



**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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# SECRETARIAL STANDARDS

- » Strengthening Board Processes
- » Harmonising Board Practices
- » Enhancing Governance



# SECRETARIAL STANDARDS

## » About Secretarial Standards

The Institute of Company Secretaries of India (ICSI) is the first professional institution in the world to constitute a Secretarial Standards Board (SSB) for developing Secretarial Standards.

Secretarial Standards aim at integrating, harmonising and standardising diverse secretarial and governance practices being followed by companies.

## » Role of Secretarial Standards

- Set a unified code of secretarial practices and ethics to be followed by corporates
- Facilitate dispute resolution between various stakeholders
- Provide clarity where the law is silent or ambiguous
- Boost confidence of investor and in particular, the Institutional Investor. Provide assurance to Directors, in particular Independent Directors and to Bankers, Regulators and other stakeholders
- Set higher benchmarks of Ethics and Corporate Governance
- Enhance the quality of reporting

## » Need for Secretarial Standards

- Sometimes law is open to multiple interpretations. The Secretarial Standard in such a case, aims to provide the correct interpretation that would further the objects of the law.
- Secretarial Standards stipulate maintenance of records for a specified time, thereby reducing the chances of disputes and litigation.



- Where the law is silent or ambiguous, Secretarial Standards steps in to fill the gap and clarify.
  - Secretarial Standards mandate appropriate disclosures resulting in transparency and improved governance.
  - Secretarial Standards are thus compliance and governance standards that provide greater assurance to all stakeholders.
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# RELIABILITY

## Strength of Secretarial Standards

### » SS-1: Strengthening Board Processes

Secretarial Standard on Meetings of the Board of Directors (SS-1) is a contemporary governance tool that aids Board processes and creates an effective mechanism to make them robust and reliable.

Statistics show that several litigations are often the result *inter alia* of non-adherence to proper procedures and improper maintenance of records, especially in the case of small, private and closely held companies. SS-1 seeks to address such issues.

SS-1 introduces a reliable mechanism to guide the Directors and Company Secretaries on the processes to be observed for Board Meetings that facilitates effective, efficient and informed decision making.

### » SS-2: Strengthening Shareholder Democracy

Secretarial Standard on General Meetings (SS-2) strengthens the mechanism for convening and conducting general meetings and serves to aid and enhance shareholder democracy.



## » Legal Sanction

Section 118(10) of the Companies Act, 2013 requires every company to observe Secretarial Standards with respect to Board Meetings and General Meetings.

SS-1 and SS-2 issued by ICSI and approved by the Ministry of Corporate Affairs (MCA), Government of India are applicable to all companies effective from 1st July, 2015 (except to One Person Companies where there is only one director and such other class or classes of companies which may be exempted by the MCA). The role of a Company Secretary includes ensuring compliance with the Secretarial Standards and that of a Secretarial Auditor appointed by the company, includes audit of such compliance.

## » Benefits of Secretarial Standards to Various Stakeholders

### ----- Directors -----

The Secretarial Standards provide for comprehensive and timely information to the Directors facilitating informed decision making. This enables the Directors to contribute effectively and efficiently at Board Meetings.

### ----- Shareholders -----

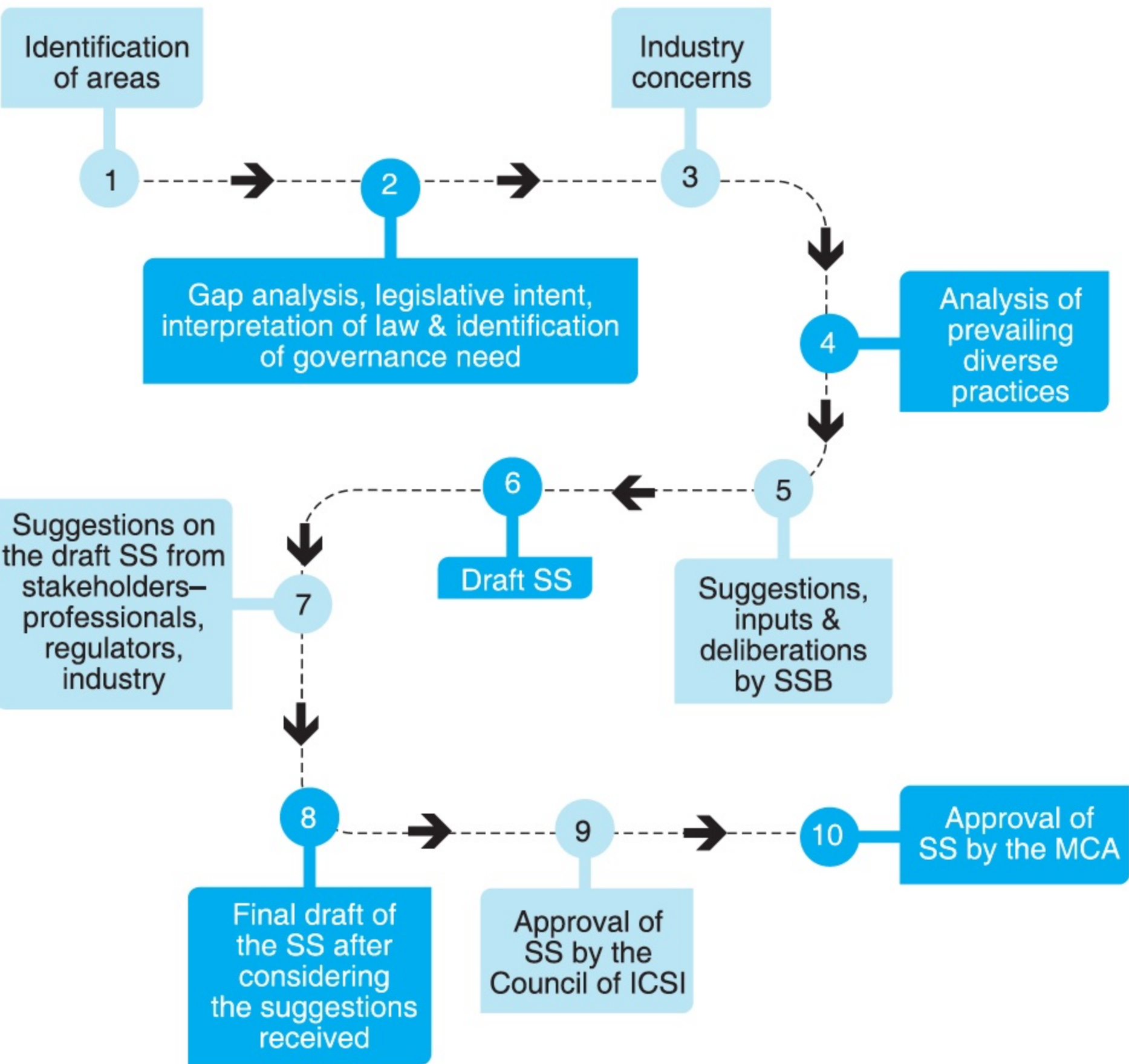
The Secretarial Standards provide for better disclosures and transparency to shareholders and equips them for more healthy interaction with the management of the company.

### ----- Government & Regulators -----

An improved compliance system creates confidence on corporate sector and enables better supervision and monitoring.

# PROVIDING UNPARALLEL QUALITY STANDARDS

## » Formulation Process: Secretarial Standards (SS)



## » Essence of Secretarial Standards





## » Secretarial Standards Board (SSB)

Besides eminent members of the Institute of Company Secretaries of India, SSB comprises representatives of major Industry Associations viz., FICCI, CII, ASSOCHAM and PHD Chamber of Commerce & Industry, representatives of regulatory authorities such as MCA, Securities & Exchange Board of India (SEBI), Reserve Bank of India (RBI), Bombay Stock Exchange (BSE), National Stock Exchange of India Ltd. (NSE) and representatives of other professional bodies viz. the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India.

-----» SSB has representatives from «-----



### ICSI Vision

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

### ICSI Motto

सत्यं वद। धर्मं चर।  
इष्टार्थे तेह त्पार्थे. बोवेहें ह्यु तेह ब्य.

### ICSI Mission

"To develop high calibre professionals facilitating good corporate governance"



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### Headquarters

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003  
tel 011-4534 1000, fax 24626727 email [info@icsi.edu](mailto:info@icsi.edu)

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