



THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)



Vision

"To be a global leader in promoting good corporate governance"

Motto

सत्यं वद। धर्मं चर। इष्टकारं कुरु। तृप्तोः भवेदस्य कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"



COMPANY SECRETARY:
MSME CATALYST

“Inclusiveness in entrepreneurship and economic inclusion is social Justice in the true sense.”



When the Hon'ble Prime Minister, Shri Narendra Modi said the above words, he was not just commenting on the impact of MSMEs in the altering Indian economic paradigm, rather he was re-emphasising his faith in the smallest of business entities.

The Micro, Small and Medium Enterprises Development Act might have been enacted in the year 2006, formally recognising these entities along with the fact that the regular legislations pertaining to Companies Act need not be applicable and an easier way out for legislation be put in place. That said, in reality and in all practicality, the SMEs have been the blood running in the veins of the Indian Economy, silently working and strengthening it from within.

Be it the struggle for freedom or the times thereafter, MSMEs have not only been the supply chain partners for the larger mega scale industries but have been a key player in breathing life into the concept of entrepreneurship, giving financial independence to those in need and been a source of employment for many.

A few years ago, when the Aatmanirbhar Bharat package was rolled out, the core intent was to strengthen these enterprises and it is then that the limits had been modified.

As Company Secretaries, while our focal point of attention is indeed governance, but what we are truly known for is guiding, handholding the organisations and leading the way.

It is with this very thought that the dedicated initiative of '**MSME and Startup Catalyst**' was launched by the ICSI.

Today as the nation is recognising these entities as growth engines of Indian Economy, it becomes imperative that we Governance Professionals step up in our roles as MSME Catalysts and lead the way...!!!

(CS Manish Gupta)

President

The Institute of Company Secretaries of India



ABOUT ICSI

The Institute of Company Secretaries of India (ICSI) is a premier national professional body constituted under an Act of Parliament (The Company Secretaries Act, 1980) to regulate and develop the profession of Company Secretaries. The ICSI functions under the jurisdiction of Ministry of Corporate Affairs, Government of India.

Headquartered at New Delhi the ICSI has 4 Regional Offices at Delhi, Mumbai, Kolkata, and Chennai, 72 Chapters spread across the length and breadth of the Country, a Centre for Corporate Governance, Research and Training in Navi Mumbai and a Centre of Excellence in Hyderabad. Along with that, ICSI has over 100 Study Centres, over 200 Examination centres and overseas Centre at UAE, USA, UK & Singapore.

The ICSI provides top-quality education to the students of Company Secretaryship Course and has set and maintains best quality standards for members. The ICSI has on its rolls more than 72,000 qualified CS members both in Employment & in Practice. About 2.5 lakh students are currently enrolled in the Course.

ICSI is the largest organization recognised globally for guiding Industry and academia on highest standards of Corporate Governance. Company Secretaries, too, maintain high standards of accountability, transparency and ethics, in order to build an effective governance model for the corporate. The ICSI is a pioneer contributor in various initiatives of Government of India thereby promoting socio - economic growth of India.



ABOUT CS

Considered as true professionals entrusted with the task of ensuring compliance with the existing legal structure and safeguarding interests of all stakeholders, Company Secretaries are held in high regard in guiding the corporate for pursuing best practices in governance. While the corporate laws place enormous responsibilities on companies as regards compliances of various provisions in true letter and spirit, the laws falling under the ambit of a company's compliance umbrella is extensive. With the penalties in the event of non-compliance being substantially high and each law and its respective compliance holding significance in its own accord, all this and more call for an appropriate mechanism and clearly the utilization of expert services from the brigade of professionals highly attuned in their jobs of maintaining extensive compliance and all in all good governance, i.e., the 'Company Secretaries'.

Company Secretary or CS is defined under section 2(24) of the Companies Act, 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 this Act. As per Company Secretary Act, "Company Secretary" means a person who is a member of the Institute of Company Secretary of India.

Company Secretary in Practice or PCS is defined under section 2(25) of the Companies Act, 2013 means a company secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980.

Company Secretary in Employment

- Advisor to the Board of Directors
- Compliance Officer
- Key Managerial Personnel (KMP)
- Corporate Risk Manager
- Chief Governance Officer
- Corporate Planner & Strategic Manager

Company Secretary in Practice

- Secretarial Auditor
- Registered Valuer
- Expert under Corporate Laws
- Insolvency Professional
- NCLT Practitioner
- Certification Services
- IPR, International Trade & WTO Services
- Arbitration, Mediation and Conciliation Services
- GST Professional
- Representation Services
- Internal Auditor
- Social Auditor
- MSME and Start-up Catalyst

MSMEs in Indian Scenario

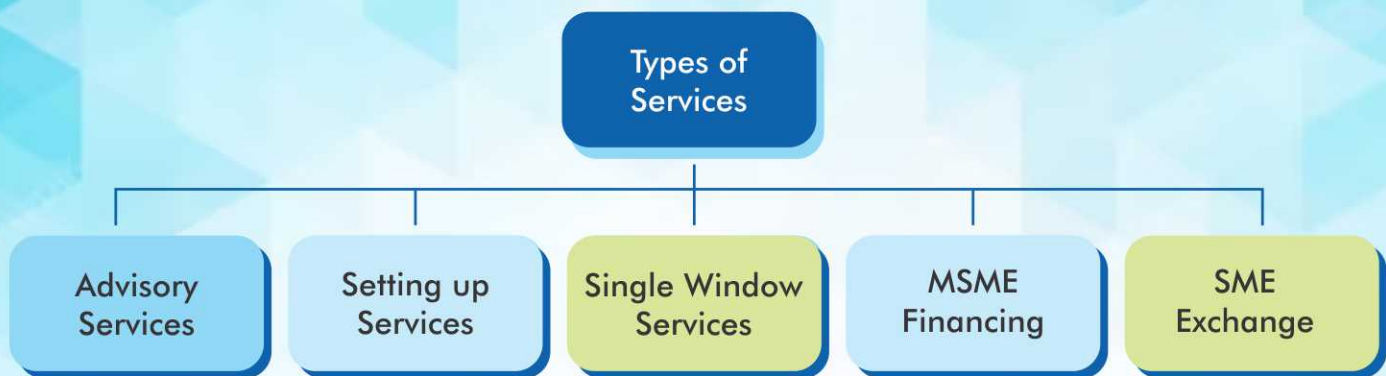
At present, there are around 6.33 Crores (As per latest National Sample Survey) MSMEs in India which contributes approx. 33% of India's total GDP. Out of this number, only 2.45 Crores MSMEs have been registered on Udyam registration portal under Ministry of MSME, Govt of India. These MSMEs are considered to be the backbone of India. The role and contribution of Micro, Small & Medium Enterprises (MSMEs) has been quite significant in the expansion of entrepreneurial endeavours through business innovations. MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet the demands of domestic as well as global markets. MSMEs can function through the following type of organizational structure below investment in Plant & Machineries and Equipments of Rs. 50 Crores and Annual Turnover of Rs. 250 Crores.

- Sole Proprietorship concern
- Hindu Undivided Family
- Partnership Firms as per the Indian Partnership Act 1932
- Limited Liability Partnership Firms as per the Limited Liability Partnership Act 2008.
- Private Limited Companies and Public Limited Companies as per Companies Act 2013.

- Society as per Societies Registration Act 1860 and also Co-operative Societies as per Indian Co-operative societies Act or the State Co operative societies Act.
- Self Help Group
- Trust as per Indian Trusts Act 1882
- Others

Company Secretaries and MSMEs

The increasing significance of corporate governance and compliance has expanded the responsibilities and contributions of Company Secretaries in assisting MSMEs to navigate the complex regulatory landscape. The role of Company Secretaries has witnessed significant growth and importance in the context of Micro, Small, and Medium Enterprises (MSMEs) in India. Company Secretaries play a crucial role in ensuring compliance, good governance, and overall smooth functioning of businesses. Their responsibilities encompass various legal, regulatory, and administrative aspects, making them indispensable for the success and sustainability of MSMEs. Traditionally, Company Secretaries have been associated with larger corporations, but their role has expanded to cater to the needs of smaller businesses as well.



Professional Advisory Services to MSMEs



Registration of MSMEs

Registration of MSMEs is to be done on official website of MSMEs initiated by GOI through a user-friendly interface. The registration can be done through Adhaar Card with following documents.

- Adhaar number of the applicant
- Name, gender, PAN number, email ID and mobile number of the applicant.
- PAN, location, and address of the organization.
- Name of several employees and the date (from when you are planning to start your business).
- Bank account number with IFSC code
- The basic business activity of the enterprise
- NIC digit code
- Investment in plant & machinery/ equipment
- Turnover of particular financial year

Incentives available to MSMEs

Wide variety of incentives have been made available to MSMEs under both Central and State Laws. Some of the notable incentives/ subventions/ reimbursements under the MSME Development Act are as follows:

- Subsidy on Patent Registration
- Overdraft Interest Rate Exemption
- Industrial Promotion Subsidy Eligibility
- Fewer Electricity Bills
- ISO Certification Charges Reimbursement
- Subsidy on NSIC Performance and Credit Ratings
- Protection against Payments (Delayed Payments)
- Bank Loan Collateral Free
- Special reimbursements for Trade Fairs (International/ Domestic)
- Credit Linked Capital Subsidy Scheme (CLCSS)

Financial Advisory Services

Financing is the lifeblood of Micro, Small and Medium Enterprises and Practising Company Secretary can effectively guide and support MSMEs including informing them of the various schemes available like

- Pradhan Mantri Mudra Yojana (PMMY)
- Prime Minister's Employment Generation Programme (PMEGP)
- Credit Guarantee Trust Fund for Micro & Small Enterprises (CGT MSE)
- Equity Infusion for MSMEs through Fund of Funds
- Credit Guarantee Scheme for Subordinate Debt (CGSSD)
- SIDBI Make In India Loan For Enterprises (SMILE)
- MSME Business Loan for Startups in 59 Minutes
- MSME Loan Scheme by Banks
- Emergency Credit Line Guarantee Scheme (ECLGS)
- Raising and Accelerating MSME performance (RAMP) programme

Labour Laws aspects

- Employee's Provident Funds and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Contract Labour (Regulation & Abolition) Act, 1970
- Employee's Compensation Act, 1923
- Equal Remuneration Act, 1976
- Factories Act, 1948
- Maternity Benefit Act, 1961

- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Minimum Wages Act, 1948
- Child and Adolescent Labour (Prohibition & Regulation) Act, 1986
- Industrial Employment (Standing Orders) Act, 1948
- Industrial Disputes Act, 1947
- Trade Union Act, 1926
- Apprentice Act, 1961
- Labour Laws (Simplification of Procedure for Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988
- Shops and Establishments Act, 1953
- Bidi and Cigar Workers (Conditions of Employment) Act, 1966
- Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

Environmental Laws Aspects

- Water (Prevention and Control of Pollution) Act, 1974;
- Water (Prevention and Control of Pollution) Cess Act, 1977;
- Air (Prevention and Control of Pollution) Act, 1981;
- Environment (Protection) Act, 1986;
- Public Liability Insurance Act, 1991;
- Biodiversity Act, 2002
- National Green Tribunal Act, 2010
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016.

Taxation aspects

- Income Tax Act 1961
- GST Acts of 2017
- Eligible tax concessions

Listing on SME Exchange

In order to provide better, focused and cost-effective financing service to the SMEs, SEBI set up dedicated exchanges and/or dedicated platforms of the exchanges for listing and trading of securities issued by SMEs. Certain relaxations are provided to the issuers whose securities are listed on SME exchange in comparison to the listing requirements in Main Board.

Some of the services that could be provided by Company

Secretaries (both in employment and practice) with regard to SME Exchange include:

- Advisor/consultant for SMEs on listing at SME Exchange
- Advisor to Public Issue by SME
- Compliance Officer for SME
- Compliance Certificate for issue / listing of shares by SMEs.

Legal & Regulatory Compliances

- Obtaining Project Financing and Term Loans.
- Co-ordinating the process of obtaining funds from Angel Investors / Venture Capital Funds / Private Equity.
- Conducting Secretarial Audit / Due Diligence which will of great help before approaching for funds.
- Providing Compliance Certificate to ensure compliance of various regulatory prescriptions in case of listing in SME Exchange.
- Helping in converting Sole Proprietor / Partnerships to Companies
- Management of the public issue if a company goes public
- Maintaining Statutory Registers;
- Monitoring changes in the share ownership of the company;
- Ensuring that the company files statutory information promptly;
- Monitoring changes in the relevant legislation and the regulatory environment and taking appropriate action;
- Developing and overseeing the systems that ensure that the company complies with all applicable codes as well as its legal and statutory requirement.
- Drafting documents and filing with RBI under FDI guidelines and ECB norms.
- Act as legal advisor and representative
- Sign the annual returns of the company, as also represent the company when a situation demands it.

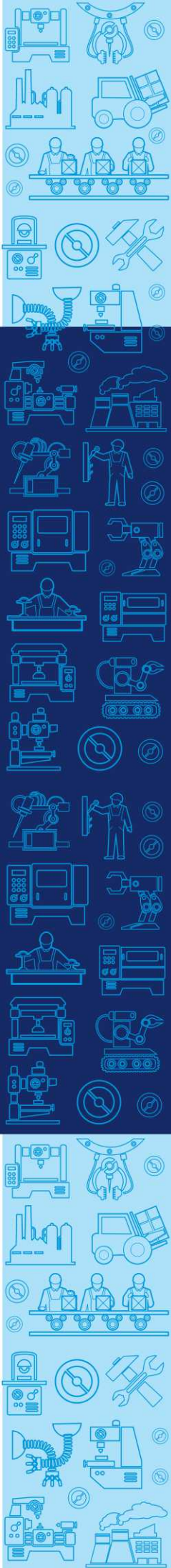
- Handle matters related to central/state sales tax, GST, excise laws, labour laws and corporate laws
- Handle matters related to obtaining institutional finance.
- Responsibilities in this regard would include getting project approvals, obtaining relevant licences and permits, zeroing in on all requirements under the Competition Act and FEMA (Foreign Exchange Management Act) and any other relevant legislation.

Corporate Governance for MSMEs

Compliance Certificate for issue / listing of shares by MSMEs:

The purpose of this certification is to provide comfort and assurance to the Regulator and Stock Exchanges to the effect that the proposed listing of SMEs conforms to all regulatory prescriptions. This Compliance Certificate will enable the SMEs to seek the 'in-principle' approval for listing of shares in SME Exchange. Company Secretary Guide in development of Business policies and implementation A Company Secretary can guide the MSMEs 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. Company Secretaries can also help MSMEs to comply with environmental regulations and assist in funding of compliance programs to meet the pollution standards and also avail of government sponsored incentives and training assistance





Motto

सत्यं वद। धर्मं चर।

इष्टकारे त्वां त्वात्ते. बोधेते तु त्वां त्वात्त.

VISION

"To be a global leader in promoting good corporate governance"

MISSION

"To develop high calibre professionals facilitating good corporate governance"



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

Headquarters

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110003

tel-011-4534 1000 fax +91-11-2462 6727 email info@icsi.edu