



Dear Professional Colleagues

The quadragenarian profession of company secretaries has earned several acclamations and recognitions over the years. The Institute makes continuous efforts to stride across professional discipline, gaze upon the efficacy and opportunities bestowed by current economic and legislative scenario, and we have made significant progress especially in Companies Act and related aspects. Transformation shall, however, attune to success only when there is an all pervasive and broad-based role of a company secretary in other sectors too, one of the most prominent being Financial Services space. In this direction, the Institute strongly felt the need to take up Financial Services as focussed area this year. A step in that direction is :

ICSI FinanCS - Financial opportunitiesThe ICSians Way

Opportunity

National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) have authorised Practising Company Secretary to undertake internal audit of the operations of Depository Participants [Ref: NSDL Circular No. NSDL/POLICY/2008/0072 dated October 17, 2008 and CDSL Bye Law 16.3.1]

Both Depositories have also authorised Practising Company Secretary 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). [Ref: NSDL/Policy/2006/0021 dated June 24, 2006 and CDSL circular-number CDSL/AUDIT/DP/721 dated July 11, 2006]

Current Status

Statutory Recognition under Depositories Law

Engagement Perspective

Technological advancements and global integration of capital markets led the phasing out of physical form of documents including securities. This ushered in an era of screen based trading, dematerialization of shares and setting up of depositories.

While the Depositories Act, 1996 and SEBI (Depositories and Participants) Regulations, 1996, provide regulatory framework for functioning of depositories in India, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL), the two depository service providers have authorized Practising Company Secretaries to undertake Internal and Concurrent Audit of the Operations of Depository Participants (DPs). The purpose of this audit of depository participants is to assure the management and depositories that the business operations of the participant are conducted in the manner that all the foreseeable risks are addressed to with appropriate internal control mechanism.

Currently, there are 864 depository participants registered with SEBI as under:

1. Depository Participants under NSDL -277
2. Depository Participants under CDSL -587

The number of Depository Participants is growing gradually. Being a competent professional and analytical bent of mind, a PCS stands as harbinger of compliance management and audit.

ICSI Initiatives

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

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

Sincerely yours,

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

CS (Dr.) Shyam Agrawal
President, The ICSI