Profession has grown leaps and bounds. Under the regime of Companies Act, 1956, Company

Secretary was given space to nurture its identity and make a mark in the industry. One of the major recognition during this regime had come in the year 2000, with the insertion of proviso to Sub-section (1) of Section 383A of the Companies Act, 1956 opening up a core area of practice for Company Secretaries. This proviso recognized Company Secretary in Practice for issuing the Compliance Certificate to certain prescribed companies. MCA-21 further enhanced the opportunities for the Profession.

A Company Secretary has all along been conceived as an extended arm of the Regulator for the purpose of ensuring compliance of various laws by the companies and was recognised under the MRTP Act, Income-tax Act, Environment Protection Act and various other statutes as the principal officer of the company. Further the Practice side also evolved during the period, regulators like the Securities Exchange Board of India, Reserve Bank of India, the Stock Exchanges reposed their trust in the Profession.

Company Secretary being a key functionary in the corporate sector, his role, functions and responsibilities have widened over the years. With the increased emphasis on the principles of good governance and introduction of various provisions in relation thereto, a Company Secretary has become an important pillar of Good Governance, thereby supervising, monitoring and sharing information with the stakeholders generating confidence and trust with customers, suppliers, creditors and maximizing corporate value for its shareholders.

The path breaking Companies Act, 2013 channeled the vision of growth for the profession. For the first time, Company Secretary in Practice was recognized through the definition under the legislation. A Company Secretary in Practice has thoroughly been recognized as a Professional ensuring compliances and moving towards governance paradigm and reaching the International benchmarks. Company Secretary was recognized as a Secretarial Auditor assuring the regulator, generating confidence amongst the shareholders, the creditors and other stakeholders and instilling self-regulation and professional discipline amongst the corporates.

Company Secretary has also been recognized as the Key Managerial Personnel (KMP) in a company under the Companies Act, 2013. The KMPs are the first point of contact between the company and its stakeholders. While the Board is responsible for providing the oversight, it is the KMP's who are responsible for not just laying down the strategies but also their implementation.

The Securities Exchange Board of India through SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 has recognized Company Secretary as a Senior Management Personnel. Only a Company Secretary can be the Compliance Officer of the company.

Company Secretary has been recognized as 'Compliance Officer' to be appointed under Regulation 130 of IFSCA (Issuance and Listing of Securities) Regulations, 2021.

SEBI has always appreciated the intervention of independent professionals in the orderly development and growth of Capital Markets and in turn strengthening the governance framework of listed companies. Considering the competence and knowledge of Company Secretaries in the area of securities laws and compliances, Company Secretary has been recognised to conduct Secretarial Audit for listed Companies and their material unlisted subsidiaries, audit of intermediaries, appearance before Tribunals and many more implicit and explicit areas covering wide range of issues including taking up the role of Compliance Officer.

The new regulator International Financial Services Centres Authority (IFSCA) has also recognized Company Secretary to ensure compliance under various provisions. A Company Secretary in Practice has been recognized to give Certificate regarding Paid-up capital and Net-worth requirements to Insurance Web Aggregator, Insurance Intermediary, Capital Market Intermediaries under various Regulations. Further, to add, Company Secretary in Practice is also recognized to conduct an annual audit of Capital Market intermediary in respect of compliance with International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021.

Company Secretary has been recognized by various other Regulators to undertake various assignments. Reserve Bank of India has recognized Company secretary to certify FEMA compliance through various Notifications and Regulations; a Company Secretary is authorized to act as Custom Broker under Customs Brokers Licensing Regulations, 2018; he can also act as a GST Practitioner. Company Secretary is also recognized to conduct Internal Audit of Custodian of Securities on quarterly basis, under PFRDA Guidance, 2015; Government of Haryana, Department of Labour has recognized Company Secretary for Third Party Certification; a Company Secretary can register as a Trade Marks Agent; Petroleum and Natural Gas Regulatory Board has recognized Company Secretary to certify Shareholding Pattern of Gas Exchange and Clearing Corporation. IRDAI has also recognized a Company Secretary to certify the compliances under Guidelines and Regulations. Further a Company Secretary has been recognized to Act as an Authorised Representative under the Income-tax Act, 1961 and Income Tax Rules, 1962, The Customs Act, 1962 The Central Goods and Service Tax Act, 2017 and the Central Goods and Services Tax Rules, 2017, Competition Act, 2002, Real Estate (Regulation and Development) Act, 2016, Telecom Regulatory Authority of India (Amendment) Act, 2000, PFRDA Regulations to name a few. This is the testimony of specialized knowledge, expertise, skill possessed and quality delivered by Company Secretary, a Preferred Professional.

RECOGNITIONS TO THE PROFESSION OF COMPANY SECRETARIES

A. FOR COMPANY SECRETARY IN PRACTICE

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------------------------------------|--|---|---|
| I. COMPANY LAW AND ALLIED LAWS | | | |
| 1. | <p>The Companies Act, 2013 and Rules made thereunder</p> <p>(a) [Section 2(25)]</p> <p>(b) [Section 232(7)]</p> <p>(c) [Section 138]</p> <p>(d) [Section 2(38)]</p> <p>(e) [Section 409]</p> | <p>(a) "Company Secretary in Practice" means a Company Secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980.</p> <p>(b) To certify whether the merger and amalgamation scheme is being complied with, in accordance with the orders of the Tribunal or not.</p> <p>(c) To conduct internal audit of companies.</p> <p>(d) To be appointed as an expert.</p> <p>(e) Company Secretary who has been in practice for at least fifteen years may be appointed as Technical Member of NCLT.</p> | <p>(a) September 12, 2013</p> <p>(b) December 15, 2016</p> <p>(c) April 1, 2014</p> <p>(d) September 12, 2013</p> <p>(e) September 12, 2013</p> |
| 2. | <p>Companies (Incorporation) Rules, 2014</p> <p>(a) [Section 7(1)(b) & Rule 14]</p> <p>(b) [Section 8 read with Rule 19 and Rule 20(2)(b)]</p> | <p>(a) To make declaration that all the requirements of the Companies Act, 2013 and rules made thereunder in respect of registration and matters precedent or incidental thereto have been complied with.</p> <p>(b) To make declaration that the memorandum and articles of association have been drawn up in conformity with the provisions of Section 8 of the</p> | <p>(a) April 1, 2014</p> <p>(b) April 1, 2014</p> |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|---|--|
| | | <p>Companies Act, 2013 and rules made thereunder and that all the requirements relating to registration of the company under section 8 and matters incidental or supplemental thereto have been complied with.</p> <p>(c) To verify the contents of Form No. INC-20A filed under section 10A as provided in the Companies (The Registration Offices and Fees) Rules, 2014.</p> <p>(d) To attach certificate with application certifying that conditions laid down relating to conversion of section 8 Companies into any other kind has been complied with.</p> | <p>(c) December 18, 2018</p> <p>(d) April 1, 2014</p> |
| 3. | <p>Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2019</p> <p>[Section 29 read with rule 9A(8)]</p> | <p>To certify e-form PAS-6, for every unlisted public company in respect of Reconciliation of Share Capital</p> | <p>September 30, 2019</p> |
| 4. | <p>Companies (Share Capital and Debentures) Rules, 2014</p> <p>[Sub-rule (14) of rule 17]</p> | <p>To certify that the buyback of securities has been made in compliance with the provisions of the Act and rules made thereunder.</p> | <p>April 1, 2014</p> |
| 5. | <p>Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014</p> <p>[Section 204(1) & Rule 9]</p> | <p>To Issue Secretarial Audit Report to:</p> <ul style="list-style-type: none"> • every listed company and every public company having a paid-up share capital of fifty crore rupees or more; or turnover of two hundred fifty crore rupees or more; or • every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more. | <p>April 1, 2014 and amended vide notification dated January 3, 2020</p> |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|---|---|--------------------------------|
| 6. | <p>Companies (Management and Administration) Rules, 2014</p> <p>(a) [Section 92(2) read with Rule 11]</p> <p>(b) [Rule 20 (ix)]</p> | <p>(a) To certify the Annual Return of a listed company or a company having paid up share capital of ten crore rupees or more or turnover of fifty crore rupees or more.</p> <p>(b) To be appointed as a scrutinizer in every company which has listed its shares on a recognised stock exchange and company having not less than one thousand members to scrutinize the voting and remote e-voting process in a fair and transparent manner.</p> | April 1, 2014 |
| 7. | <p>Companies (Appointment and Qualification of Directors) Rules, 2014</p> <p>(a) Rule 12(1)(ii)</p> <p>(b) Rule 16</p> | <p>(a) To sign Form DIR-6 filed for intimating changes in particulars.</p> <p>(b) Foreign director may allow PCS to file Form DIR-11.</p> | April 1, 2014 April 6, 2015 |
| 8. | <p>Nidhi Rules, 2014</p> <p>(a) [Rule 21]</p> <p>(b) [Section 406 read with rule 5 (2)]</p> | <p>(a) To certify half-yearly return of every company covered in Rule 2 of Nidhi Rules, 2014.</p> <p>(b) To certify return of statutory compliances filed with the Registrar by Nidhi.</p> | April 1, 2014 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|---|--|-------------------|
| 9. | Companies (Issue of Global Depository Receipts) Rules, 2014 [Rule 4 (5)] | To oversee all the compliances relating to issue of depository receipts and to provide compliance report to be placed at the meeting of Board of Directors. | April 1, 2014 |
| 10. | Companies (The Registration Offices and Fees) Rules, 2014 [Rule 8(12)] | To pre-certify e-forms: INC-12, INC-18, INC-20A, INC-22, INC-22A, INC-27, INC-28, PAS-3, SH-7, CHG-1, CHG-4, CHG-9, MGT-7, MGT-14, DIR-3 KYC, DIR-3C, DIR-5, DIR-6, DIR-12, MR-1, MR-2, MSC-1, MSC-3, MSC-4, NDH-1, NDH-2, NDH-3, NDH-4, GNL-1, GNL-3, GNL-4, RD GNL-5, STK-2, FTE, BEN-2, AOC-4 XBRL, AOC-4, AOC-4 CFS NBFC, AOC-4 NBFC, GNL-4, 23AC XBRL, 23ACA XBRL, 20B, 21A, 23AC, 23ACA, MGT-10, CSR-1, PAS-6, PAS-2. | April 1, 2014 |
| 11. | Limited Liability Partnership Rules, 2009 | To certify LLP forms. | April 1, 2009 |
| 12. | National Company Law Tribunal Rules, 2016 [Section 432 read with Rule 45] | To act as Authorised Representative before the National Company Law Tribunal. | July 21, 2016 |
| 13. | National Company Law Appellate Tribunal Rules, 2016 [Section 432 read with Rule 63] | To act as Authorised Representative before the National Company Law Appellate Tribunal. | July 21, 2016 |
| 14. | Companies (Mediation and Conciliation) Rules, 2016 [Rule 4 (g)] | To be empanelled as Mediator or Conciliator. | September 9, 2016 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|--|---|--|------------------|
| 15. | Companies (Registered Valuers and Valuation) Rules, 2017 [Section 247 of Companies Act, 2013 read with Rule 4] | To act as Registered Valuer. | October 18, 2017 |
| 16. | Insolvency and Bankruptcy Code, 2016 | To act as Insolvency Professional subject to their membership with IP & IBBI. | May 28, 2016 |
| 17. | Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 [Rule 4] | To verify Form CSR-1 digitally for the entity which intends to undertake any CSR activity. | April 1, 2021 |
| II. SECURITIES LAWS AND CAPITAL MARKETS | | | |
| 18. | The Securities and Exchange Board of India Act, 1992 [Section 15V, Explanation (b)] | To appear as Authorised Representative before the Securities Appellate Tribunal. | December, 1999 |
| 19. | Securities Contracts (Regulation) Act, 1956 [Section 22C] | To appear as Authorized Representative before the Securities Appellate Tribunal. | December, 1999 |
| 20. | Securities Contracts (Regulations) Rules, 1957 [Guideline No. F1/8/SE/ 82 dt. 20.8.1982] | To appear as Authorized Representative before the Securities Appellate Tribunal. | August, 1982 |
| 21. | The Depositories Act, 1996 [Section 23C, Explanation (b)] | To appear as Authorised Representative before the Securities Appellate Tribunal. | December, 1999 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|---|--|
| 22. | SEBI (Depositories Participants) Regulations, 2018 [Regulation 76] | To issue quarterly certificate with regard to reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, details of changes in share capital during the quarter, and in-principle approval obtained by the issuer from all the Stock Exchanges where it is listed in respect of such further issued capital. | October 3, 2018 Initially granted Vide Circular No. D&CC/FITTC/ CIR – 16/2002 dated December 31, 2002 |
| 23. | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Regulation 40 (9)] | To certify that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls /allotment services. | September 2, 2015 |
| 24. | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Schedule V, Part C of Clause (10)(i)] | To certify 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 SEBI/Ministry of Corporate Affairs or any such statutory authority. | September 2, 2015 |
| 25. | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Schedule V, Clause E] | To issue Compliance Certificate regarding compliance of conditions of Corporate Governance. | September 2, 2015 |
| 26. | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Regulation 24A(1)] | To conduct Secretarial Audit of every listed entity and its material unlisted subsidiaries incorporated in India. | May 9, 2018 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|--|-------------------|
| 27. | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Regulation 24A(2)] | To provide Annual Secretarial Compliance Report to all the listed entities on compliance of all applicable SEBI Regulations and Circulars/ Guidelines issued thereunder. | February 8, 2019 |
| 28. | CDSL Letter No. CDSL/ADM/RK/2019/0853 | To issue Network Certificate to be submitted by the issuers at the time of admitting securities in CDSL. | December 17, 2019 |
| 29. | NSDL Letter No. NSDL/II/MISC/DG/246/2020 | To issue Network Certificate to be submitted by the issuers at the time of admitting securities in NSDL. | January 2, 2020 |
| 30. | NSDL Byelaws 10.3.1 | To conduct Internal Audit of operations of Depository Participants, at intervals of not more than three months and furnish a copy of the internal audit report to the Depository. | March, 1999 |
| 31. | CDSL Byelaws 16.3.1 | To conduct Internal Audit of operations of Depository Participants, at such intervals as may be specified by CDSL from time to time and furnish a copy of the internal audit report to CDSL. | September, 1999 |
| 32. | NSDL/Policy/2006/0021 | To carry out Concurrent Audit of Depository Participants which covers audit of the process of demat account opening, control and verification of Delivery Instruction Slips (DIS). | June 24, 2006 |
| 33. | CDSL/AUDIT/DP/721 | To carry out Concurrent Audit of Depository Participants which covers audit of the process of demat account opening, control and verification of Delivery Instruction Slips (DIS). | July 11, 2006 |
| 34. | SEBI Circular MRD/ DMS/ CIR-29/2008 | To conduct Internal Audit of Stock Brokers / Trading Members / Clearing Members. | October 21, 2008 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|---|-------------------|
| 35. | SEBI Circular SEBI/ MIRSD/ CRA/Cir-01/2010 | To conduct Internal Audit for Credit Rating Agencies (CRAs). | January 6, 2010 |
| 36. | SEBI (Investment Advisers) Regulations, 2013 [Regulation 19(3)] | To conduct Compliance Audit of an Investment Adviser. | January 21, 2013 |
| 37. | SEBI (Research Analysts) Regulations, 2014 [Regulation 25(3)] | To conduct annual audit of Research Analyst or research entity in respect of compliance with these regulations. | September 1, 2014 |
| 38. | SEBI Circular SEBI/HO/ MIRSD/IR/P/2018/73 | To conduct Internal Audit of Registrar and Share Transfer Agent (RTA). | April 20, 2018 |
| 39 | SEBI (Delisting of Equity Shares) Regulations, 2021 (a) [Regulation 10 (3)] (b) [Proviso to Regulation 21 (a)] | (a) To conduct due diligence and certify that the buying, selling and dealing in equity shares of the company carried out by the acquirer or its related entities and top twenty five shareholders is in compliance with the applicable provisions of securities laws including compliance with sub-regulation (5) of regulation 4 of the SEBI (Delisting) Regulations, 2021. (b) To certify the shares held by inactive shareholders. | June 10, 2021 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|--|------------------|
| 40. | SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (a) [Regulation 13] | (a) To certify that the scheme(s) has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolution of the company in the general meeting. | August 13, 2021 |
| | (b) [Regulation 26 (3)] | (b) To certify compliance with Regulation 26 (2) at the time of adoption of latest Balance Sheet by the company. | |
| | (c) [Regulation 27 (4)] | (c) To certify compliance with Regulation 27 (3) at the time of adoption of shares holding appeared in latest Balance Sheet by the company. | |
| | (d) [Regulation 36] | (d) To certify that the issue of sweat equity shares has been made in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolution passed by the company authorizing the issue of such sweat equity shares. | |
| 41. | SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/65 | To provide Certificate of Compliance to Registrars to an Issue and Share Transfer Agents (RTA). | November 3, 2021 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|--|--|--|------------------|
| 42. | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Regulation 163 (2)] | To issue a Certificate of Compliance to the issuer certifying that the proposed preferential issue is being made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. | January 14, 2022 |
| III. International Financial Services Centres Authority | | | |
| 43. | International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021 | | October 18, 2021 |
| | (a) [FORM B, Point 12- Certificate from CA / CS] | (a) To certify that all the requirements of the Act read with IFSCA (Registration of Insurance Business) Regulations, 2021 and notifications issued under section 2CA of the Act have been complied with by the applicant. | |
| | (b) [FORM- C, Point 14- Certificate from CA/CS] | (b) To certify that all the requirements of the Act read with IFSCA (Registration of Insurance Business) Regulations, 2021 and notifications issued under section 2CA of the Act have been complied with by the applicant. | |
| 44. | International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021 [Regulation 13 (6)] | To certify the net worth of IFSC Insurance Intermediary Office (IIIO) on half yearly basis. | October 18, 2021 |
| 45. | International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 | | October 18, 2021 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|--------------------------|---|--|------------------|
| | (a) [Regulation 22 (1)] | (a) To conduct the annual audit of the registered capital market intermediary in respect of compliance with IFSCA (Capital Market Intermediaries) Regulations, 2021. | |
| | (b) [Schedule I, Part I, Point 12] | (b) To issue Net-worth Certificate to the applicant willing to register as a capital market intermediary with the IFSCA. | |
| 46. | International Financial Services Centres Authority (IFSCA) [Circular 329/IFSCA/DPM/TS/QJ/2021-22/1] | To certify the average annual turnover and networth of the entity which is required to fulfil the conditions as mentioned in the said circular to act as "Qualified Jeweller". | January 19, 2022 |
| 47. | International Financial Services Centres Authority (Insurance Web Aggregator) Regulations, 2022 [Regulation 8(5)] | To certify the paid-up capital and net-worth requirements of the Insurance Web Aggregator. | January 31, 2022 |
| IV. TAXATION LAWS | | | |
| 48. | Income Tax Act, 1961 and Income Tax Rules, 1962 [Rule 49 (a) read with Rule 50(2A) and 288 (2) (v)] | To Act as authorised Income Tax Practitioner. | July 21, 1979 |
| 49. | Income-tax Act, 1961 and Income Tax Rules, 1962 [Section 288(2) (v) and Rule 50 (2A)] | To appear as Authorised Representative before the Income-Tax Authorities. | July, 1979 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|--|---------------|
| 50. | The Customs Act, 1962 [Section 146A(2)(d)] read with Customs (Appeals) Rules, 1982 [Rule 9(c)] and the Central Excise Act, 1944 [Section 35Q(2) (c)] read with Central Excise (Appeals) Rules, 2001 [Rule 12(c)] | To act as Authorized Representative before the Customs, Excise and Service Tax Appellate Tribunal. | October, 1982 |
| 51. | Authority for advance Ruling, (Customs, Central Excise and Service Tax) Procedures Regulations, 2005 [Regulation 2(d) (i)] | To act as Authorized Representative before the Advance Ruling Authority. | January, 2005 |
| 52. | Arunachal Pradesh Goods Tax Act, 2005 and Arunachal Pradesh Goods Tax Rules, 2005 [Section 83(1)(c) read with Rule 78(1)(a)] | To Act as Authorised Representative before VAT authorities. | |
| 53. | Bihar Value Added Tax Act, 2005 [Section 87(d)] | To appear before VAT authorities appointed under Section 10 or the Tribunal or an Officer of the Bureau of Investigation constituted under Section 86 of the Act. | April, 2005 |
| 54. | West Bengal Value Added Tax Rules, 2005 [Rule 2(1)(a)(iv)] | To appear before Appellate and Revisional Board, the Commissioner, the Special Commissioner, the Additional Commissioner or any person appointed to assist the Commissioner on behalf of a dealer. | April, 2005 |
| 55. | Daman and Diu Value Added Tax Regulation, 2005 [Regulation 82(1)(b)] | To appear before any VAT authority in connection with any proceedings under this Regulation. | April, 2005 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|---|--|----------------|
| 56. | Delhi Value Added Tax Act, 2004 [Section 82 (1) (b)] | To appear before VAT Authorities. | April, 2009 |
| 57. | Goa Value Added Tax Act, 2005 [Section 82(1)(b)] | To appear before any VAT authority including the Tribunal in connection with any proceedings under this Act. | April, 2005 |
| 58. | Gujarat VAT Act, 2003 and Rules 2006 [Section 81 (1) read with Rule59(1)(a)] | To act as Authorized Representative. | |
| 59. | Haryana VAT Act, 2003 [Sec 52(2)(iii) read with Section 288(2) (v) of Income Tax Act, 1961 and rule 50 (2A) of Income Tax Rules, 1962] | To act as Authorised Representative before VAT authorities. | |
| 60. | Jharkhand Value Added Tax Act, 2005 [Section 2(i)(e) read with Section 63 (1)] | To act as a tax practitioner to conduct VAT Audit. | February, 2006 |
| 61. | Karnataka VAT Rules, 2005 (i) Rule 168(1) (ii) Rule 34(1) read with Rule 168(2) (c)(iv) | (i) To act as Authorized Representative. (ii) To conduct VAT Audit as a tax practitioner. | April, 2005 |
| 62. | Kerala Value Added Tax Act, 2003 [Section 86(1)(e) read with Rule 97 (3) (a)] | To appear before VAT Authorities in connection with any proceedings under this Act. | April, 2009 |
| 63. | Maharashtra VAT Act, 2002 [Sec 82 (1)(b)] | To act as Authorised Representative before VAT Authorities. | April, 2013 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|---|-------------------|
| 64. | Meghalaya VAT Rules, 2005 [Rule 2 (1) (f) (iv)] | To act as Authorised Representative before VAT authorities. | |
| 65. | Rajasthan VAT Rules 2006 [Rule 61(a), 62(b) read with Section 288(2) (v) of Income-Tax Act, 1961 and Rule 49, Rule 50 (2A) of the Income Tax Rules, 1962] | To act as Authorised Representative before VAT authorities. | |
| 66. | Uttar Pradesh VAT Rules, 2008 [Rule 2 (1)(e) read with Rule 73] | To act as Authorised Representative before VAT authorities. | |
| 67. | Tamil Nadu Value Added Tax Act, 2006 [Section 78 (c)] read with Rule 17(2)(b)(i)(C) of the Tamil Nadu Vat Rules, 2007] | To act as Authorised Representative before VAT authorities. | December 15, 2006 |
| 68. | Customs Brokers Licensing Regulations, 2018 [Regulation 5 (1) (h) (ii)] | To act as Customs Broker. | May 14, 2018 |
| 69. | The Central Goods and Service Tax Act, 2017 and the Central Goods and Services Tax Rules, 2017 [Section 48(1) read along with Rule 83 (1) (iv) (c)] | To act as GST Practitioner. | July, 2017 |
| 70. | The Central Goods and Service Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|---|---|---------------|
| 71. | The Andhra Pradesh Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 72. | The Arunachal Pradesh Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 73. | The Assam Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 74. | The Bihar Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 75. | The Chhattisgarh Goods and Services Tax Act, 2017 [Section 116 (2) (c)] | To appear as Authorised Representative. | July, 2017 |
| 76. | The Delhi Goods and Services Tax Act, 2017 [Section 116 (2) (c)] | To appear as Authorised Representative. | July, 2017 |
| 77. | The Goa Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 78. | The Gujarat Goods And Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|---|---|-----------------|
| 79. | The Haryana Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 80. | The Himachal Pradesh Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 81. | The Jammu and Kashmir Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 82. | The Jharkhand Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 83. | The Karnataka Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 84. | The Kerala State Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | September, 2017 |
| 85. | The Madhya Pradesh Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|---|---|---------------|
| 86. | The Maharashtra Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 87. | The Manipur Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 88. | The Meghalaya Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 89. | The Mizoram Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 90. | The Nagaland Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 91. | The Odisha Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 92. | The Puducherry Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|---|---|---------------|
| 93. | The Punjab Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 94. | The Rajasthan Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 95. | The Sikkim Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 96. | The Tamil Nadu Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 97. | The Telangana Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 98. | The Tripura State Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 99. | The Uttarakhand Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 100. | The Uttar Pradesh Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|------------------------------|---|---|--------------------|
| 101. | The West Bengal Goods and Services Tax Act, 2017 [Section 116(2)(c)] | To appear as Authorised Representative. | July, 2017 |
| 102. | The Union Territory Goods and Services Tax Act, 2017 (Applicable to Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli and Daman and Diu, Ladakh, Chandigarh and Other Territory) | To Act as Authorised Representative before the Income-Tax Authorities. | July, 2017 |
| V. OTHER LEGISLATIONS | | | |
| 103. | The Gujarat Stamp (Payment of Duty by Means of E-Stamping) (Amendment) Rules, 2019 [Rule 13 (j)] | To be appointed as Authorised Collection Centre for E-Stamping. | August 23, 2019 |
| 104. | Para 9 (1) (B) (i) of Schedule 1 to Notification No. FEMA 20/2000-RB | To issue certificate in case of an Indian company accepting investment from a foreign investor, thereby confirming compliance of Companies Act, 2013 and other matters. | May 3, 2000 |
| 105. | Foreign Exchange Management (Transfer of Issue of Securities by a Person Resident Outside India) Regulations, 2000 [Regulation 8 (2) (II)] | To certify under FDI policy on behalf of Indian companies accepting investment. | May 30, 2000 |
| 106. | Reserve Bank of India Circular DBOD No.BP. PC.46/08.12.001/ 2008-09 | Diligence Report for Banks regarding compliance of various statutory prescriptions. | September 19, 2008 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|---|---|-----------------|
| 107. | {Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000} FED Master Direction No. 18/2015-16 | To issue No Objection/Tax Clearance Certificate regarding transfer of capital contribution/ profit shares of a Limited Liability Partnership from resident to non- resident / non-resident to resident. | January 1, 2016 |
| 108. | Foreign Trade Policy 2015-2020 | To certify the following: i. Certificate for issue of EPCG authorization (Appendix 26) Certificate for EPCG Redemption (Appendix 26A). ii. Certificate showing sales turnover of ammunition (indigenous and imported) during the preceding three licensing years (Annexure ANF 2B). iii. Certification in respect of application for grant of Status Certificate (ANF 3A). iv. Certification in respect of application for Served from India Scheme (Annexure ANF 3B). v. Certificate for Agriculture Infrastructure incentive scrip under VKGUY (Annexure to ANF 3D). | June 30, 2019 |
| 109. | Telecom Regulatory Authority of India (Amendment) Act, 2000 [Section 17 and Explanation (b) thereto] | To act as Authorized Representative before the Telecom Disputes Settlement and Appellate Tribunal. | March 25, 2000 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|--|------------------|
| 110. | Department of Tele-communications vide No. 18-05/2009-CS-I | To certify the documents for other Service Providers (OSP) Registration for the entities which propose to provide the services such as Tele-banking, Tele-medicine, Tele-trading, E-commerce Call Centers, both International and Domestic, Network Operation Centers and Vehicle Tracking Systems etc. | January 12, 2016 |
| 111. | Department of Tele-communications (Access Service Cell) [Notification No. 800- 23/2011-VAS (Vol. II)]. | To certify Registration along with Article of Association, Memorandum of Understanding, Details of Promoters/ Partner/ Shareholder, Net worth, Paid up Capital, Foreign Direct Investment in the company for the purpose of Application to Department of Telecommunications for Grant of Unified License (Virtual Network Operators)/ Authorisation for Additional Services. | May 31, 2016 |
| 112. | Guidelines for Grant of Unified License (Virtual Network Operators) (Point viii & X of Para 1, Annexure I & II) Department of Tele- communications | To certify Paid-up equity capital and net-worth. | May 31, 2016 |
| 113. | Policy guidelines for the Empanelment of Private FM Radio Stations and fixation of rates for Government Advertisements by DAVP – 2016 Ministry of Information and Broadcasting, Directorate of Advertising and Visual Publicity vide F. No. 22204/1/2013/EAC/AV (Part File Volume B) | To certify the prescribed revenue details, latest profit & loss accounts, balance sheet and actual tax payment including service tax for previous financial year and the amount of advertisement revenue generated by Private FM Radio Stations during the previous financial year preceding the date of application. | August 12, 2016 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|--|-------------------|
| 114. | PFDA (Procedure for Inquiry by Adjudicating Officer) Regulations, 2015 [Regulation 7] | To act as Authorised Representative before the Adjudicating Officer or the Member. | January 6, 2015 |
| 115. | PFDA (Internal Audit of Custodian of Securities) Guidance Note 2015 [Clause 1] | To conduct Internal Audit of Custodians of Securities on quarterly basis. | September 1, 2015 |
| 116. | PFDA (Retirement Adviser) Regulations, 2016 [Regulation 4 (2)(b)] | To act as Retirement Adviser. | June 13, 2016 |
| 117. | The IRDA (Registration of Indian Insurance Companies) Regulations, 2000 [Explanation to Regulation 10(2)(i)] | To certify that the applicant has complied with all the requirements relating to registration fees equity, share capital and other requirements of the Insurance Regulatory and Development Authority Act, 1999. | July, 2000 |
| 118. | IRDAI {Registration and Operations of International Financial Service Centre Insurance Offices (IIO)} Guidelines, 2017 [Clause 12] & [Clause 13] | To certify that all the requirements relating to processing fees, assigned capital, NOF and other requirements have been complied with by the applicant from a foreign country. | December 21, 2017 |
| 119. | Transparent Inspection Scheme Department of Labour, Government of Haryana [Clause 2, Part B] | To provide third party certification under Transparent Inspection Policy. | June 24, 2016 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|--|--------------------|
| 120. | Third Party Certification/Audit Scheme Department of Labour, Government of Haryana [Clause 2 (ii)] | To provide third party certification. | August 10, 2016 |
| 121. | Competition Act, 2002 [Section 35] | To act as Authorised Representative before the Competition Commission of India. | March 31, 2003 |
| 122. | Special Economic Zones Rules, 2006 [Rule 61] | To act as Authorized Representative before the Board of Approval Zones. | February, 2006 |
| 123. | Central Electricity Regulatory Commission (Miscellaneous Provisions) Order, 2016 | To act as Authorized Representative before the Central Electricity Regulatory Commission. | March 23, 2016 |
| 124. | Real Estate (Regulation and Development) Act, 2016 [Section 56] | To act as Authorised Representative before the Appellate Tribunal or the Regulatory Authority or the adjudicating officer, as the case may be. | March 26, 2016 |
| 125. | The Trade Marks Rules, 2017 [Rule 144] | To be registered as a Trade Marks Agent. | March 6, 2017 |
| 126. | Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020 [Regulation 18 (4)] | To certify the shareholding pattern of a Gas Exchange. | September 28, 2020 |
| 127. | Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020 [Regulation 19 (3)] | To certify the shareholding pattern of a Clearing Corporation. | September 28, 2020 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---|---|---|--------------------|
| 128. | Consumer Protection (Direct Selling) Rules, 2021 [Rule 5 (1) (g)] | To certify all the information provided by the direct selling entity on its website. | December 28, 2021 |
| B. FOR COMPANY SECRETARY IN EMPLOYMENT | | | |
| 1. | IRDAI(Corporate Governance) Guidelines for Insurers in India [Clause 11.4.2] | To be designated as Compliance Officer. | May 18, 2005 |
| 2. | Companies Act, 2013 [Section 2(24)] | "Company Secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act. | September 12, 2013 |
| 3. | Companies Act, 2013 [Section 203 (1)(ii) read with Rule 8 & Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] | To be appointed as Key Managerial Personnel. | September 12, 2013 |
| 4. | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Regulation 6] | To be appointed as Compliance Officer except for units issued by Mutual Funds. | September 2, 2015 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|--|--|-------------------|
| 5. | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Regulation 7(3)] | A Compliance Certificate to be submitted to the exchange, duly signed by both the Compliance Officer of the company and the Authorised Representative of the share transfer agent, wherever applicable, within thirty days from the end of the Financial year, certifying that all activities in relation to both physical and electronic share transfer facility are maintained either in house or by RTA registered with SEBI. | September 2, 2015 |
| 6. | SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 [Regulation 27(2)(c)] | The quarterly compliances report on corporate governance submitted by listed entity to the stock exchange shall be signed either by the Compliance Officer of the Chief Executive Officer of the listed entity. | September 2, 2015 |
| 7. | IRDA (Registration of Indian Insurance Companies) Regulation, 2000 [Regulation 2(1)(i)] | To be appointed as the Key Management Person. | February 22, 2016 |
| 8. | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Regulations 16(1)(d)] | Senior management shall specifically include Company Secretary excluding Board of Directors. | May 9, 2018 |
| 9. | SEBI's Circular SEBI/110/DDHS/ CIR/P/2018/ 144 | The SEBI guidelines for fund raising by issuance of debt securities by Large Corporate (LC) mandates that the disclosures made by the LC to the Stock Exchange with respect to issuance of debt securities, shall be certified both by the Company Secretary and the Chief Financial Officer of the LC. | November 26, 2018 |

| Sl. No. | Statute/Authority | Purpose | When Obtained |
|---------|---|--|--------------------|
| 10. | Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020 [Regulation 30(1)] | To be appointed as 'Compliance Officer' in every Gas Exchange or Clearing Corporation. | September 28, 2020 |
| 11. | IFSCA (Issuance and Listing of Securities) Regulations, 2021 [Regulation 130] | To be appointed as 'Compliance Officer' in the listed entity. | July 16, 2021 |
| 12. | Life Insurance Corporation General Regulations, 2021 [Regulation 2 (1) (c)] | "Company Secretary" shall mean a person who is a member of the Institute of Company Secretaries of India, constituted under the Company Secretaries Act, 1980 (56 of 1980) and who is the head of the secretarial function of the Corporation. | July 22, 2021 |
| 13. | SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 [Regulation 27 (4)] | To be appointed as 'Compliance Officer'. | August 9, 2021 |
| 14. | Companies Act, 2013 [Section 378X] | To be appointed as Whole-time Company Secretary of a Producer Company | September 29, 2020 |

2. Achieving Professional Excellence

A Company Secretary has overarching responsibility to take care of interest of all the stakeholders specially those who are not involved in the day to day affairs and management of the company. The skills and attributes of a Company Secretary include sound subject knowledge, decision making ability, analytical skills, high intelligence, and understanding of agendas, negotiation and resilience. Company Secretary plays a vital role in Board Professionalism, Corporate reporting, Governance and Sustainability issues, etc, a right advise on these issues would result in the enhanced trust of corporate which will automatically increase the economic value of the Corporate. Professionals hence needs to have broader strategic view, pursue highest skills for excellence.

This is where it becomes important to stand out from the crowd, the dynamic world makes the future even more difficult because of the impending policy changes and the industry perspectives. Automation is also expected at faster and larger scale. In this day of expanding technology, no professional can expect to be licensed for life. In order to be able to continue to offer a high level of service to the public every professional must devote a considerable portion of his time in updating his knowledge and skills. Professionals are expected to continuously update knowledge, assimilate and articulate the same to respond to expectations of stakeholders. They have to develop a right attitude to ensure that the services are rendered in a professional manner, adhering to the professional standards and the tenets of professionalism. Quality is a route to excellence and excellence is the hallmark of success in a competitive environment. Hence, as a Preferred Professional, keeping the skills updated and acquiring new skills is of utmost importance. The performance of a professional can be kept at the level of excellence, by continuous self learning, and professional development.

Continuous learning triggers competence, excellence, self- confidence, motivation and positive attitude that makes professionals agile to meet the stakeholders expectations. Towards continuous learning and professional education, the Institute offers Structured and specific curriculum in the form of webinars/ seminars/ courses that help in developing niche in particular area. The Institute holds various professional events which are valuable to learn about upcoming areas under regulatory and industry framework and continuous updation. These events can also serve as a forum for networking and sharing ideas with peers that can give you a fresh perspective and insight. On the other hand, the Institute offers various Post Membership Qualification courses/ Advanced Courses/ Certificate Courses to enable the members to master and expertise in specific areas.

As a measure for self learning, it is also important to remain up-to-date, considering the job profile, members should enrich their knowledge from the Judgements of NCLT/NCLAT and corporate matters from various High courts. Further upgradation of skills may also be considered through attending educational webinars, following the educational blogs of industry and academic experts, or regularly checking industry news sites and online forums to stay updated on the latest trends. The investments in these strategic areas shall lead to excellence and professional growth.

3. ICSI Initiatives for Members

With a vision “To be a global leader in promoting Good Corporate Governance”, the Institute has led by example in being at the forefront of promoting excellence in corporate governance by adopting, introducing and advancing the knowledge and understanding of best governance practices for ensuring a trustworthy corporate climate in India.

It has been the endeavour of ICSI to maintain the highest professional standards for the profession. The Institute and its members have successfully contributed in the endeavour of building professional excellence and strengthening stakeholder’s confidence, and thus empowering the profession. But as we all know, this is an ever continuing process. The challenge is in making a better tomorrow than today and set enviable benchmarks for us.

Some of the measures taken by the Institute are mentioned below:

Online Programmes

The Institute has been conducting a series of focused webinars on contemporary topics and emerging areas, for its members to up skill their capabilities, enhance their knowledge base and unlock the professional opportunities.

PMQ Courses

The Institute has revamped its PMQ Courses to make them more vibrant using technology. The classes and assessment are conducted online. The courses are conducted to enhance competencies and skills of the members in subjects like Corporate Governance, Internal Audit and Arbitration, etc.

Online Crash Courses, Certificate Courses & Self-Assessment Modules

The Institute initiated a series of Online Self-Assessment modules, Crash Courses and Certificate Courses for its members since the lockdown for their continued professional development. Members may avail the benefit of learning the nuances of Company Law, Tax Law, Securities Law, Governance, GST, RERA, MSME, Contract Management, Valuation, BRR, IPR, CSR, Labour laws, etc. through these courses from their homes.

ICSI Institute of Insolvency Professionals (ICSI IIP)

The ICSI has formed ICSI Institute of Insolvency Professional (ICSI IIP), a Section 8 Company, which is registered as an Insolvency Professional Agency with the Insolvency and Bankruptcy Board of India (IBBI). The ICSI IIP educates, develops, trains and monitors the insolvency professionals enrolled with it. The members enrolled with ICSI IIP have plethora of opportunities under corporate insolvency resolution, liquidation, voluntary liquidation under the Insolvency and Bankruptcy Code, 2016.

ICSI Registered Valuers Organisation (ICSI RVO)

The ICSI has also formed ICSI Registered Valuers Organisation (ICSI RVO), a Section 8 company, registered with the IBBI, with the objective of educating, regulating and monitoring the discipline of Registered Valuers. A Company Secretary is eligible to conduct the valuation of 'Securities or Financial Assets' as a Registered Valuer. The requirement of Registered Valuers has enhanced professional opportunities for Company Secretaries where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities under the provision of the Companies Act, 2013.

Other Bodies

ICSI has set-up the Governance Research and Knowledge Foundation (GRKF), which undertakes research and development activities. The ICSI Centre for Corporate Governance, Research and Training (CCGRT) at Navi Mumbai, is dedicated to research and training in the field of economics, taxation, capital markets and so on. The Institute has set-up a Centre of Excellence (CoE) in Hyderabad which is working for capacity building of members in areas such as mediation, arbitration, etc.

Softwares for Members

The Institute has entered into agreement with (i) Accloud Plc. (ii) Comply Relax Software, (iii) Microvista Technologies, software vendors keeping in view the need of technology driven competition and facilitate the work of its members.

Opportunities and Challenges for the Profession

“

It is not the strongest, it is not the most innovative, but one who is most responsive to change who will survive.

– Charles Darwin

”

1. Introduction

In view of the increasing emphasis on adherence to norms of good corporate governance over the years, there has been an increased focus on the professionals who support and guide the management team in generating long-term value added for the shareholders and society at large, and also those who are accountable to the stakeholders for the companies' long-term performance.

The importance of effective corporate governance continues to be critical in business environment, resultantly there has been an increased focus on the role of the Company Secretary. The dynamics from the boardroom to regulatory to technology have been widely changing and corporates as well as regulators have been explicitly looking for professionals who can handle responsibilities and add value.

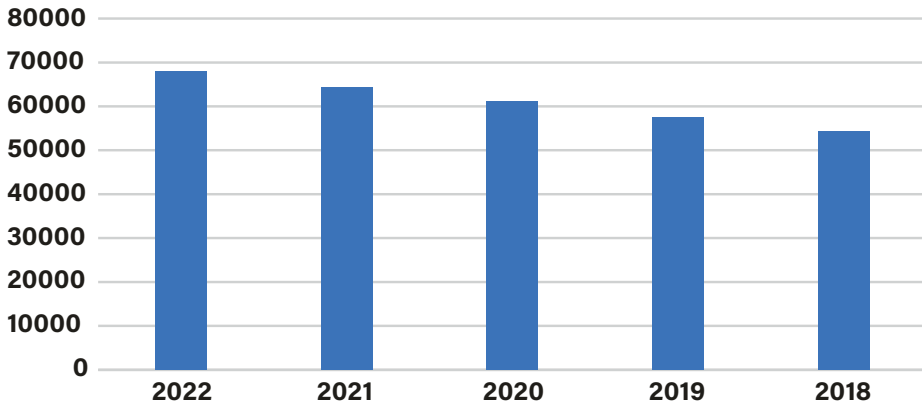
The profession of Company Secretary has grown leaps and bounds since inception, fading all the odds, meeting the expectations of the regulators and the shareholders and seizing every opportunity into an achievement, the profession both in practice and employment has proven the skills and knowledge at every forum.

With the emergence of self-regulated regime, the role of Company Secretary has enhanced beyond mandated boundaries. The regulators have justifiably reposed confidence in the profession attaining over 100 recognitions for the professionals in practice.

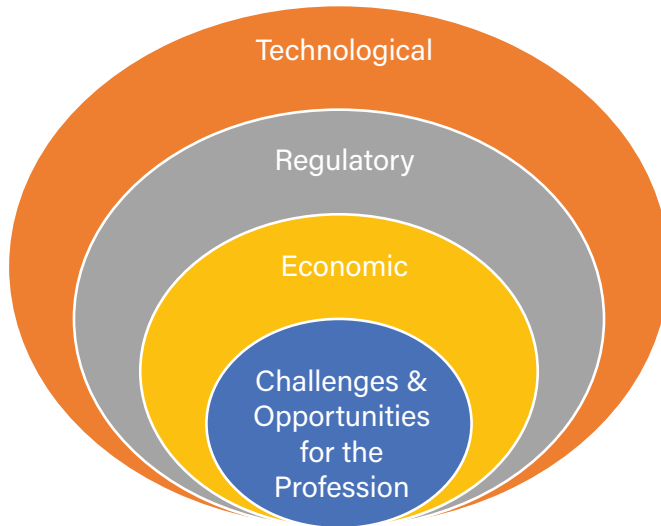
Amid turbulent geopolitical and economic crisis, the profession has served the industry and the society abiding by the *motto* of the Institute i.e. सत्यं वद । धर्मं चर । – *Speak the Truth, Abide by the Law.*

The number of Company Secretary Professionals both in Practice and Employment are more than 69,000 and in practice there are over 11,000 members, which reflects the growth of the Profession over the years.

Growth in Number of Members



2. Challenges & Opportunities for the Profession



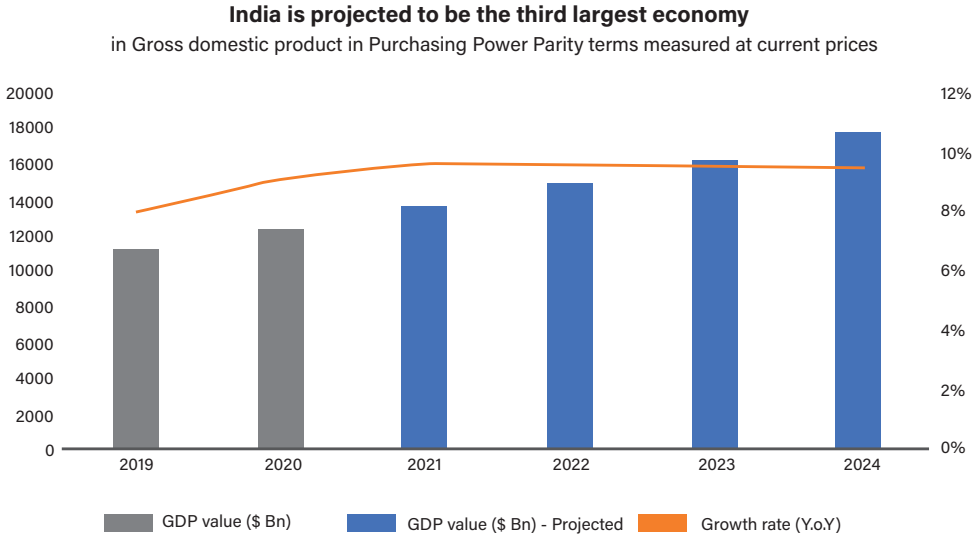
a. Economic

With a population of more than 1.2 billion, India is the world’s largest democracy. Over the past decade, the country’s integration into the global economy has been accompanied by economic growth. India has now emerged as a global player.

-World Bank

India has been proactively taking measures and has emerged to be one of the fastest-growing major economy in the world and is expected to be one of the top three economies in the world over the next 10-15 years. Indian economy faced

downturn during the pandemic situation, but resilient economic drivers and robust recovery driven by the Government's proactive policy measures built a stronger stakeholder interface.



Source: International Monetary Fund

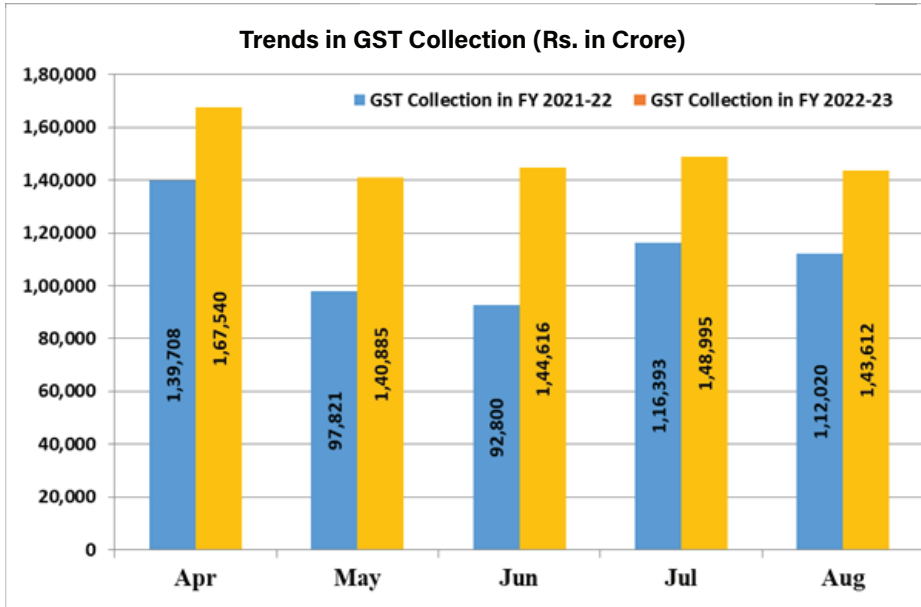
Pandemic jolted most of the economies world over, now within two years of pandemic, the Russia – Ukraine war has crippled the world economies, its global effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global growth.

In such a volatile global environment, it is heartening that India has stood the global headwinds, and the economy is poised to remain one of the fastest growing economy in the world. Government and the RBI have been proactively addressing the near-term challenges, and have continued to focus on path breaking reforms and policy interventions to enhance competitiveness of the economy.

FDI policy provisions have been progressively liberalized and simplified across various sectors in the recent past to make India an attractive investment destination. Measures taken by the Government on FDI Policy reforms have resulted in increased FDI inflows in the country, which year after year is setting up new records. Investment climate in India has improved considerably primarily due to ease in FDI rules in India. India attracted the highest ever FDI inflow of \$83.57 billion during financial year 2021-22. Top 5 sectors receiving highest FDI equity inflow during FY 2021-22 are Computer Software & Hardware (24.60%), Services Sector (Finance, Banking, Insurance, Non Finance/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, other) (12.13%), Automobile Industry (11.89%), Trading 7.72% and Construction (Infrastructure) Activities (5.52%). These trends in India's FDI are an endorsement of its status as a preferred investment destination amongst global investors.

GST revenues for the month of August 2022 are 28% higher than the revenues in the same month last year of ₹ 1,12,020 crore. GST revenues have been more than the ₹ 1.4 lakh crore mark for six months in a row now. The growth in GST revenue till August 2022 over the same period last year is 33%, continuing to display very high buoyancy. Better reporting coupled with economic recovery has been having positive impact on the GST revenues on a consistent basis.

The chart below shows trends in monthly gross GST revenues during the current year:



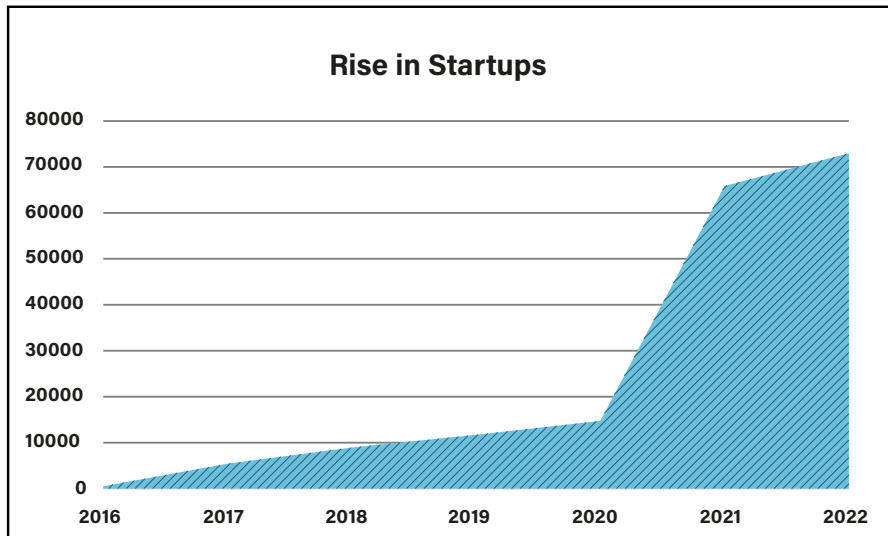
Source: PIB

India has been home to several innovatively crafted business models over many decades, *Atmanirbhar Bharat* paved way for building the skill set into national assets. The country is attracting many global majors for strategic investments owing to the presence of vast range of industries, investment avenues and policies of the Government such as Make in India and Atmanirbhar Bharat.

India has emerged as the 3rd largest ecosystem for startups globally with over 77,000 DPIIT-recognized startups across 656 districts of the country as of August, 2022. The innovation in India is not just limited to certain sectors. Startups have been recognised in 56 diverse industrial sectors with 13% from IT services, 9% from healthcare and life sciences, 7% from education, 5% from professional and commercial services, 5% from agriculture and 5% from food & beverages. More than 4,500 Startups have been recognized in sectors relating to emerging technologies such as Internet of Things (IoT), Robotics, Artificial Intelligence, Analytics, etc.

In Start-ups, India's role has been vital in nurturing entrepreneurship beyond Tier-1 cities. The regional growth through the efforts of States and Union Territories

(UTs) has created a national ecosystem to thrust our economic goals. While 55% of the recognised start-ups are from Tier-1 cities and 45% of the start-ups are from Tier-2 and Tier-3 cities respectively, 45% of start-ups are represented by women entrepreneurs. With more than 80 Startups getting recognized per day- highest rate in the world, the future of the startup culture is very promising and encouraging. This shows the roots of startups have grown deep in the country.



As of September 2022, India is home to 107 unicorns with a total valuation of \$340.79 Bn (Unicorn is a term used in the venture capital industry to describe a privately held startup company with a value of over \$1 billion). Out of the total number of unicorns, 44 unicorns with a total valuation of \$93.00 Bn were formed in 2021 and 21 unicorns with a total valuation of \$26.99 Bn were formed in 2022. The global startup ecosystem is witnessing a shift as the world is increasingly realising the potential carried by the startups.

Micro, Small and Medium Enterprises (MSMEs) are a huge pillar of India's growth trajectory. The MSME sector accounts for one third of India's economy. More than 11 crore people are directly or indirectly connected with this sector. MSMEs have played an important role in shaping the Atmanirbhar Bharat mission and the government has substantially increased the budget in the last eight years to strengthen the MSME sector. The government is encouraging unique local products to reach the global markets and, in the process, strengthening the Indian economy.

The Government of India, under Aatmanirbhar Bharat, has announced measures to help MSMEs in the country. These include (i) Subordinate Debt for stressed MSMEs; (ii) Rs. 3 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for business, including MSMEs, which has subsequently been increased to Rs. 5

lakh crore; (iii) Rs. 50,000 crore equity infusion through Self-Reliant India Fund; (iv) New revised criteria of classification of MSMEs; (v) New registration of MSMEs through 'Udyam Registration' for Ease of Doing Business; (vi) No global tenders for procurement up to Rs. 200 crore.

These staggering statistics depicts hope and optimism for the entire nation and for the professional community. Undoubtedly, there are challenges but there cannot be any denying the fact that the ambitions of our nation are taking shape in a way that is transformative and innovative.

Similarly, Company Secretaries have been adoptive of the changing dynamics. As it is understood from above details, India has plethora of Startups with innovative and technical operation skills. The Profession of Company Secretary can contribute immensely right from incorporating to assisting the Startups in building and reinventing the business strategies, developing right kind of processes and procedures necessary for strong and successful venture. A structured Compliance function can definitely add a systematic, disciplined approach to managing the businesses thereby identifying risks impacting the business. As a preferred professional and an expert in legal and procedural skills, Company Secretaries are integral and optimal for the growth and expansion of the Startups.

A Company Secretary in the wake of *Atmanirbhar Bharat* can tender all such services which leads to appropriate guidance to the entities and thus play a crucial role in successful contribution to the economy.

b. Regulatory

Evolving and ever-changing regulatory regime signals growth and adaptiveness of the society as a whole. Existing laws also change when they require updating or are no longer relevant or need to be modernised. Incidentally, the role and paradigm of the professionals is also defined or redefined. Accordingly, role of a Company Secretary has witnessed sea change over last three decades.

It is pertinent to understand that the regulatory adaptations may ascertain and impact the indicators portraying commitment towards investors, attract foreign investment and enhance overall economic competitiveness. In 2015, the Government's goal was to join the 50 top economies on the ease of doing business ranking by 2020. With the administrative reforms, efforts targeted all of the areas measured by Doing Business, with a focus on paying taxes, trading across borders, and resolving insolvency, the country has made a substantial leap upward, raising its ease of doing business ranking from 130 in Doing Business 2016 to 63 in Doing Business 2020. Yet, it is considerable to mention that according to an analysis done by TeamLease Compliance, there are a total of 677 Acts, 25,537 compliances and 2,282 regulatory filings at the Central level alone for firms. Further, when it comes to Central and States it comes to 69,233 compliances and 6,618 regulatory filings across the Centre and States.

Further to add, as per the World Bank report published in 2019, an Indian business spends 252 hours in preparation and paying taxes (hours) in India. In comparison with other countries, a Chinese enterprise spends 138 hours paying taxes while a business in the best-performing country of Singapore spends only 49 hours.

With the intent to ensure “Minimum Government, Maximum Governance” the Central Government embarked on an ambitious journey to reduce burdensome compliances and simplify, decriminalize & remove redundant laws. Due to consented efforts of all Ministries, the mindset has evolved from “Not able to understand complexities” to “it is so simple to start a business” in India.

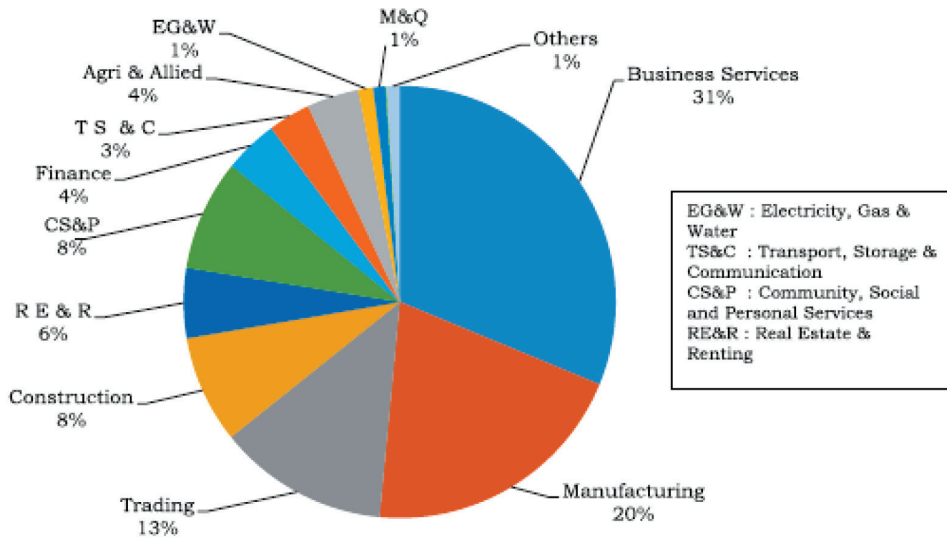
The Government has taken several reforms such as changing the definition of MSMEs, boosting scope for private participation in numerous sectors, increasing FDI in the defence sector, Supply Chain Reforms for Agriculture, Rationalising Tax Systems, Labour law reforms, etc. The Government is also welcoming private enterprises in all sectors to improve competition and choice for the consumers. India is also one of the most open countries today when it comes to FDI, which is resulting in record inflows of FDI from across the world.

Small and Medium businesses are important part of economy as these employ sizeable workforce and are major contributor to GDP. To achieve goal of US\$5 Trillion economy it is vital for these businesses to thrive and prosper. LLP as a form of business, is very suitable for Small and Medium businesses and entrepreneurs to conduct their operations effectively and efficiently. As on October 31, 2021 there were 2,26,043 active LLPs in the country. During the period December 1, 2020 to October 31, 2021 total 44,069 LLPs were incorporated. It is indicative of growth of entrepreneurship in the country. MCA, as a measure to ease compliance burden on citizens and corporate, has decriminalized 46 penal provisions of the Companies Act, 2013 and 12 offences under the Limited Liability Partnership (LLP) Act, 2008.

The LLP Act, 2008 was also amended for the first time in 12 years to decriminalise 12 compoundable offences. Two new concepts ‘Small LLP’ and ‘Startup LLP’ were also introduced. These LLPs will enjoy lesser compliances, lesser fee and lesser penalties in case of minor violations. With the growing economy, entrepreneurs will play crucial role. LLPs are increasingly becoming relevant as they help in augmenting India’s global competitiveness, contributing towards inclusive growth as well as promoting vision of *Atmanirbhar Bharat*.

As on October 31, 2021, 14,29,166 companies were active in the country. During the period December 1, 2020 to October 31, 2021 total 1,54,333 companies were registered. Majority of active companies (80%) were operating in Business Services (31%), Manufacturing (20%), Trading (13%), Construction (8%) and Community, Personal and Social Services (8%).

Chart 3.1: Sector-wise distribution of Active Companies as on 31st October, 2021



Source: MCA Annual Report 2021-22

The Government in its vision for facilitating greater Ease of Doing Business aims to carry out further amendments to the Companies Act, 2013, Insolvency and Bankruptcy Code, 2016, Competition Act, 2002 and relevant rules to provide further ease of doing business and boost entrepreneurship in the wake of many MNCs desiring to shift their manufacturing hubs to India. We are currently at a critical juncture where every effort is being made towards an 'Atmanirbhar Bharat' and to make India the next global manufacturing hub.

Five pillars of *Aatmanirbhar Bharat* are Economy, Infrastructure, System, Vibrant Demography and Demand. *Aatmanirbhar Bharat* mission focuses on preparing the country for tough competition in global supply chains, facilitate the ease of doing business, empower MSMEs, attract investments including FDI and strengthen the policies for Make in India, which will result into driving the country's economy towards self-reliance in coming years.

The COVID-19 pandemic has thrown up several avenues of innovation and enterprise in areas like education, marketing, retailing, communication, IT among others. There are abundant possibilities for innovation in fields such as environment, health, agriculture, artificial intelligence, robotics, 3D printing and nanotechnology. There is a need to utilise government incentives to promote the most innovative of these ideas. Professionals like Company Secretaries have a key role in supporting entrepreneurs venturing into these areas.

Government's enhanced focus on ease of doing business and foreign direct investments, have prompted strict governance and compliance norms. In this scenario, a Company Secretary with multiple skill strives and assists corporates to comply with legal, ethical and regulatory requirements by adopting the principles of corporate governance to achieve excellence, namely, fairness to all stakeholders, mutual trust, transparency, accountability, and implementing strategies to build reputation at the global level.

A Company Secretary as a professional has a core competence in compliances and corporate governance. They are specialized professionals in the matters relating to governance and compliance enjoined under various statutes and rules, regulations, byelaws, guidelines made thereunder. And as a preferred professional, Company Secretaries work diligently while performing their duties not only to avoid any legal implications but also to adhere to the governance norms and standards, professional duties and trust reposed on them by the management, shareholders and the regulators.

"The cost of non-compliance is great. If you think compliance is expensive, try non-compliance."

- Paul McNulty, Former U.S. Deputy Attorney General

With the promulgation of the Companies Act, 2013 (the Act) and Insolvency and Bankruptcy Code 2016 and introduction of SEBI (Listing Disclosure Obligations Requirements), Regulations, 2015, the role and responsibilities of Company Secretaries both in employment and in practice has widened. The scope of a Company Secretary has increased immensely as they are entrusted for ensuring compliances and strengthening governance in the corporate.

Enactment of Insolvency and Bankruptcy Code, 2016 (the Code) revolutionised the insolvency law regime in India. It *inter alia* lays down provisions regarding reorganization and insolvency resolution as also provisions relating to liquidation vis-a-vis corporate persons, partnership firms and individuals.

Under this Code, the institution of 'Insolvency Professionals (IPs)' has been introduced and established, wherein a Company Secretary can also become an Insolvency Professional. Insolvency Professionals are authorized and vested with very wide powers to carry out different functions under the Code. During the Corporate Insolvency Resolution Process, IPs take over management of the Corporate Debtor, form a Committee of Creditors and perform under its guidance. The total number of companies admitted for CIRP by September 2021 were 4,786. Of these, 705 have been closed, 539 have been withdrawn, 1444 have ended in liquidation and 434 have ended in approval of Resolution Plan.

Ecosystem under the IBC (As on September 30, 2021)

| | |
|----------------------------------|-------|
| NCLT Benches | 15 |
| Information Utilities | 01 |
| Insolvency Professional Agencies | 03 |
| Insolvency Professionals | 3,816 |
| Insolvency Professional Entities | 86 |
| Registered Valuer Organisations | 16 |
| Registered Valuers | 4,366 |
| Registered Valuer Entities | 52 |

Source: MCA Annual Report 2021-22

The Company Secretary in order to meet the requirements need to possess highest of the skills to cater to the requirement of the leadership. This requires more holistic, meaningful skills, competencies and informal attributes in practising governance-resolving dilemmas, dealing with complexity, making judgements, act as advisor and/or confidante, and maintaining high levels of trust. It is the responsibility of a Company Secretary to ensure that the corporate entities meet governance requirements; follow procedures set out in law and ensure stakeholder satisfaction which are critical to entities interests.

As we have discussed, the new regulator International Financial Services Centres Authority has huge opportunities to offer for Company Secretary which still remain untapped. The regulatory challenges are exponential, the introduction of Business Responsibility and Sustainability Reporting, the upcoming Social Stock Exchanges and concept of social auditor, the professional should proactively remain updated to cater the needs of the market.

c. Technological

Expert Committee constituted under the Chairmanship of Dr. J J Irani, to advise Government on new Companies Law, in the year 2004 pointed that *"in the competitive and technology driven business environment, while corporates require greater autonomy of operation and opportunity for self-regulation with optimum compliance costs, there is a need to bring about transparency through better disclosures and greater responsibility on the part of corporate owners and managements for improved compliance."* The Companies Act, 2013 is a consequence of visualisation of how India would be placed at the global platform. That's how technology paved in the corporate and regulatory sector and professionals have been an important part of the development.

The evolution in technology has been successful in creating innovation as well as the impactful changes that made things easier for people worldwide. In recent years, it has been a real fact that the technological advancements innovates new tools that efficiently deal with all the complexities and hurdles. Technology is a driving force which provides the ability to tackle the complex business process and one of the ideal ways to grow the business.

With the emergence of new technologies, Company Secretaries are also viewed, perhaps more than ever, as valued advisers to Boards for corporate governance, in the area of information technology. The adoption, implementation, and deployment of technologies across the organisation brings about greater opportunities. By keeping in step with relevant technological advancements and opportunities, Company Secretaries can strengthen the Board's understanding of the organisation's key technology strategies and risks.

By embracing this new facet of their role, Company Secretaries provide the Board with a level of confidence to make IT-related decisions that are strategic, feasible, and impactful – all of which factors into effective governance. With greater degree of digitization, Company Secretaries can automate standard/ routine processes and focus their time and attention to more qualitative work where human intervention is essential.

Artificial Intelligence has been revolutionizing many sectors of the global economy in the last decade. It is estimated that AI has the potential to add USD 957 billion, or 15 percent of the current gross value added, to India's economy by 2035. It is also widely reported that the rapid rise of AI will lead to the automation of various activities. In recent years, many Startups have emerged and have been leveraging the power of AI and bringing out products and solutions in logistics, manufacturing, finance, retail and consumer products, among others. These Startups are leading the entrepreneurship and innovation in India.

The Government has also provided ease to the corporate by allowing use of technology by providing relaxation of the requirement of physical presence of directors in board meetings while discussing certain items such as approval of the annual financial statements, approval of the Board's report, approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover, etc. allowing use of Video Conferencing and other audio-visual means for conducting meetings.

By leveraging Artificial Intelligence (AI) and analytics tools, the MCA has deployed the MCA-21 V3.0 system so as to meet the dynamically evolving needs of various stakeholders. MCA-21 V3.0 is a technology-driven forward-looking project, envisioned to strengthen enforcement, promote Ease of Doing Business and enhance user experience. MCA-21 V3.0 rollout has been planned in phases to ensure minimum disruption in regulatory filings.

MCA launched the Phase-1 of MCA-21 V3.0 in May, 2021 comprising of revamped website, new email services for MCA Officers and two new modules, namely, e-Book and e-Consultation. As part of Phase-2, LLP Module for supporting all LLP

filings was launched in March, 2022. Some company forms (CHG-1, CHG-4, CHG-6, CHG-8, CHG-9, DIR-3 KYC, DIR-3 KYC WEB, DPT-3 and DPT-4) have been introduced in September, 2022. Remaining company forms and other modules like e-Adjudication, Compliance Management System are expected to be fully deployed this year.

The MCA-21 V3.0 in its entirety will not only improve the existing services and modules, but will also create new functionalities like e-adjudication, compliance management system, advanced helpdesk, feedback services, user dashboards, self-reporting tools and revamped master data services.

This digital revolution has also opened up various opportunities and challenges for corporates and professionals. Now a days, corporates are using technologies to create new value in their business models, customer experiences, brand building and internal capabilities that support their core operations. Regulators like NCLT, NCLAT, income tax authorities, courts, appellant authorities etc. have also automated their process and allowed the professionals and corporates for e-adjudication, online hearing, e-filings etc. However, this has led the challenge before the professionals to constantly learn new skills and upgrade their knowledge in accordance with the latest technologies and standards.

Moreover, be it greater private participation in the space sector or reforms that aid industries, faceless tax assessment platform or the National Digital Health Mission, the coming years will see many such technology-based initiatives go from strength to strength as we future-proof India's growth trajectory from likely disruptions.

Artificial Intelligence (AI) has significantly reduced the repetitive and administrative tasks, which still form part of the Company Secretary's role. This does not mean that future Company Secretaries would not need to continue to acquaint themselves with these tasks, as there will always be tasks or problems specific to a company, and Company Secretaries would only need to review the correctness or otherwise of such documents. Further, AI has paved its way into the boardroom, it places the Company Secretary in a unique and challenging position thereby ensuring that AI has appropriate oversight and it operates within the ethical parameters.

Artificial Intelligence is also used in corporate governance, board decisions are also based on the analysis of corporate patterns and industry trends. Data-driven decisions supplemented with AI improve capital allocation, disbursement of funds, investment guidance based on industry patterns, and risk management.

AI has transformed many areas in the business world and it is also transforming Company Secretaries profession. Automation has created tremendous opportunities for members which help them to deliver more value to their profession. Due to the rapid progress in technologies, and due to multiple reasons for favouring this shift like cost reduction, improved service delivery, enhanced process quality, speed, and governance, Company Secretary should look it as a great opportunity to enhance skills, performing job more efficiently and increasing adequacy through automation.

Some areas where AI can be useful for Company Secretaries are AI-Based Minutes of Meeting making, AI based Marketing Analytics help Company Secretaries in taking Informed Decisions, Fraud Detection and Risk Mitigation. The most important reason for Company Secretaries to implement AI into their processes is to increase security. Normal security systems like anti-viruses are no longer keeping up and professionals are looking for the next best thing i.e. Artificial Intelligence. AI uses machine learning, it also helps in analysing larger volumes of security data and is also able to scale to the size of a company as it grows, this technology can aid organizations in identifying: Fraudulent behaviour, Suspicious transactions, Potential future attacks, Reducing Processing Times etc.

These changes will require new skill sets for the professionals. It is, therefore, highly pertinent for Company Secretaries to train and skill themselves to grab opportunities in this changing technological landscape. It is essential for Company Secretaries to keep them abreast of the latest developments in information technology. Company Secretaries need to adopt technology to automate their routine work like e-filings, drafting etc., analysis of law, online convening of meeting etc. to grow their business exponentially. This is absolutely important in today's technologically-driven world.

To succeed in this age of technological advancement, Company Secretaries will have to be receptive and accept an environment of continuous change. Whether the advancement of technology impacts their day-to-day tasks or permeates into boardroom or shareholder activities, Company Secretaries need to stay ahead of the curve. Technologies are evolving, decisions are being made quickly, and sign-offs are needed urgently, Company Secretaries will have to contend with this pace of business and offer pragmatic yet innovative responses that lies within the ethical parameters and meet the requirements of governance norms.

3. Multi-Disciplinary Firms

A firm which provides core professional service of a particular profession along with the allied and ancillary service with equal competence under one roof is a multi-disciplinary firm. It serves as a one stop or single window solutions or services to potential clients. For example, company and corporate law is core knowledge for Company Secretaries, however, they can acquire expertise in any other area like audit, taxation, finance, accounting, insurance, legal, risk assessment and IPRs and they may be in position to provide single window business solutions.

Keeping in view of the present needs of the corporate and multi-dimensional growth of CS profession, there is a huge demand and scope for a multi-disciplinary firm, where several services are provided under one roof. Clients always have a comfort level in dealing with such firms. They are assured of timely and quality service since even if one of the partner is not available for consultancy they can bank on the others. Co-existence of experts drawn from different professions is a prelude to greater capacity building and this factor could secure a stronger bond in a Multi-disciplinary Firms.

Multi-disciplinary Firms are already taking shape in India, certain big firms are already providing one stop services to the clients. With rising competition and for better survival it is important for the professionals with multiple qualifications/expertise to come together and take opportunities in the market.

Besides practical challenges of different guidelines by different professional bodies, sufficient safeguards must be enacted in the law to create water-tight compartments for protecting interests of individual professions. The multi-disciplinary firms can only exist as partnerships, a multi-disciplinary company or any other business model has not yet been permitted. To give effect to Multi-disciplinary Firms, respective professional bodies will also require to make corresponding change to their rules and regulations to safeguard the interest of its members.

Other challenges in the course of implementation may include, name and description of the firm, paying or allowing any share, commission or brokerage in the fees or profits to any partner, cost sharing, handling conflict of interest, dealing with professional misconduct of a partner of the MDP. The most important issue could be in exercising the jurisdiction with reference to disciplinary action and also in terms of fixing up responsibility with reference to a particular professional among the partners of an multi-disciplinary firm.

In Multi-disciplinary firm, the professional misconduct or other misconduct of each partner will have to be tried by the corresponding professional body of which he is a member and consequences should follow accordingly. There could be a problem when there is passing of the buck from one professional to another professional of different discipline. Similar issues may occur in the context of multi-disciplinary firm in the initial stages of its evolution.

Professionals need to gear up for the challenges of multi-disciplinary firms. It is inevitable for Professionals gearing up for Multi-disciplinary firms to understand its basic requirements. One such requirement is to have adequate professional manpower with multiple-skills, database management and good infrastructure. Collective decision making on the other side is imperative to develop and adopt robust systems, procedures and controls to deliver quality services, unanimity shall be the rule on important policy decisions. Finally, up gradation of knowledge and training of human resources is a must for enhancing the spectrum of services within the ambit of its functioning.

Code of Conduct for Company Secretaries

“

People forget how fast you did a job – but they remember how well you did it.

- Howard Newton

”

1. Introduction

A Company Secretary as a Preferred Professional must adhere to the code of conduct, ethics and moral values while delivering excellence to the stakeholders. It is important to understand that professionals exhibit three essential characteristics: a unique combination of knowledge and skills, a commitment to duty above self-interest or personal gain, and self-regulation. A key expectation from the members of self-governing professions is that they accept legal and ethical responsibility for their work and hold the interest of the public and society as paramount. One of the essential traits of a profession is to be subjected to strict code of conduct enshrining rigorous ethical and moral obligations. In a self regulated regime, a Company Secretary is looked upon by the regulators, as ethical and trustworthy professional whose professional judgment and competence has made a mark in the corporate sector.

2. Code of Conduct & Ethics

A Code of Conduct is a necessary component in any profession to maintain standards for the individuals within that profession to adhere to. It brings about accountability, responsibility and trust to the individuals whom the profession serves. One of the distinguishing features of profession over business is that for a professional, there exists a central controlling Institute which guides the conduct of its members such that it is within the walls of ethical practices. A professional needs to constantly live up to its values so that the clients, stakeholders, regulators, fellow professionals and the public at large repose full trust in the profession.

Ethics amounts to fundamental moral attitudes, binding values and irrevocable standards. “Ethics is relevant and useful to all individuals in a civil society but its importance and significance is much more for the professionals because they are expected to play a more meaningful and useful role for the benefit of the society in discharging their social responsibility and accountability at a higher level as compared to other sections of the society”.

The observance of a strict Code of Conduct having legal sanction by the members of the profession is a unique characteristic which meets the industry requirements. Code of Conduct illustrates the high ethical and professional standards to reassure various stakeholders of two conditions, namely, that any particular set of professional services is being rendered not only by :-

- (i) properly qualified or technically expert persons but also,
- (ii) by persons whose professional standards merit the high degrees of trustworthiness, typically required from professionals.

The value system ingrained in the profession of Company Secretaries is the essence of 'Brand CS'. The corporate world in which the professionals operate today has become quite demanding and competitive with new regulatory prescriptions adding emphasis on self-regulation. Adherence to the value system and Code of Conduct in true letter and spirit is imperative for the success of any professional and for commanding respect and confidence of the regulators, clients, colleagues and other stakeholders. Adherence to the Code of Conduct coupled with high level of integrity and ethical behaviour are the hallmark of quality of professional services. The profession of Company Secretaries is not new, as it has more than five decades of glorious existence. The Institute being alive to its responsibilities to the profession and the professionals have always endeavoured to keep pace with the emerging regulatory paradigm.

Company Secretaries are expected to conduct themselves in such a manner so as to uphold the grace, dignity and professional standing of the Institute. The principles which govern the conduct of the professionals broadly encompass:

- (i) integrity
- (ii) professional independence
- (iii) professional competence
- (iv) objectivity
- (v) ethical behaviour
- (vi) conformance to technical standards, if any, prescribed; and
- (vii) confidentiality of information acquired in the course of professional work.

The Code of Conduct for the Company Secretary Professionals were formulated after detailed consultative process. The codes is rooted in the principles of Dharma stating positively what the profession stands for, what it expects from the members and what it cherishes as valued ideals of the society. The code also negatively laid down what constitutes a breach of the code in any given situation and the penal consequences for any violation or misconduct.

The Company Secretaries Act, 1980 & the Company Secretaries Regulations, 1982

Under section 9 of the Company Secretaries Act, 1980, the Council of the Institute is mandated to manage the affairs of the Institute and discharge the functions assigned

to it under the Act. The Council has authority to exercise disciplinary powers by instituting inquiry into the cases where it is prima facie of the opinion that a member is guilty of professional or other misconduct. The Act governs the conduct of Company Secretaries in India through Chapter V which deals with misconduct. Section 21 of the Act and Regulations 15, 16, 17, 18 & 19 of the Company Secretaries Regulations, 1982 lays down the procedure to be followed in an enquiry to know that for the purpose of disciplinary proceedings, 'member of the Institute' includes a person who was a member of the Institute on the date of the alleged misconduct although he has ceased to be a member at the time of enquiry.

There have been various amendments carried out to the Act and also to the First and the Second Schedules of the Act which encompass in detail, various instances of professional misconduct on the part of the members of the Institute in practice as well as in service.

The law in respect of matters of misconduct has been provided in Chapter V of the Act read with the First and the Second Schedule of the Act. The procedures to deal with the Misconduct cases are specified under the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

In terms of provisions of the Act, professional misconduct in relation to members of the Institute is broadly structured as under:

- (a) Professional misconduct in relation to Company Secretaries in Practice (Part I of the First Schedule containing 11 clauses)
- (b) Professional misconduct in relation to members of the Institute in service (Part II of the First Schedule containing two clauses)
- (c) Professional misconduct in relation to members of the Institute generally (Part III of the First Schedule containing three clauses)
- (d) Other misconduct in relation to members of the Institute generally (Part IV of the First Schedule containing two clauses)
- (e) Professional misconduct in relation to Company Secretaries in Practice (Part I of the Second Schedule containing ten clauses)
- (f) Professional misconduct in relation to members of the Institute generally (Part II of the Second Schedule containing four clauses)
- (g) Other misconduct in relation to members of the Institute generally (Part III of the Second Schedule containing one clause)

The detailed provisions relating to misconduct and disciplinary mechanism are contained in Sections 21, 21A, 21B, 21C, 21D & 22A, 22B, 22C, 22D, & 22E and the First and the Second Schedules to the Act and the Rules.

Text of the Schedules is placed as *Annexure-I* to this Chapter.

3. Definition of Professional Misconduct or Other Misconduct

The expression “professional or other misconduct” has been defined under section 22 of the Act. It is deemed to include any act or omission provided in any of the Schedules, but nothing in the referred section shall be construed to limit or abridge in any way, the power conferred or duty cast on the Director (Discipline) under sub-section (1) of section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

Other Misconduct

The Supreme Court in Council of the Institute of Chartered Accountants of India and Another v. B. Mukherjee [1957 AIR 72 1958 SCR 371], after examining the nature, scope and extent of the disciplinary jurisdiction under the provisions of the Chartered Accountants Act, 1949 (which contains provisions analogous to those in the Company Secretaries Act, 1980), observed as follows:- “We therefore, take the view that, if a member of the Institute is found, prima facie, guilty of conduct, which, in the opinion of the Council renders him unfit to be a member of the Institute, even though such conduct may not attract any of the provision of the Schedules, it would still be open to the Council to hold an enquiry against the member in respect of such conduct and a finding against him, in such an enquiry, would justify appropriate action being taken by the High Court.”

The following can be cited as illustrative examples of “other misconduct”:

- i. where a Company Secretary retains the records, books of account and documents of the client and fails to return to the client on request without a reasonable cause;
- ii. where a Company Secretary makes a material misrepresentation;
- iii. where a Company Secretary uses the services of his apprentice(s) for purposes other than professional practice;
- iv. conviction by a competent court of law;
- v. wrong publicity causing damage to the clients;
- vi. where in the opinion of the Council member brings disrepute to the profession or the Institute as a result of his action whether or not related to his profession;
- vii. member is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term not exceeding six months;
- viii. furnishing false declaration to the institute or any regulator; and
- ix. non-compliance with Guidelines issued by the Council of the Institute.

The question what constitutes misconduct also came up for consideration before the Hon’ble Supreme Court of India in the case of N. G. Dastane v. Shrikant S. Shivade & Anr. [AIR (2001) SC 2028]. This case was in the context of sub-section (1) of section 35 of the Advocates Act, 1961.

The said provision is extracted herein below:-

“Where on receipt of a complaint or otherwise a State Bar Council has reason to believe that any Advocate on its roll has been guilty of professional or other misconduct, it shall refer the case for disposal to its disciplinary committee.”

The Hon’ble Supreme Court of India observed in Paras 16 and 17 of the judgement as under:-

“The collocation of the words “guilty of professional or other misconduct” has been used for the purpose of conferring power on the Disciplinary Committee of the State Bar Council. It is for equipping the Bar Council with the binocular as well as whip to be on the *qui vive* for tracing out delinquent Advocates who transgress the norms or standards expected of them in the discharge of their professional duties. The central function of the legal profession is to help promotion of administration of justice. Any misdemeanour or misdeed or misbehaviour can become an act of delinquency, if it infringes such norms or standards and it can be regarded as misconduct.

In Black’s Law Dictionary “misconduct ” is defined as a “transgression of some established and definite rule of action, a forbidden act, a dereliction from duty, unlawful behaviour, its synonyms are misdemeanour, misdeed, misbehaviour, delinquency, impropriety, mismanagement, offence, but not negligence or carelessness.”

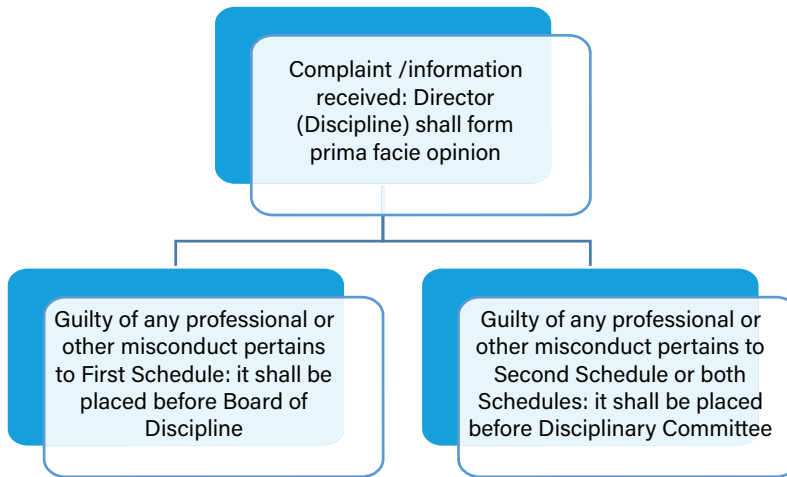
In the aforesaid case, the Hon’ble Supreme Court quoted the following passage from the observations of Privy Council in *George Frier Grahame v. Attorney General* [AIR 1936, PC, 224]. “Misconduct envisaged in Section 35 of the Advocates Act is not defined. The section uses the expression “misconduct, professional or otherwise.” The word “misconduct” is relative term. It has to be considered to the subject-matter and the context wherein such term occurs. It literally means wrong conduct or improper conduct.”

Procedure in enquiries relating to misconduct of members of the Institute

Section 21, 21A, 21B, 21C, 21D, 22, 22A, 22B, 22C, 22D & 22E of the Act and the Rules lay down the procedure to be followed in an enquiry. It is essential to know that for the purposes of disciplinary proceedings, ‘member of the Institute’ includes a person who was a member of the Institute on the date of alleged misconduct although he has ceased to be a member at the time of the enquiry.

Consequences of Misconduct and Appeals

According to Section 21 of the Act, on receipt of any information or complaint along with the prescribed fee, the Director (Discipline) shall arrive at a *prima facie* opinion on the occurrence of the alleged misconduct. Where the Director (Discipline) is of the opinion that a member is guilty of any professional or other misconduct mentioned in the First Schedule, he shall place the matter before the Board of Discipline and where the Director (Discipline) is of the opinion that a member is guilty of any professional or other misconduct mentioned in the Second Schedule or in both the Schedules, he shall place the matter before the Disciplinary Committee.



The Board of Discipline pursuant to Section 21A of the Act, follows summary disposal procedure in dealing with all the cases before it. Where the Board of Discipline is of the opinion that a member is guilty of a professional or other misconduct mentioned in the First Schedule, it gives the member an opportunity of being heard before making any order against him and may thereafter take any one or more of the following actions, namely:—

- (a) reprimand the member;
- (b) remove the name of the member from the Register up to a period of three months;
- (c) impose such fine as it may think fit which may extend to Rs. One lakh.

The Disciplinary Committee under Section 21B of the Act, while considering the cases placed before it, follows procedure as have been prescribed by the Rules. Where the Disciplinary Committee is of the opinion that a member is guilty of a professional or other misconduct mentioned in the Second Schedule or both the First Schedule and the Second Schedule, it gives to the member an opportunity of being heard before making any order against him and may thereafter take any one or more of the following actions, namely:—

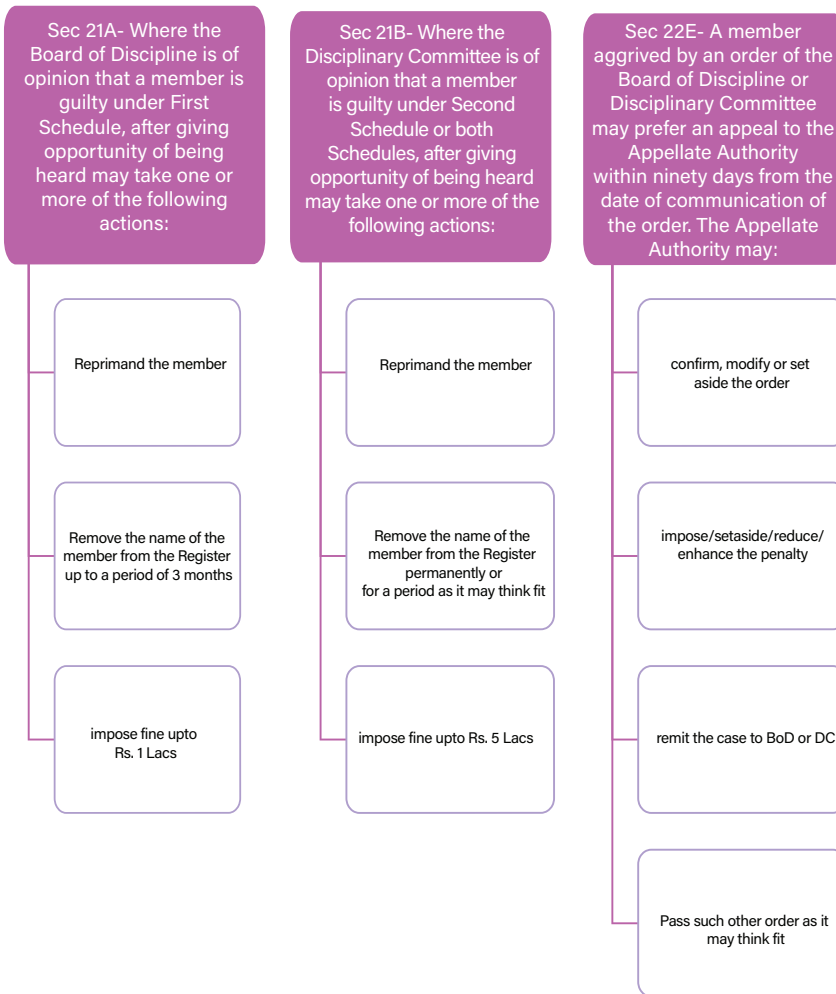
- (a) reprimand the member;
- (b) remove the name of the member from the Register permanently or for such period, as it thinks fit;
- (c) impose such fine as it may think fit, which may extend to Rs. Five lakh.

The Act contains provisions for appeals by a member aggrieved by any order of the Board of Discipline or the Disciplinary Committee imposing penalties for professional misconduct. Section 22E of the Act provides that a member aggrieved by any order of the Board of Discipline or the Disciplinary Committee, may prefer an appeal to the Appellate Authority constituted under the provisions of section 22A of the Act, within ninety days from the date on which the order is communicated to him.

The Appellate Authority may, after calling for the records of any case, revise any order made by the Board of Discipline or the Disciplinary Committee under sub-section (3) of section 21A and sub-section (3) of section 21B and may –

- (a) confirm, modify or set aside the order;
- (b) impose any penalty or set aside, reduce, or enhance the penalty imposed by the order;
- (c) remit the case to the Board of Discipline or Disciplinary Committee for such further enquiry as the Appellate Authority considers proper in the circumstances of the case; or
- (d) pass such other order as the Authority thinks fit:

The Appellate Authority gives an opportunity of being heard to the parties concerned before passing any order.



As a Preferred Professional, a Company Secretary is duty bound towards delivering quality service to its clients while maintaining highest standards of professional ethics, moral values and adherence to the code of conduct of the institute in its true letter and spirit. Any failure or lapse on the part of the Company Secretary may attract penalty both under the relevant law as well as under the Act for professional or other misconduct. Under section 9 of the Act, the Council of the Institute is the Competent Authority for the management of the affairs of the Institute and discharging the functions assigned to it by or under the Act. The Council, inter alia, has authority to exercise disciplinary powers by instituting inquiry through Director (Discipline) into cases where it is prima facie of the opinion that a member is guilty of professional or other misconduct.

4. Recent Changes

The Company Secretaries Act, 1980 has been amended recently by The Chartered Accountants, The Cost and Work Accountants and the Company Secretaries (Amendment) Act, 2022 (Amendment Act). The Amendment Act received the assent of the President of India on 18th April, 2022, pending notification on commencement date for respective provisions. Central Government notified sections 92, 96, 97, 98 & 99 (pertaining to the CS Profession) of the Amendment Act on 10th May, 2022 thereby bringing amendment to Sections 21C, 24, 25, 26 & 27 of the Company Secretaries Act, 1980. There are several amendments pertaining to the Disciplinary mechanism which are yet to be notified. It changes the disciplinary mechanism under the three Professional Institutions and specifies timelines for disciplinary proceedings. It also provides more external representation on the Board of Discipline and Disciplinary Committee.

Objectives of the Amended Act

The objectives of the Amended Act mainly focuses on the disciplinary mechanism as under:

- (i) to strengthen the disciplinary mechanism;
- (ii) to fixation of timelines for various disciplinary processes;
- (iii) to address conflict of interest between the administrative and disciplinary arms of the Institute;
- (iv) to provide for a separate chapter on registration of firms with the respective Institutes and include firms under the purview of the disciplinary mechanism;
- (v) to enhance accountability and transparency by providing for audit of accounts of the Institutes by panel of auditors maintained by the Comptroller and Auditor-General of India;
- (vi) to provide for autonomy to the Council of the respective Institutes to fix various fees.

Key features of the Amended Act (*Provisions relating to Disciplinary mechanism are yet to be notified*)

a. Registration of Members

The Amendment Act substitutes the word "Register" with the word "Register of members" and empowers the Council of the respective Institutes to decide fee

required for entry of names in the Register of members or as a Fellow member and to dispense with the condition of prior approval of Central Government to determine such fees.

b. Registration of Firms

The Amendment Act states that firms must also be registered with the Institute by making an application to the Council of the Institute by any partner or owner of a firm, in such manner and subject to such terms and conditions as may be prescribed. The Council must maintain a register of firms containing details such as pendency of any actionable complaint or imposition of penalty against the firms.

c. Constitution of Disciplinary Directorate for time-bound investigations

The Amendment Act provides that the respective Councils of the three Institutes under the Act would be required to constitute a Disciplinary Directorate, headed by Director (Discipline), who is an officer of the Institute. Each Directorate must also include at least two Joint Directors, for making investigations either suo motu, or on receipt of an information or a complaint in such form, along with such fees as may be specified.

The Director (Discipline) must decide whether a complaint is actionable within 30 days of receiving such a complaint. If the complaint is actionable, the Director must submit a preliminary examination report to the Board or the Committee (as the case may be) within 30 days. The status of actionable information and complaints pending before the Disciplinary Directorate, Boards of Discipline and Disciplinary Committees and the orders passed by the Boards of Discipline under section 21A and by the Disciplinary Committees under section 21B shall be made available in the public domain by the Disciplinary Directorate in such manner as may be prescribed.

d. Constitution of Board of Discipline

The Council has been empowered to constitute a one or more Board of Discipline, members of the Board shall include:

1. Presiding officer (having experience in law and knowledge of disciplinary matters and profession) to be nominated by the Central Government as its Presiding Officer, from out of a panel of persons prepared and provided by the Council, in such manner as may be prescribed;
2. one member, who is a person of eminence having experience in the field of law, economics, business, finance or accountancy and not being a member of the Institute, to be nominated by the Central Government from out of a panel of persons prepared and provided by the Council, in such manner as may be prescribed;
3. one member to be nominated by the Council from out of a panel of members of the Institute to be prepared by the Council, in such manner as may be prescribed;

4. an officer of the Institute not below the rank of a Deputy Secretary shall function as the Secretary of the Board of Discipline:

The Board of Discipline is expected to conclude its inquiry within ninety days of the receipt of preliminary examination report from the Director (Discipline).

e. Constitution of Disciplinary Committee

The Council shall, by notification, constitute one or more Disciplinary Committees, each consisting of—

- (a) a person, not being a member of the Institute, with experience in the field of law and having knowledge of disciplinary matters and the profession, to be nominated by the Central Government as its Presiding Officer, from out of a panel of persons prepared and provided by the Council in such manner as may be prescribed;
- (b) two members, who are persons of eminence having experience in the field of law, economics, business, finance or accountancy and not being a member of the Institute, to be nominated by the Central Government from out of a panel of persons prepared and provided by the Council in such manner as may be prescribed;
- (c) two members to be nominated by the Council from out of a panel of members of the Institute to be prepared by the Council in such manner as may be prescribed:

The Presiding Officer nominated under clause (a) and the members nominated under clause (b) may be the same for different Disciplinary Committees constituted under this sub-section.

The Disciplinary Committee is expected to conclude its inquiry within one hundred and eighty days of receipt of the preliminary examination report from the Director (Discipline).

f. Increase in the Penalty

The Amendment Act has enhanced the maximum amount of fine to Rs. 10 lakh. The Board of Discipline and the Disciplinary Committee may take certain actions against the firm as well under specified circumstances, where the partner or owner of a firm is repeatedly found guilty of misconduct during the last five years. The actions by Board of Discipline under the amended section 21A may take any of the following actions:

- (a) prohibit the firm from undertaking any activity or activities relating to the profession of a company secretary in practice for such period not exceeding one year; or
- (b) impose such fine as it may think fit, which may extend to twenty-five lakh rupees.

The actions by the Disciplinary Committee under the amended section 21B may take any of the following actions:

- (a) prohibit the firm from undertaking any activity or activities relating to the profession of a Company Secretary in practice for such period not exceeding two years; or
- (b) suspend or cancel the registration of the firm and remove its name from the Register of firms permanently or for such period as it may think fit; or
- (c) impose such fine as it may think fit, which may extend to fifty lakh rupee

Annexure-I

Professional misconduct in relation to members of the Institute is broadly categorized as below:

A) Professional misconduct in relation to Company Secretaries in Practice (Part I of the First Schedule containing 11 clauses)

A Company Secretary in Practice shall be deemed to be guilty of professional misconduct, if he—

- (1) allows any person to practice in his name as a Company Secretary unless such person is also a Company Secretary in practice and is in partnership with or employed by him;
- (2) pays or allows or agrees to pay or allow, directly or indirectly, any share, commission or brokerage in the fees or profits of his professional business, to any person other than a member of the Institute or a partner or a retired partner or the legal representative of a deceased partner, or a member of any other professional body or with such other persons having such qualifications as may be prescribed for the purpose of rendering such professional services from time to time in or outside India.

Explanation. – In this item, “partner” includes a person residing outside India with whom a Company Secretary in practice has entered into partnership which is not in contravention of item (4) of this Part;

- (3) accepts or agrees to accept any part of the profits of the professional work of a person who is not a member of the Institute:

Provided that nothing herein contained shall be construed as prohibiting a member from entering into profit sharing or other similar arrangements, including receiving any share commission or brokerage in the fees, with a member of such professional body or other person having qualifications, as is referred to in item (2) of this part;

- (4) enters into partnership, in or outside India, with any person other than a Company Secretary in practice or such other person who is a member of

any other professional body having such qualifications as may be prescribed, including a resident but for his residence abroad would be entitled to be registered as a member under clause (e) of sub-section (1) of section 4 or whose qualifications are recognized by the Central Government or the Council for the purpose of permitting such partnerships;

- (5) secures, either through the services of a person who is not an employee of such Company Secretary or who is not his partner or by means which are not open to a Company Secretary, any professional business:

Provided that nothing herein contained shall be construed as prohibiting any arrangement permitted in terms of items (2), (3) and (4) of this Part;

- (6) solicits clients or professional work, either directly or indirectly, by circular, advertisement, personal communication or interview or by any other means:

Provided that nothing herein contained shall be construed as preventing or prohibiting—

- (i) any Company Secretary from applying or requesting for or inviting or securing professional work from another Company Secretary in Practice; or
- (ii) a member from responding to tenders or enquiries issued by various users of professional services or organizations from time to time and securing professional work as a consequence;

- (7) advertises his professional attainments or services, or uses any designation or expressions other than Company Secretary on professional documents, visiting cards, letterheads or sign boards, unless it be a degree of a University established by law in India or recognized by the Central Government or a title indicating membership of the Institute of Company Secretaries of India or of any other institution that has been recognized by the Central Government or may be recognized by the Council:

Provided that a member in practice may advertise through a write up setting out the services provided by him or his firm and particulars of his firm subject to such guidelines as may be issued by the Council;

- (8) accepts a position as a Company Secretary in practice previously held by another Company Secretary in practice without first communicating with him in writing;
- (9) charges or offers to charge, accepts or offers to accept, in respect of any professional employment, fees which are based on a percentage of profits or which are contingent upon the findings, or result of such employment, except as permitted under any regulation made under this Act;
- (10) engages in any business or occupation other than the profession of Company Secretary unless permitted by the Council so to engage:

Provided that nothing contained herein shall disentitle a Company Secretary from being a director of a company except as provided in the Companies Act, 2013;

- (11) allows a person not being a member of the Institute in practice, or a member not being his partner to sign on his behalf or on behalf of his firm, anything which he is required to certify as a Company Secretary, or any other statements relating thereto.

B) Professional misconduct in relation to members of the Institute in service (Part II of the First Schedule containing two clauses)

A member of the Institute (other than a member in practice) shall be deemed to be guilty of professional misconduct, if he, being an employee of any company, firm or person–

- (1) pays or allows or agrees to pay, directly or indirectly, to any person any share in the emoluments of the employment undertaken by him;
- (2) accepts or agrees to accept any part of fees, profits or gains from a lawyer, a Company Secretary or broker engaged by such company, firm or person or agent or customer of such company, firm or person by way of commission or gratification.

C) Professional misconduct in relation to members of the Institute generally (Part III of the First Schedule containing three clauses)

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he –

- (1) not being a Fellow of the Institute, acts as a Fellow of the Institute;
- (2) does not supply the information called for, or does not comply with the requirements asked for, by the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority;
- (3) while inviting professional work from another Company Secretary or while responding to tenders or enquiries or while advertising through a write up, or anything as provided for in items (6) and (7) of Part I of this Schedule, gives information knowing it to be false.

D) Other misconduct in relation to members of the Institute generally (Part IV of the First Schedule containing two clauses)

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if –

- (1) he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term not exceeding six months;

- (2) in the opinion of the Council, he brings disrepute to the profession or the institute as a result of his action whether or not related to his professional work.]

E) Professional misconduct in relation to Company Secretaries in Practice (Part I of the Second Schedule containing ten clauses)

A Company Secretary in practice shall be deemed to be guilty of professional misconduct, if he—

- (1) discloses information acquired in the course of his professional engagement to any person other than his client so engaging him, without the consent of his client, or otherwise than as required by any law for the time being in force;
- (2) certifies or submits in his name, or in the name of his firm, a report of an examination of the matters relating to company secretarial practice and related statements unless the examination of such statements has been made by him or by a partner or an employee in his firm or by another Company Secretary in practice;
- (3) permits his name or the name of his firm to be used in connection with any report or statement contingent upon future transactions in a manner which may lead to the belief that he vouches for the accuracy of the forecast;
- (4) expresses his opinion on any report or statement given to any business or enterprise in which he, his firm, or a partner in his firm has a substantial interest;
- (5) fails to disclose a material fact known to him in his report or statement but the disclosure of which is necessary in making such report or statement, where he is concerned with such report or statement in a professional capacity;
- (6) fails to report a material mis-statement known to him and with which he is concerned in a professional capacity;
- (7) does not exercise due diligence, or is grossly negligent in the conduct of his professional duties;
- (8) fails to obtain sufficient information which is necessary for expression of an opinion or its exceptions are sufficiently material to negate the expression of an opinion;
- (9) fails to invite attention to any material departure from the generally accepted procedure relating to the secretarial practice;
- (10) fails to keep moneys of his client other than fees or remuneration or money meant to be expended in a separate banking account or to use such moneys for purposes for which they are intended within a reasonable time.

F) Professional misconduct in relation to members of the Institute generally (Part II of the Second Schedule containing four clauses)

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

- (1) contravenes any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council;
- (2) being an employee of any company, firm or person, discloses confidential information acquired in the course of his employment, except as and when required by any law for the time being in force or except as permitted by the employer;
- (3) includes in any information, statement, return or form to be submitted to the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority any particulars knowing them to be false;
- (4) defalcates or embezzles moneys received in his professional capacity.

G) Other misconduct in relation to members of the Institute generally (Part III of the Second Schedule containing one clause)

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term exceeding six months.

Way Forward for the Profession

“

In today's world, the role of the Corporate Secretary has no one meaning and covers a multitude of tasks and responsibilities. That said, the role lies at the heart of the governance systems of companies and is receiving ever great focus."

*– David Jackson,
Corporate Secretary, BP plc*

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1. Introduction

The present day competitive environment brings new scope for Professionals in every field of knowledge. The role of Professionals in the corporate sector has always contributed positively towards the development of the business / industry, promoted social welfare and public good. With more and more companies being set-up every day, the need for specialized professionals to take care of company's affairs is also growing. This is where a Company Secretary fits in. The role of the Company Secretary, carries with it very considerable responsibilities and can be influential in determining the course and success of the company.

Continuous dynamic process of formulating strategies, policies and implementation cannot be imagined without involvement of professionals in Self Reliant India. There are extraordinary opportunities and tremendous scope available for growth in the corporate sector. A Company Secretary possesses an exceptional mix of aptitudes and attributes in upholding high standards of governance in the corporate sector.

The expectations from the Company Secretaries have substantially increased in recent years. Due to the multi-dimensional nature of the job and enormous responsibilities involved, a Company Secretary has to be extremely organised and disciplined. A thorough knowledge and understanding of diverse subjects is necessary. A good command over English, ability to comprehend, analyse complex and technical issues and exercise of the functions with tact and intelligence is required from a Company Secretary in the current business environment.

The year 2022 marks the 75th year of Indian Independence – a landmark year to not only reminisce the road travelled, but a year to visualize, contemplate and ponder over the road lying ahead. As a founding member of the Corporate Secretaries International Association (CSIA) and as a torchbearer of the best practices in governance, it would not be an exaggeration to say that the ambit of the professional responsibilities of Company Secretaries are expanding exponentially. The growing recognitions are enough to prove this aspect.

The process of comprehensive economic cooperation that India is initiating has also set in motion mutual recognition agreements between the ICSI and Institutes in other countries thereby enhancing the professional ambit. This is opening up the world to Company Secretaries. Many Company Secretaries are already working in countries like the US, Canada, UK, Singapore, Malaysia, Thailand, Australia, New Zealand, Middle-east, Africa, etc. owing to their research and legal bent of mind, managerial capabilities and analytical skills.

The opportunities for Company Secretaries will continue to grow with increasing expectations of the Corporates and the Regulators. With the modern business complexities, the role of the Company Secretary has been extended not only as a KMP and Compliance Officer but with many varied newer areas of specialization such as MSMEs & Start-ups, GST, Valuation, Internal Audit, IPR, Mediation & Arbitration, Foreign collaboration and Joint venture, CSR and Sustainability, Risk Management and so on.

Going forward, Company Secretaries need to focus extensively on Start-ups, MSMEs, ADR, ESG and Co-operatives, etc. without undermining the traditional sectors of the economy. The Institute is also venturing into newer areas viz. opening of International ADR Centre, introduction of Social Audit which will further widen the scope of the profession of Company Secretaries.

2. Marching Ahead

(i) ICSI New Syllabus 2022

The ICSI periodically reviews its scheme of education and training to remain in tandem with economic, technological, educational and other developments at the national and global level. It is essential with a view to equip the new Company Secretaries to surmount the soaring professional challenges.

The ICSI New Syllabus, 2022 focuses on the core service areas of the Company Secretary profession and to supplement the core areas it has laid due emphasis on ancillary aspects and other technical skills. The New Syllabus, 2022 has made sincere endeavours in ensuring smooth transition of students into governance professionals, corporate managers / corporate advisors.

New Syllabus, has given the opportunity to not only relook the needs of the students but to align ourselves with the New Education Policy 2020 of the Government and serve the transitional needs of the India Inc. in our unique way.

The ICSI New Syllabus 2022 has embraced the crucial attributes of meeting Industry Expectations, Skill Based, Multi / Interdisciplinary, Futuristic and Practical Approach.

The New Syllabus has covered the emerging areas concerning the CS profession such as Data Governance, Data Analytics, ESG, ESG Ratings, Social Stock Exchange, Sustainability Audit, Social Audit, Alternative Dispute Resolution, etc.

The New Syllabus will enable the new Company Secretaries entering the professional arena to provide better, effective and efficient services in diverse areas of operations be it employment or practice. New Syllabus will equip the Company Secretaries with the latest know-how at professional front to remain ahead in the competition.

(ii) ICSI International ADR Centre

The Institute has incorporated ICSI International ADR Centre, a Section 8 company, at Hyderabad for empanelment of arbitrators, conducting training and to assist in the conduct of arbitral proceedings. ICSI International ADR Centre is aimed at providing the best Arbitrators to resolve Commercial Disputes speedily and effectively by providing Training and Empanelment of Arbitrators.

Services which are proposed to be provided are:

- Appointment of Arbitrator(s) / Presiding Arbitrator
- Empanelment of Arbitrators
- Conducting training programs on Commercial Arbitration & Conciliation
- Providing space for conducting arbitration
- Providing Secretarial Assistance
- Any other service incidental to conduct of Arbitration Proceedings
- Promoting arbitration through educational activities
- Providing necessary Infrastructure and Intellectual Resources

A multi-city and hopefully multi-nation project, the ICSI International ADR Centre has been incorporated with an intent to create a conducive ecosystem – one which aids the existing judicial structure, helps in the de-clogging of the courts and provides speedier justice. Institute hope to take this initiative across the various cities possessing good infrastructural facilities. The ICSI International ADR Centre is an attempt to support the nation's judicial ecosystem thus strengthening the overall governance ecosystem.

(iii) ICSI Institute of Social Auditors (ICSI-ISA)

The Institute has incorporated ICSI Institute of Social Auditors (ICSI-ISA), a Section 8 company to act as Self-Regulatory Organization as prescribed in Clause (f) of Regulation 292A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, for empanelment of Social Auditors (SAs), to lay down standards of professional conduct for registered SAs and for monitoring their performance, to safeguard the rights and privileges of SAs.

Objectives:

- (a) To register SAs on fulfilling the prescribed requirements.
- (b) To lay down criteria/ norms for empanelment of SAs, categorization of SAs into various categories on fulfilment of required criteria/ norms including but not limited to number of qualified social auditors in the firm, relevant experience, etc.
- (c) To lay down standards of professional conduct for registered SAs and monitoring their performance.
- (d) To safeguard the rights and privileges of SAs who are its members.
- (e) To co-ordinate and support the National Institute of Securities Markets (NISM), SEBI and Stock Exchanges for implementation and functioning of Social Stock Exchanges.

Measures to achieve Objectives:

- (a) Impart training and provide education in the fields of law relating to Social Auditor in India and in foreign jurisdictions
- (b) Framing of Rules and Regulations and Bye-laws for the conduct of Social Audit and fixation of fees and charges
- (c) Providing services related to consultancy, research and publication in the field of laws relating to Social Audit
- (d) Developing strategic plans for training, and knowledge updation of the members regarding Social Audit

The ICSI is also in process of formulating its Social Auditing Standards with a view to enable the members in taking-up the emerging opportunities in the Social Sector in India such as emergence of Social Enterprises, Socially Responsible Investing (SRI), Impact Investing, Social Stock Exchange, Social Audit, Social impact assessment, etc.

(iv) Startup and MSME Catalyst

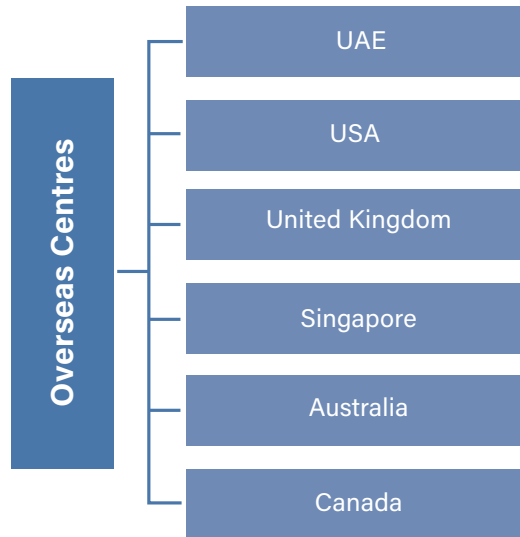
Startups have a unique role to play in altering the economic dynamics of the country – contributing significantly to the nation's GDP. The *Aatmanirbhar Bharat* initiative of the Government of India has lent further impetus to the MSMEs. The Institute of Company Secretaries of India has started a unique initiative under the aegis of 'Start-up & MSME (SUM) Catalyst' to guide Startups and MSMEs at every step.

Under the initiative, apart from providing professional help to Startups and MSMEs emphasis shall also be laid on enhancing the capacity and capabilities of the professionals. Company Secretaries can extend support in almost all arenas of Start-ups like registration, accounting, tax and finance, investment / fund raising and legal compliance. Going forward, while extending all the necessary guidance to Startups and new business ventures, the Start-up & MSME Catalyst initiative shall

not only supplement the expansion these enterprises but also raise the benchmarks of corporate governance.

(v) ICSI Overseas Centres

The Institute has marched ahead and has crossed national boundaries, reaffirming commitment to its Vision statement. Aligning with its Vision “To be a global leader in promoting good Corporate Governance”, the ICSI has made headway in growing its global footprint by setting-up ICSI Overseas Centres in UAE, USA, UK, Singapore, Australia and Canada, which are actively engaged in organizing capacity building programmes and exploring professional opportunities for members of the ICSI diaspora. ICSI Overseas Centre augment professional opportunities for ICSI members and facilitate students.



The ICSI Overseas Centres perform the following functions:

- i. To explore the professional opportunities and placement opportunities in that country or in any other jurisdiction in the manner suggested by the Institute from time to time.
- ii. To explore accreditation and reciprocal exemption with relevant Organisation/ University/ Institute in that country.
- iii. To promote and develop the profession in the respective country.
- iv. To organise the programme independently as well as in collaboration with similar reputed professional bodies/ organisations.
- v. To guide the students in the matters of registration, tuition, education, capacity building, professional development or any other activity of similar nature.
- vi. To facilitate imparting practical training to ICSI student in the respective country.

- vii. To facilitate the Institute in conducting the examinations in respective country against reimbursement of actual costs/ expenses.
- viii. To make representation to the Council on matters of professional interest in that country and offer suggestions for enhancing the profession in that country.
- ix. To exchange views on professional matters with members of similar Institutes or professional bodies in the respective country.

The ICSI's growing global footprint is evidence of the incessant journey towards realizing its Vision and Mission. With the largest membership and student base of Company Secretaries in the world, ICSI is playing a seminal role in the global Corporate Governance arena.

The setting-up of the ICSI Overseas Centres helps in further strengthening the global outreach of the profession along with tapping all opportunities to nurture, grow and sustain two-way flow of knowledge and professional potential.

The career opportunities after completing the CS Course are endless in India and abroad. There are Company Secretaries dealing with foreign clients on a daily basis. Some are even operating in various companies outside India. Thousands of Company Secretaries are working in different countries like UK, Singapore, Australia, Canada, Thailand, Malaysia, New-Zealand, etc. The expansion of boundaries shall definitely open new doors of opportunities for the Company Secretaries and spread the essence of good governance.

3. Way Forward

Company Secretary profession is moving into an era of specialisation and there is a need to upskill constantly by embracing technology and exploring new opportunities opening up for the profession.

The Fourth Industrial Revolution is transforming the global innovation and production systems. The future depends heavily on our individual and collective capacities to use the rapidly emerging technologies such as AI, Blockchain etc. Developing nations like India have a unique opportunity to spring to the next levels of development by investing in the right skills and innovation frameworks and preparing for the future.

'Technology, Data and Innovation' are the key enablers and drivers of growth and the pandemic has only further manifested their importance worldwide. A few years from now, we will witness AI becoming larger than the internet revolution. AI has an unprecedented potential of disruption, the impact of which is far beyond our imagination. It is critical to embrace the world of new technologies in the CS profession.

Albert Einstein had said that, "It has become appallingly obvious that our technology has exceeded our humanity." And we are all aware of the veracity of this statement and Company Secretaries are no exception to it. We have to accept and adopt the technologies to enhance our performance. We also cannot deny the fact that the intellectual work of Company Secretary can never be replaced by machines.

The future holds even more for Company Secretaries. The Joint Parliamentary Committee has placed its report before the Parliament on the Personal Data Protection Bill, 2019 on 16th December 2021. This report, amongst other things, has recommended that in respect of companies, the 'Key Managerial Personnel' which include Company Secretaries be added to the definition of 'Data Protection Officer'. Though the Government has withdrawn the Bill from Lok Sabha in August, 2022 considering the amendments and recommendations proposed by the Joint Parliamentary Committee and to present a new Bill that fits into the comprehensive legal framework, however, it would not be out of place to say that Practising Company Secretaries are expected to play a role in the field of designing data protection policies, data protection audits, and data impact assessments.

It is absolutely demanding and necessary for today's Company Secretary to become multi-skilled and multifaceted professionals to be ready to undertake newer areas of practice. Company Secretaries need to have an open mindset to cultivate the habit of continuous learning, to accept the challenges and to use the opportunities to create stronger, and more resilient organizations. Dr. A. P. J. Abdul Kalam has said, "Knowledge is a tangible asset, quite often the most important tool in your work."

Company Secretaries need to learn the art of 'learning' and 're-learning'. They will have to keep reinventing themselves. In the fast-changing world of knowledge economy, it will be necessary to learn new skills continuously. They will be Future-Ready only if they are Change-Ready.

Company Secretaries need to adapt to changes happening around the globe and explore new opportunities that looks attractive and exciting. We are in a period of rapid change and in the next few years, the role of professionals will be to keep pace with the gradual digitization of clients and help them navigate technologies, systems and data digitisation.

Company Secretaries have already proven themselves as preferred professionals with their sheer dedication in every aspect of their work. It is the result of the hard work and toiling of all our predecessors, all of whom have held the governance mast high and have expected the same from us as well. Company Secretary has come a long way, but sky is the limit and there is no end to it. We have to stride forth and be unlimited, impactful and immense and let us go beyond doing what one has been already doing today!

The Company Secretaries from being conscience keeper to compliance officer and now governance professionals have grown in reputation. Having earned the trust and confidence of the Government, the regulators and the corporate sector as watchdog for governance architecture, the time has arrived when the Company Secretaries look beyond to step in a leadership role in guiding the corporates as change agent. They have to graduate to assume the leadership position by assuming new role, values and approach. It is now imperative for Company Secretaries to produce change, set the direction of that change, and surge ahead.

