Dear Professional Colleagues,

‘Vision is the art of seeing what is invisible to others’ Jonathan Swift.

‘Accountability breeds response-ability.’ Stephen R. Covey

April evokes mixed emotions and thoughts - stress, fresh, warm days for the temperate zones, hot days for the tropics. In many parts of the world, planting has begun and in other parts of the world, harvesting season has begun. For us, it is the beginning of long drawn out summer and children are excited about their holidays and elders chalk out plans to escape from the heat of plains to the cooler places. The process of General Elections has begun and not only at home, the whole world is watching us with awe and excitement. It is indeed a matter of great pride for all of us that the India is the biggest democracy and one of the best democracies and commands great respect in the comity of nations.

April, 2014 witnessed a flurry of Rules notified under the Companies Act, 2013 which has caused severe anguish to all of us. Many of you might be closely watching the developments and updates in this regard made available on website of the Institute. However, through this communication, I am outlining the representations made to Government for addressing our concerns and I am seeing the light at the end of the tunnel and sincerely hope that all our efforts will bear fruit shortly.
The substantial numbers of sections under the Companies Act, 2013 and the rules made thereunder have been notified by the Ministry of Corporate Affairs (MCA) and implemented w.e.f. April 1, 2014. The MCA exposed draft rules in the month of September/October, 2013 for comments. On observing that these draft rules with respect to Secretarial Audit and Annual Returns were deficient, the Institute made representations to the MCA as a feedback to the draft rules on 28th October, 2013. Then final rules notified on 31st March, 2014, which to the surprise of your Council and everyone, were neither as per draft rules nor as per our representations made by us on draft rules. In the interest of transparency we kept you informed of the developments at every moment while dealing with the situation. Members are welcome to express their constructive views on the matter to the Institute.

Immediately, we met Secretary, Additional Secretary and Joint Secretary, MCA on 31.03.2014 to convey the variation and its ramifications on the economy, the companies and the profession. After the Rules were notified by MCA we have made 15 representations, the text of which is available on the web site of the Institute. Apart from above, we have met MCA officials umpteen times to pursue representations and in the process, we had meaningful dialogue with the Hon’ble Minister for Corporate Affairs (Independent Charge), Shri Sachin Pilot in the late night (11.55PM) of 4th April, 2014 at Kekdi in Rajasthan.

On 28th April, 2014, our efforts has borne some fruits as a substantial number of e-forms notified under the Companies Act, 2013 and the Rules thereunder uploaded at MCA website required pre-certification by a Company Secretary in Practice, among others. But we are dismayed by the fact that such precertification is not required for e-forms to be filed by small companies and one person companies.

The Council has made and is making consistent and continuous efforts in following up the other representations. We had not left and would not leave any stone unturned to secure justice for our members and students. I appreciate the patience and calmness of students and members in handling this difficult phase. We have received assurance of reconsideration of the rules. We are hopeful of positive outcome. Nevertheless, with responsibility comes the accountability. I would, therefore, strongly urge our members to exercise due care and diligence while precertifying the e-forms, undertaking Secretarial Audit and performing functions of company secretary. In case of violation of provisions, hefty penalties are provided under the Companies Act, 2013. I urge you through this communication that all of you to build your capacities for all the new areas given under the Companies Act, 2013 by attending the programmes on company law being organized by the Regional Offices and Chapter Offices. It would benefit you as well as the profession.

Friends, current epoch provides a new prospect and perspective for India to shack her isolation that mainly depends on the quality of man power that she has, which are represented by the skills of amalgam of professionals. Excellences of Indian professionals in different fields are to be well imprinted on wide canvas of the globe. This process is already on and the profession of company secretaries is not an exception to this fact. Indeed, Company Secretaries today do not work in water tight compartments and are not shy of barging into previously untouched areas of practice such as CSR assessment, internal audit, systems audit, fraud risk management, banking & insurance laws, competition laws, etc.

Company Secretaries who are in the mainstream of business are instruments of change in guiding, advising and implementing the business dynamics with innovative formula, through timely compliance management, innovative business strategies, effective governance,
awareness to environmental and social obligations, board room advice, sustainability initiatives and what not. The institute has been taking initiatives to equip the members in different fields where they can render their services beyond the Companies Act.

The Institute of Company Secretaries of India (ICSI) in association with Insurance Regulatory and Development Authority of India (IRDA) organised a Seminar on “Convergence of Company Law with Insurance Law” on 26th April, 2014 at Taj Deccan, Hyderabad. Shri T. S. Vijayan, Chairman, IRDA was the Chief Guest. CS Sudhir Babu C., Council Member, ICSI was the Programme Director. Speaking at the Seminar, Shri T. S. Vijayan, Chairman, IRDA emphasized on strengthening of the Corporate Governance norms for insurance companies issued by the regulator in 2009. It is heartening to note from his remarks that role of company secretaries is of great significance in ensuring good governance in insurance companies and safeguarding the interest of various stakeholders in such companies. The seminar was a confluence of thoughts between practitioners, academicians and regulators to identify critical governance issues in the Indian insurance sector.

The seminar was addressed by a galaxy of speakers including Shri R. K. Nair, Whole Time Member, IRDA, Shri P. S. Prabhakar, Chartered Accountant, Shri S. V. Sunderkrishnan, EVP & Chief Risk Officer, Reliance Life Insurance; Dr. V. R. Narasimhan, Chief (Regulations), National Stock Exchange; Shri P. R. Ramesh, Chairman, Deloitte India; Shri C. L. Baradhwaj, Company Secretary, Bharti AXA Life insurance; Shri Shriram Subramanian, Founder & MD, InGOvern Research Service Pvt. Ltd.; Shri Ashvin Parekh, Sr. Expert & Advisor, Financial Services, E & Y and Dr. P. Nandagopal, MD & CEO, IndiaFirst Life Insurance Company Ltd. The contents of the seminar were insightful for individuals and institutions that are part of the Corporate Sector, Corporate Governance Professionals, Independent Directors, Compliance Professionals, Risk Managers, Academicians, etc.

As you may be aware that IRDA has mandated that every insurer shall designate company secretary as the Compliance Officer for the purpose of compliance with the Corporate Governance Guidelines of IRDA. The Institute of Company Secretaries of India brought out a “Handbook on Insurance” for the benefit of present and prospective company secretaries to enable them to discharge the above responsibilities effectively. The Handbook gives a bird’s eye view about the key regulatory requirements applicable to the insurance sector. The Institute has brought out another book, namely, ‘Essential Rules of Interpretation of Statutes for Company Secretaries’ authored by Dr. K. R. Chandratre, at the National Seminar.

As stated earlier by me that it is now time to concentrate on capacity building. I would appeal to the members to make use of the PMQ courses and the Certificate Courses offered by the Institute. With the advent of the Companies Act, 2013, the scope of insolvency professionals in India would get really widened and pursuing Post Membership Qualification in Corporate Restructuring and Insolvency would enhance the scope for practising members and members in employment. The Institute is shortly introducing PMQ course in Competition Law also. Besides, the Institute is proposing to introduce PMQ courses in IPR, Banking, Insurance, Commodity, Capital & Money Markets, and International Trade. The syllabus of existing PMQ Courses in Corporate Governance would also be revamped suiting the prevailing requirements. I am happy to inform you that the 15th PCS conference would be held in Western Region on the theme ‘PCS - the facilitator for Corporate Growth’ in June, 2014. We will intimate the specifics, venue and date shortly.

The 5th Conference on Ethics and Corporate Governance jointly by ICSI and National Institute of Securities Markets was held on April 29, 2014 at Indore covering governance & ethics from
academic, regulatory and practitioners’ perspective. Mr. Ashish Kumar Chuhan, Managing Director, Bombay Stock Exchange; Mr. Sandeep Ghose, Director, NISM; Mr. Rishikesha T. Krishnan, Director, IIM, Indore; Mr. Murli Radhakrishnan, Regional Director, RBI; and Mr. N. Hariharan, CGM, SEBI were the Guest Speakers.

Before I conclude I would like to remind that in the present trying circumstances, it is necessary for us to keep our faith and patience intact without losing hope. As members of the Institute, we share common ethos and carry collective conscious and at no point of time we shall not entertain obscure ideas, harbour mistrust amongst us which may lead to lose faith in ourselves. At the same time, patience is much required in these difficult circumstances. I end this communication with the following quotes:

“A faith is a necessity to a man. Woe to him who believes in nothing.”
- Victor Hugo

“Our patience will achieve more than our force.”
- Edmund Burke

With kind regards,
Yours sincerely,

( CS R. Sridhran )
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