



5th October, 2017

Dear Professional Colleagues,

Subject: Report of the SEBI Committee on Corporate Governance

The Institute of Company Secretaries of India set its foot into its Golden Jubilee Year on 4th October, 2017 in the august presence of Shri Narendra Modi, Hon'ble Prime Minister of India. The celebration was marked by his appreciation of the role of ICSI recommendations in strengthening the corporate governance framework of the nation. Another feather was added today in the cap of the Institute when the report of SEBI Committee on Corporate Governance was submitted to SEBI. The SEBI Committee on corporate governance was constituted on June 2, 2017 under the Chairmanship of Mr. Uday Kotak with the aim of improving standards of corporate governance of listed companies in India. ICSI represented in this Committee and made notable contributions thereat. It is a moment of great pleasure that certain recommendations made by the Committee specifically pertain to the profession of Company Secretaries and once incorporated shall not only boost the profession but enhance its significance as well.

We are delighted to share the recommendations made specifically pertaining to the CS Profession:

❖ **Secretarial Audit**

The Committee recognizing that secretarial functions are critical to efficient board functioning recommended that Secretarial audit may be extended to all material unlisted Indian subsidiaries. This is in line with the theme of strengthening group oversight and improving compliance at a group level.

❖ **Disclosures Pertaining to Disqualification of Directors**

The Committee felt that investors are often unaware whether the directors of the company have been debarred from acting as directors of a company. Therefore, the Committee recommended that in the annual report, a **certificate from a company secretary in practice** be included providing 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 SEBI/MCA or any such statutory authority.

This bears significance particularly in the context of some of the recent ongoing industry issues.

❖ The Committee while defining senior management recommends that the term 'senior management' shall specifically include **Company Secretary**.

I take this opportunity to place on record my appreciation for CS Mahavir Lunawat, Chairman, Financial Services Committee and Council Member, ICSI who represented ICSI on the Committee and CS Banu Dandona, Joint Director, ICSI and her team for providing timely inputs on relevant aspects.

This is for your information please.

Regards,

CS (Dr.) Shyam Agrawal
President
The Institute of Company Secretaries of India