



UDAY DIWAS

January, 2017

The day of Statutory Recognition

Venue

Plot No. 11A-35, New Town, Kolkata (Near Amity University)

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ICSI House, 22, Institutional Area, Lodi Road, New Delhi – 110 003

Phone : 011-45341000; E-mail : info@icsi.edu; Website : www.icsi.edu

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ICSI's Glorious 36 Years of Nation Building

ICSI's glorious ongoing journey has reached another milestone on this 'Uday Diwas' on 1st January, 2017. On this day, the Institute completes 36 years of its existence as the proponent of a great legacy of professional excellence through corporate governance and service to the nation. Indeed it's an occasion of pride to us and to cherish and carry forward the professional values and standards set by the torch bearers of the profession. It is our paramount duty and responsibility to preserve this legacy and pass it on to our next generations in a much bigger way.

On 10th December, 1980, the Company Secretaries Act, 1980 was passed (No. 56 of 1980) and the Central Government appointed 1st day of January, 1981 as the date on which the Act came into force vide its Notification No. S.O. 989 (E) published in the Gazette of India Extraordinary dated 27th December, 1980. This day became the first mile stone in the development of the profession of company secretaries in the country.

The Institute today proudly boasts of being the largest body of Company Secretaries in the world with over 47000 members and more than 4lakh students whose needs are being catered to through a Central Council, 4 Regional Councils, 69 Chapters and an overseas centre at Dubai (UAE).

In the last 36 years, the Company Secretaries profession has undergone a paradigm shift, and the phenomenon continues to this day. Today's CS enjoys an exalted position in the corporate and professional order of the country.

From traditional role of merely a clerk, the Company Secretaries have now metamorphosed into governance professional. The role of CS has shifted from backroom to boardroom.

No doubt, the Company Secretaries profession has come a long way but still there are miles to go. There are still many challenges to be met, many frontiers to be conquered and histories to be made. Newer and newer opportunities are emerging in the garb of challenges, particularly in the spheres of 'Companies Act, 2013,' 'Insolvency and Bankruptcy Code', 'Goods and Services Tax', 'Financial Sector Legislative Reforms', 'Integrated Reporting', 'e-Commerce' and 'Competition Law', etc.

The Uday Diwas is not just an occasion for the professionals to rejoice, but also to set standards, 'reinvent' and renew their resolve for self-less and value-added services to the nation. Let's make such a beginning on the occasion of Uday Diwas.

Happy Uday Diwas

About Us



The Institute

The Institute of Company Secretaries of India is a premier national professional body constituted under an Act of Parliament, namely the Company Secretaries Act, 1980 (Act No. 56 of 1980) to regulate and develop the profession of Company Secretaries.

The Institute has on its rolls over 47,000 members including over 8,500 members holding certificate of practice. The number of current students is around 4,00,000.

Our Vision

“To be a global leader in promoting good corporate governance”

Our Mission

“To develop high calibre professionals facilitating good corporate governance”

Objectives and Functions

The Institute

- develops a cadre of highly competent Company Secretaries for ensuring good corporate governance and effective management by registering students with 10+2 and graduate qualifications for Foundation and Executive Programmes of Company Secretaryship Course respectively with course contents in Law, Tax, Management, Accounting and Finance disciplines;
- provides postal/oral/web-based coaching and training enabling students to qualify as Company Secretaries;
- conducts Company Secretaryship Examination twice a year in June and December, in 114 cities spread all over India and an overseas centre at Dubai;
- arranges practical training for Executive/Professional Programme pass Students with Companies/Practising Company Secretaries empanelled with the Institute for the purpose;
- enrolls qualified persons as Associate/ Fellow Members of the Institute and issues Certificate of Practice to members taking up practice;
- conducts Post Membership Qualification Courses for Members of the Institute;
- conducts Certificate Courses for Members and Students of the Institute;
- organises webinars for the Members and the Students on various subjects;
- provides e-library facilities for Members and Students of ICSI;
- publishes widely read and highly acclaimed monthly journal 'Chartered Secretary' disseminating information, expeditiously;
- brings out e-bulletins - 'Student Company Secretary' and 'CS Foundation Course Bulletin' for the benefit of Students;
- circulates CS Updates containing current notifications and circulars relating to various corporate and related laws, daily;
- exercises professional supervision over the Members of the Institute both in practice and in employment on matters pertaining to Professional Ethics and Code of Conduct;
- undertakes research in Law, Management, Finance, Capital Market, Corporate Governance and CSR and brings out research publications;
- formulates Secretarial Standards and brings out Guidance Notes thereon;
- renders expert advisory services to Members on intricate issues relating to various corporate laws;
- organises Professional Development and Continuing Education Programme(s), International/National/ Regional Conventions and Conference(s) directly or through its Regional Councils and Chapters, Chambers of Commerce, Department of Public Enterprises, Sister Professional Institutes and other Professional Development/ Management Bodies;
- interacts with various National and Regional Chambers of Commerce with regard to various Government Policies and Legislations;

- interacts with various international/multilateral bodies/institutions with regard to issues relating to the Corporate Governance, Business Ethics, Sustainability and Corporate Social Responsibility;
- interacts with Government both at Centre and States on various issues concerning the profession;
- undertakes benevolence of members and employees;
- interacts with Members of Corporate Secretaries International Association (CSIA) and Company Secretaries Institutes in other jurisdictions;
- bestows ICSI National Award for Excellence in Corporate Governance to best governed companies;
- has instituted the ICSI CSR Excellence Award;
- bestows ICSI Lifetime Achievement Award to eminent corporate personalities for Translating Excellence in Corporate Governance into Reality;
- conducts Investor Awareness Programmes throughout the country on behalf of the Investor Education & Protection Fund, Ministry of Corporate Affairs;
- undertakes Research Projects on behalf of Government and its agencies / Institutions.

Building Future Professionals to Guide Corporate India

The ICSI conducts the Company Secretaryship examination to bring in high level professionals specialized in corporate laws, management and governance.

Stages of Company Secretaryship Course

The Company Secretaryship Course is conducted in three stages as under:

- *Foundation Programme* : Candidates who have passed Senior Secondary Examination (10+2) are eligible for admission to Foundation Programme.
- *Executive Programme* : Graduates in any stream excluding Fine Arts or candidates who have passed the Foundation Examination are eligible to join Executive Programme.
- *Professional Programme* : A registered student is admitted to the Professional Programme on passing the Executive Examination.

Training

The candidates are also required to complete the following trainings:

- Three years on registration for Executive Programme; or
- Two years after passing the Executive Programme Examination; or
- One year after passing the Professional Programme Examination on whole time basis during working hours; and
- Fifteen days Academic Programme; and
- Fifteen days Management Skills Orientation Programme (MSOP).

The Company Secretaryship course is conducted through distance learning and supplemented by Class Room teaching as well as e-learning. The Institute has also initiated a Full time Integrated Company Secretaryship course at CCGRT.

Associate Membership

After successful completion of examination and training, a candidate is conferred with Associate Membership of the ICSI.

Fellow Membership

A member of the Institute is entitled to get himself enrolled as a fellow, if he is an Associate Member for atleast five years.

Company Secretary – A Lead Governance Professional

A Company Secretary is defined under the Company Secretaries Act, 1980 to mean a person who is a member of ICSI.

Company Secretary in Employment

Section 203 of the Companies Act, 2013 provides that every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have the whole-time key managerial personnel. Further, other companies having a paid up share capital of five crore rupees or more shall have a whole-time Company Secretary.

A Company Secretary in Employment,

- acts as a vital link between the company and its Board of Directors, shareholders and other stakeholders and regulatory authorities
- plays a key role in ensuring that the Board procedures are followed and regularly reviewed
- provides the Board with guidance as to its duties, responsibilities and powers under various laws, rules and regulations
- acts as a compliance officer as well as an in-house legal counsel to advise the Board and the functional departments of the company on various corporate, business, economic and tax laws
- is an important member of the corporate management team and acts as conscience seeker of the company

Company Secretary in Practice

The Company Secretaries Act, 1980 entitles a member of the Institute to practice whether in India or elsewhere only after obtaining from the Council of the Institute a Certificate of Practice. The Certificate of Practice is subject to renewal on annual basis.

Code of Conduct for Members

The members of the ICSI are subject to Code of Conduct provided under the Company Secretaries Act, 1980.

Regulatory Supervision

The Institute maintains strict regulatory supervision over its practising members through issuing Guidelines in accordance with the provisions of Company Secretaries Act, 1980.

- Guidelines for Advertisement by Company Secretary in Practice
- Guidelines for Professional Dress of Company Secretaries

- Guidelines for Compulsory Attendance of Professional Development Programmes by the Members
- Guidelines for Peer Review of Attestation Services by Practising Company Secretaries
- Guidelines for Approval of Proprietorship Concern/Firm's name under Regulation 169 of the Company Secretaries Regulations, 1982
- Guidelines for Requirement of Maintenance of a Register of Attestation/Certification services rendered by Practising Company Secretary/Firm of Practising Company Secretaries.

Disciplinary Control

The Company Secretaries Act, 1980 and the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 made by the Central Government in exercise of powers conferred under of the Company Secretaries Act, 1980 provide elaborate provisions and fast track process for dealing with the complaints of professional or other misconduct filed under the Act.



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

The Council



Mamta Binani
President



Shyam Agrawal (Dr.)
Vice President



**Agarwal Gopal
Krishna**



**Agrawala Santosh
Kumar**



Ahalada Rao V.



Bajaj Rajiv



**Bhatia Amardeep
Singh**



C. Ramasubramaniam

The Council



Chaudhary Vineet K.



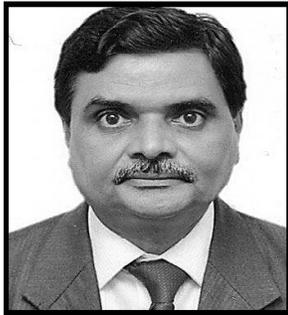
Doshi Ashish C.



Garg Ashish



Hegde Gopalakrishna



Jhalani Vijay Kumar



Lele Makarand M.



Lunawat Mahavir



Mehta Atul H.



Pandey Ranjeet Kumar



Rajesh Sharma



Singh Satwinder

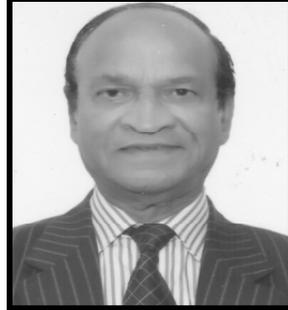


Vyas Yamal Ashwinkumar

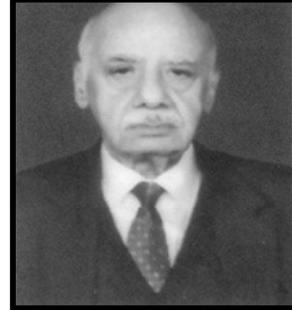
JCSI Presidents (1969 - 2016)



(1969-70)
R. Prasad



(1970-73)
R. Krishnan



(1973-75)
L. R. Puri



(1975-77)
P. A. S. Rao



(1977-79)
Chinubhai R. Shah



(1979-80)
R. Rajagopalan



(1980-81)
P. R. Roy

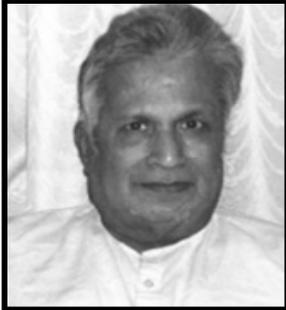


(1981-82)
Dr. P. P. Mistry



(1982-83)
D. B. Saxena

JCSI Presidents (1969 - 2016)



(1983-84)
K. V. Shanbhogue



(1984-85)
Dr. G. B. Rao



(1986)
R. V. Nagarajan



(1987)
R. Ramachandran



(1988)
B. S. Doraiswamy



(1989)
Shyamal Sen



(1990)
D. C. Jain



(1991)
N. J. N. Vazifdar



(1992)
P. T. Rangamani

JCSI Presidents (1969 - 2016)



(1993)
Mahesh Shah



(1994)
Om Prakash Dani



(1995)
U. K. Chaudhary



(1996)
Dr. K. R. Chandratre



(1997)
D. K. Prahlada Rao



(1998)
B. P. Dhanuka



(1999)
Virender Ganda



(2000)
J. Sridhar



(2001)
**Dr. P. V. S. Jagan
Mohan Rao**

JCSI Presidents (1969 - 2016)



(2002)
**Subhrendu
Gangopadhyay**



(2003)
Pavan Kumar Vijay



(2004)
**Mahesh Anant
Athavale**



(2005)
R. Ravi



(2006)
H. M. Choraria



(2007)
Ms. Preeti Malhotra



(2008)
Keyoor Bakshi



(2009)
**Datla Hanumanta
Raju**



(2010)
**Vinayak S.
Khanvalkar**

JCSI Presidents (1969 - 2016)



(2011)
Anil Murarka



(2012)
Nesar Ahmad



(2013)
**S. N.
Ananthasubramanian**



(2014)
R. Sridharan



(2015)
Atul H. Mehta



(2016)
Mamta Binani

Landmarks in ICSI History

1968

- ∞ Incorporation of Institute of Company Secretaries of India as a non-profit company under section 25 of the Companies Act, 1956 by the Government of India to regulate and develop the profession of Company Secretaries and to take over from the Government of India the entire work connected with the Company Secretaries examination and to carry on the same in all its branches.
- ∞ Shri R Prasad ICS, the then Chairman, Company Law Board appointed as the first President in the first Government nominated Council.
- ∞ Provision made in the articles to appoint at least one person to represent the candidates who have been awarded GDSCS.

1969

- ∞ Company Secretaries Regulations, 1969 including criteria for admission to Associate and Fellow membership prescribed.

1970

- ∞ 1st AGM held on 30th March, 1970 and 2nd AGM held on 26th September, 1970.
- ∞ President and one-third of the Council elected at the 2nd AGM.
- ∞ Registered Office shifted to No.1, Rani Jhansi Road, New Delhi.

1971

On 31st July ;

- ∞ Four Regional Councils constituted.
- ∞ First library opened in Headquarters.
- ∞ First issue of Chartered Secretary published as a quarterly journal.

1972

- ∞ Introduction of postal coaching to all registered students and first publication of guideline answers.
- ∞ First National Convention, held and inaugurated by the President of India.
- ∞ Exemption received under Section 10(23A) of the Income Tax Act as a profession.
- ∞ Recognition of membership qualification by Ministry of Education for superior posts.
- ∞ Companies (Amendment) Bill, 1972 including a provision for qualification and appointment of Company Secretaries in companies of particular size introduced.
- ∞ Chartered Secretary became a monthly journal.

1973

- ∞ Consolidation of activities by the Institute and its four Regional Councils.

- ∞ Second National Convention inaugurated by the Vice-President of India.
- ∞ First Chapter formed in Pune, under WIRC and Guidelines framed for Chapters.

1974

- ∞ Approval of Companies (Amendment) Bill by Parliament.
- ∞ Publication of first two booklets on Joint Sector and MRTP Act.
- ∞ Prescription of graduate qualification as entry qualification for Company Secretaryship course.
- ∞ Recognition of membership qualification as valuer under the Wealth Tax Act.

1975

- ∞ Prescription of Companies (Secretary's Qualification) Rules, 1975, specifying membership of ICSI as essential for companies having a paid-up capital of Rs.25 lakh or more.
- ∞ Coordination meetings with ICAI & ICWAI and reciprocal arrangement between ICSI & ICWAI on education, training and professional development.
- ∞ Undertook UNCTAD study.
- ∞ Registered Office shifted to A-1/111, Safdarjang Enclave, New Delhi.
- ∞ Third National Convention at Calcutta inaugurated by Deputy Minister of Law, Justice and Company Affairs.
- ∞ Introduction of oral coaching by Regional Councils.
- ∞ Assistance to Madras University in designing B.A in Corporate Secretaryship Course.
- ∞ Introduction of prize awards to students by Regional Councils.

1976

- ∞ Revision of syllabus.
- ∞ Publication of Code of Conduct for observance by members.
- ∞ Introduction of professional development programmes in collaboration with Administrative Staff College of India, and Bureau of Public Enterprises.
- ∞ Establishment of ICSI Members Benevolent Fund.
- ∞ Fourth National Convention at Bombay inaugurated by Minister of State for Shipping and Transport.
- ∞ Completion of UNCTAD assignment.
- ∞ Provision of 'Chartered Secretary' to students.

1977

- ∞ Introduction of Professional Development Programmes in collaboration with Management Development Institute.
- ∞ Fifth National Convention at Bangalore inaugurated by Supreme Court Judge.

- ∞ Reduction in annual fees for elderly members.
- ∞ Introduction of research projects and submission of memoranda to Sachar and Chokshi Committees.
- ∞ Abolition of proxies in election, provision for election to Council in three years by postal ballot and polling booth and restriction of office to two consecutive terms only to council members.
- ∞ Introduction of schemes for merit scholarship and financial assistance to needy students.

1978

- ∞ Introduction of Professional Development Programme in collaboration with All India Management Association.
- ∞ Amendments to regulations for issue of Certificate of Practice.
- ∞ Sixth National Convention at Goa inaugurated by Minister of Law, Justice and Company Affairs.
- ∞ More publications and research projects by the Institute including introduction of Loose-leaf ready referencers.
- ∞ Introduction of Revised Syllabus and All India Prize Awards for students.
- ∞ First election to Council and Regional Councils on proportional representation basis.
- ∞ Creation of office of Vice-President in addition to President and election of President and Vice-President by the Council instead of by General body introduced.
- ∞ Celebration of Tenth year of incorporation of the Institute.

1979

- ∞ Foundation stone laid for Headquarters building by the President of India.
- ∞ Commencement of issue of Certificate of Practice to members.
- ∞ Recognition of membership qualification under the Income Tax Act and CLB Bench.
- ∞ Introduction of Company Secretaries Bill in Parliament.
- ∞ Seventh National Convention at Hyderabad inaugurated by the Governor of Andhra Pradesh.
- ∞ Participation in the 1st International Congress of Company Secretaries in Hong Kong.
- ∞ Suggestions made on simplification of company forms.
- ∞ Conduct of All India Workshop in Chandigarh for defining the duties and responsibilities of Secretary in a Government Company.

1980

- ∞ Approval of Company Secretaries Bill, 1980, by Parliament.
- ∞ Removal of foreign membership qualification from the Companies (Secretary's Qualification) Rules, 1975.
- ∞ Eighth National Convention at Jaipur inaugurated by the President of Supreme Court Bar.
- ∞ Regional Workshops followed by All India Workshop for Practising Company Secretaries at New Delhi.

- ⌘ Recognition of membership qualification by Association of Indian Universities as equivalent to post graduate degree in Commerce and Venkateswara University for doing Ph.D.

1981

- ⌘ Conversion of the Institute as a statutory body under the Company Secretaries Act, 1980, effective from 1.1.1981.
- ⌘ Inauguration of Institute building, "ICSI House" by the Vice-President of India.
- ⌘ Ninth National Convention at Madras inaugurated by the Governor of Tamil Nadu.
- ⌘ Introduction of prize awards for best articles in 'Chartered Secretary'.

1982

- ⌘ Seven more Universities recognised membership qualification for doing Ph.D.
- ⌘ Recognition by All India Financial Institutions.
- ⌘ Introduction of Professional development programmes in collaboration with the ICAI, ICWAI and the Indian Council of Arbitration.
- ⌘ Recognition of membership qualification for all grades of appointment to Central Company Law Service and for certificates under the Import and Export Policy Regulations, Central Excise and Salt Act, Customs Act, Gold (Control) Act and by many State Financial Institutions.
- ⌘ Tenth National convention at Bombay inaugurated by the Governor of Maharashtra.
- ⌘ Memorandum of Secretarial Audit Report by a Task Force.
- ⌘ Prescription of Company Secretaries Regulations, 1982.
- ⌘ Conduct of first election to the Council and four Regional Councils as a statutory body.
- ⌘ Publication of first list of Members under the Act.

1983

- ⌘ Participation in 2nd International Congress in Sydney, Australia, 1983.
- ⌘ Eleventh National Convention at Delhi inaugurated by the Minister for Law, Justice and Company Affairs.
- ⌘ Recognition by Indian Banks Association and more Universities.
- ⌘ Issue of Guidance Notes for Practising Company Secretaries. Recognition of certification by more State Financial Institutions.

1984

- ⌘ Opening of foreign examination Centre in Bahrain.
- ⌘ Introduction of Hindi as optional medium of examination in stages.
- ⌘ Twelfth National Convention of Company Secretaries at Calcutta, inaugurated by the Governor of West Bengal.
- ⌘ Publication of more guidance notes and checklists under the Companies Act, MRTP Act, and Capital Issues (Control) Act.

- ∞ Introduction of 'Student Company Secretary' as a monthly publication.
- ∞ Introduction of practical training in Stock Exchanges and Financial Institutions for students.
- ∞ Programmes in collaboration with State Governments for top executives of State Government Undertakings in North-Eastern Council, Rajasthan, Karnataka, Gujarat, Jammu & Kashmir and Kerala.
- ∞ Empanelment of company secretaries for foreign assignments.
- ∞ Introduction of Best Chapter Awards.

1985

- ∞ Silver Jubilee Year for the professional examination in India.
- ∞ Thirteenth National Convention at Trivendrum inaugurated by the Minister of State for Industry and Company Affairs.
- ∞ Indian delegation participated in the 3rd International Congress in London.
- ∞ Consolidation of foreign examination Centre in Dubai.
- ∞ Monograph on duties and responsibilities of secretaries in government companies.
- ∞ Recognition of Institute as a public institution of national importance under the Income Tax Act.
- ∞ Introduction of lectures on video tapes to students.
- ∞ Examination of scope of computerisation of company law for providing updated on-line information.
- ∞ Amendments to regulations providing for election committee to supervise elections.
- ∞ Foundation stone for NIRC building in Delhi laid by Minister for Industry.

1986

- ∞ Introduction of New Syllabus from 1.2.1986.
- ∞ Recognition of Certification by Company Secretary by RBI and more State Financial and Industrial Development Corporations.
- ∞ Setting up of a Training Directorate to monitor practical training requirements; publication of Training Guidelines and introduction of Secretarial Modular Training Programme for all Final passed candidates.
- ∞ Institution of best student awards in certain Universities by the Institute for attracting talented students to the profession.
- ∞ Fourteenth National Convention in Goa inaugurated by the Chief Minister of Goa.
- ∞ Office premises for SIRC and Dombivli Chapter acquired. Council announces Library policy for providing library facilities to all registered students within five years.
- ∞ Alagappa University introduced Master's Degree in Corporate Secretaryship. Many universities and colleges evincing interest to introduce graduate and post-graduate course in corporate secretaryship stream at the instance of the Institute.

1987

- ⌘ Fifteenth National Convention at Delhi inaugurated by Minister of Industry.
- ⌘ Companies (Amendment) Bill, 1987 introduced providing a core area of practice to company secretaries and defining secretary in whole-time practice.
- ⌘ Effective liaison undertaken to have fruitful interaction with All Chambers of Commerce and Stock Exchanges.
- ⌘ Ahmedabad, Bangalore and Hyderabad Chapters acquired office premises.
- ⌘ National Seminar on Companies (Amendment) Bill, 1987 held in Delhi commemorating 40th Anniversary of India's Independence.

1988

- ⌘ Companies (Amendment) Act, 1988 recognises company secretary in whole-time practice and provides for certification of compliances for incorporation of a company, commencement of business and fulfilling of requirements of Schedule XIII pertaining to managerial appointment and remuneration by company secretary in whole-time practice. Also provides an exclusive area of practice for signing of Annual Returns of listed companies.
- ⌘ Sixteenth National Convention held at Calcutta on: "Company Law—Emerging Trends" dedicated to 40th Anniversary of India's Independence. Publication titled "Company Secretary—His Status, Rights and Responsibilities" released.
- ⌘ Inauguration of newly acquired premises for Bangalore and Hyderabad Chapters.
- ⌘ Changes introduced in Election Regulations providing for preferential system of voting by single transferable vote mainly in polling booths, voting of Council Members of each region by members of the region and canvassing by circulation of one letter as per Council guidelines.
- ⌘ Independence Special Issue of Chartered Secretary released by Sam Pitroda on 1st August 1988.
- ⌘ 50th Council meeting held on 31st December 1988 commemorated as Golden Jubilee meeting.
- ⌘ October 1988 issue of 'Chartered Secretary' highlights twenty years of Institute from 1968.
- ⌘ Participated in International Conference of Company Secretaries organised by Malaysian and Singapore Association of Chartered Secretaries Institute at Kuala Lumpur.
- ⌘ Elections held for third elected Council and Regional Councils.

1989

- ⌘ Special All India annual prize award instituted to commemorate centenary celebration of Pt. Jawaharlal Nehru's birthday.
- ⌘ British Oxygen Group secretaries from various countries visited Headquarters for interaction with Council.
- ⌘ Seventeenth National Convention held at Bangalore.

1990

- ⌘ Eighteenth National Convention held at Bombay inaugurated by Ex-Chief Justice of India.

- ⌘ Constitution of Expert Advisory Group on Company Law.
- ⌘ Introduction of Secretarial Audit for assisted companies by Manipur and Assam Industrial Development Corporations.
- ⌘ Headquarter library strengthened with CCH Australia donation of case law books from few countries.
- ⌘ Memorandum of Understanding on professional exchange of views entered into with Institute of Corporate Secretaries of Pakistan.
- ⌘ President and Secretary participated in meeting of Asian Pacific Forum of six Asian countries and visited Malaysian Association and Singapore Association.
- ⌘ Investors Education Series, and Books on "Private Limited Companies – Dos and Don'ts" and Secretarial Standards on Toning up of The efficiency of the Secretarial and Share Department of companies in regard to transfer and transmission of securities were brought out.
- ⌘ Recognition to Company Secretaries under Import and Export Policy to certify the statements of Exports.
- ⌘ Visit of Pakistan Institute Vice-President and Chief Executive of Australian Body to ICSI Headquarters.

1991

- ⌘ Government initiated liberalisation measures which give a different thrust to the professional development.
- ⌘ Introduction of Secretarial Audit by Arunachal Pradesh Industrial Development Corporation and Gujarat Industrial Investment Corporation for assisted companies.
- ⌘ Recognition for doing Ph.D from Alagappa University given to company secretaries.
- ⌘ Monetary incentives by CGAG for their employees pursuing company secretaryship course.
- ⌘ Nineteenth National Convention held at Delhi.
- ⌘ Recognition of company secretary in practice for pre-certification of all documents to be filed with ROC.
- ⌘ Seven more banks maintain panels of practising company secretaries for certification of documents relating to charges.
- ⌘ Perspective plan for ten years published.
- ⌘ Jaipur Chapter office premises constructed and inaugurated by Union Minister of Communications.

1992

- ⌘ Recognition obtained for issuing certificates under FERA from RBI.
- ⌘ Participation in conference organised by Sri Lanka Association of Chartered Secretaries.
- ⌘ Twentieth National Convention and First International Conference held in Calcutta.
- ⌘ MOU entered for professional co-operation among Pakistan, Sri Lanka and India.

- ⌘ Representation to ICSI in Primary Market Committee of SEBI.
- ⌘ Silver Jubilee year celebrations for Institute's existence as section 25 company commenced on 4th October 1992 with special cancellation of postal covers, honouring of all Past Presidents and instrumental music on Mandolin by U. Srinivas G Party, inaugurated by Minister of State for Industry.
- ⌘ Release of silver coin with Institute emblem.
- ⌘ Goa, Pune and Ghaziabad Chapter office premises inaugurated.
- ⌘ Recognition of the profession under Section 44AA of the Income Tax Act.

1993

- ⌘ Companies Bill, 1993 to replace Companies Act, 1956 introduced providing secretarial compliance certificate for companies which are not required to appoint whole-time secretaries.
- ⌘ Seminar on Companies Bill, 1993 inaugurated by Minister of State for Law, Justice and Company Affairs.
- ⌘ Participation in MAICSA International Conference by President and Officiating Secretary at Kuala Lumpur.
- ⌘ Recognition of ICSI as a Research Institution under Section 35 of the Income Tax Act.
- ⌘ Recognition for doing Ph.D from Manonmanium Sundaranar University of Thirunelveli.
- ⌘ Foundation Course introduced replacing Preliminary examination for all 12th standard pass students and syllabus for Intermediate and Final examination rationalised and amended.
- ⌘ 21st National Convention and 2nd International Conference held at Madras.

1994

- ⌘ 22nd National Convention of Company Secretaries held at Goa.
- ⌘ Prof. Stephen Bristow, International President and M J Ainsworth, International Chief Executive of the Institute of Chartered Secretaries and Administrators, London visited the Institute's Headquarters and had discussions on areas of mutual co-operation and interaction.
- ⌘ The Institute's proposal to introduce Post Membership qualification course in Capital Markets and Financial Services approved by the Government.
- ⌘ Kakatiya University, Warangal, Andhra Pradesh, Kuvempu University, Shimoga District, Karnataka, North Maharashtra University, Jalgaon, Maharashtra, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad, Maharashtra, Rani Durgawati, Vishwavidhyalaya, Jabalpur, Madhya Pradesh, Karnataka University, Dharwad, Karnataka recognized the CS course equivalent to Post Graduate Degree for doing Ph.D.

1995

- ⌘ A Memorandum of understanding signed with the Institute of Chartered Secretaries and Administrators, London at Jaipur to identify the areas of mutual interest and co-operation.
- ⌘ David Durham, Chief Executive of Companies House, London and David Walke, Asstt. Registrar of Companies for England and Wales visited the office of the Institute and had extensive

discussions with the secretary and senior officers of the Institute on the functioning of the Registrar's Office in the UK.

- ☞ 23rd National Convention of Company secretaries was held at Jaipur and inaugurated by Union Minister for Environment & Forest.
- ☞ The Bhoomi Pooja for Research Centre at New Bombay (CCRT) held on 16th April, 1995.

1996

- ☞ The 24th National Convention of Company Secretaries held at Calcutta.
- ☞ A delegation from the Institute met the Hon'ble Finance Minister Mr. P. Chidambaram to apprise him of the areas where the services of Company Secretaries could be effectively utilised by the Corporate Sector and others.
- ☞ The Building construction work of the CCRT, Mumbai completed and Vastu Puja performed in December 1996.
- ☞ The Council of the Institute laid down the guidelines for constitution of the Satellite Chapters and accordingly set up 19 Satellite Chapters.
- ☞ The President of the Institute nominated by the Government on the Working Group for the Companies Act.
- ☞ The Perspective Planning Group constituted by the Council of the Institute.

1997

- ☞ The Companies Bill, 1997 introduced in Rajya Sabha.
- ☞ The Silver Jubilee National Convention and 3rd National Conference of Company Secretaries on the theme "Corporate Governance – Global Perspective" organised at Hyderabad.
- ☞ A delegation of the Institute met Hon'ble Minister of State for Finance, Chairman SEBI, IDBI & National Stock Exchange and apprised them about the services being rendered by the Company Secretaries and also changes suggested by the Institute in the Working Draft of the Companies Bill.
- ☞ The SEBI issued directives to all stock exchanges to amend the listing agreement *inter-alia* to provide for insistence by the company that Registrar and Share Transfer Agents produce a certificate from a CS in practice that all transfers have been completed within the stipulated time.
- ☞ A MOU with National Law School of India University, Bangalore signed which provides for holding joint programmes, undertaking joint Research Projects etc. The University also recognizes CS qualification for the purpose of doing Ph.D
- ☞ The ICSA, UK Division agrees in principle to recognize the holders of ICSI qualification for exemption from all but 3 of ICSA qualification scheme papers.
- ☞ The Institute prepared and submitted to SEBI draft of model Bye-laws for stock exchanges.

1998

- ☞ 26th National Convention of Company Secretaries held at Pune which was attended by an all time high number of participants.

- ⌘ Union Minister of Law, Justice and Company Affairs visits and addresses to the Council of the Institute.
- ⌘ Golden Jubilee Celebration of India's Commemoration Lecture on "Corporate Vision-21st Century" organised. The lecture was delivered by Hon'ble Mr. Justice M N Venkatachaliah, Chairperson National Human Rights Commission and former Chief Justice of India.
- ⌘ Signing of a MOU between ICSA, UK and ICSI providing agreement for mutual exemptions in certain papers.
- ⌘ The Company Secretaryship qualification recognized by Sambalpur University for registration for Ph.D.
- ⌘ ICSI Website launched.
- ⌘ First National Conference of Students of Company Secretaries Course held at Hyderabad.

1999

- ⌘ Introduction of the Companies (Second Amendment) Bill, 1999 in the Lok Sabha.
- ⌘ The Securities Laws (Second Amendment) Act, 1999 authorises Company Secretaries in Practice to appear before Securities Appellate Tribunal under the SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956 and the Depositories Act, 1996.
- ⌘ NSDL and CDSL allow Company Secretary in Practice to conduct internal audit of operations of participants relating to the depository operations.
- ⌘ The ICSI-CCRT Centre for Corporate Research and Training at Navi Mumbai inaugurated and dedicated to the Nation by Hon'ble Dr. Justice A S Anand, Chief Justice of India.
- ⌘ The 27th National Convention and 4th International Conference organised at Vigyan Bhavan, New Delhi.
- ⌘ First National Conference of Company Secretaries in Practice organised at Hyderabad.
- ⌘ Construction of ICSI's New building at NOIDA completed.

2000

- ⌘ The Companies (Amendment) Act, 2000, enacted, ushering in a new era of good Corporate Governance, Investor Protection and Shareholder Democracy.
- ⌘ The Insertion of proviso to Sub-section (1) of Section 383A of the Companies Act, 1956 opens up a core area of practice for Company Secretaries.
- ⌘ Presentation by the Institute about the role of Company Secretaries in Corporate Governance at the Workshop organised by the Department of Company Affairs for interaction with the visiting team of Commonwealth Secretariat.
- ⌘ Memorandum of understanding between the three premier Professional Bodies in India i.e. ICSI, ICAI & ICWAI signed by the Presidents of the three Institutes to establish synergistic relationship between the three Institutes with a view to further strengthening their collective competencies and help to promote the image of their respective professions.
- ⌘ Constitution of Secretarial Standards Board to formulate Secretarial Standards and also integrate, harmonize and standardize the prevalent diverse secretarial practices.

- ⌘ 28th National Convention and 5th International Conference organised at Kolkata on the theme "Second Generation Reforms and Beyond – An International Perspective".
- ⌘ Purchase of ICSI-EIRC Building at Kolkata.

2001

- ⌘ The Central Government notified the Companies (Compliance Certificate) Rules, 2001.
- ⌘ Comprehensive Guidance Note on the Compliance Certificate brought out by the Institute released by Hon'ble Union Minister of Law, Justice & Company Affairs.
- ⌘ Massive task of recasting syllabus undertaken.
- ⌘ Implementation of New Syllabus from September 1.
- ⌘ Signing of a Memorandum of Understanding with Zee Interactive Learning Systems Ltd., with a view to making Company Secretaries IT Savvy and to impart computer education to students and members of the ICSI.
- ⌘ Central Vigilance Commissioner delivered the Foundation Day lecture on "Leveraging Information Technology for Corporate Excellence".
- ⌘ Keeping with its commitment to benchmark good Corporate Governance practices, instituted "The ICSI National Award for Excellence in Corporate Governance" to be bestowed annually on a company adjudged by the Jury as front runner in adhering to the Corporate Governance norms in true letter and spirit. ICSI Life Time Achievement Award was also instituted to be conferred on one of the eminent corporate personalities for translating excellence in corporate governance into reality. Awards were also distributed to the Company Secretaries of Awardee Companies.
- ⌘ 29th National Convention on the theme "Developments in Corporate and Cyberlaws — International Perspective" at Bangalore.
- ⌘ Issuance of the Secretarial Standard on "Meetings of the Board of Directors" (SS-1)
- ⌘ Organisation of First ICSI National Award for Excellence in Corporate Governance function at Vigyan Bhawan, New Delhi. His Excellency Late Shri Krishan Kant, Former Vice President of India and Chief Guest of the function presented the Awards to the winners and delivered the key note address.

2002

- ⌘ Passing of Companies (Amendment) Bill 2002, Companies (Second Amendment) Bill 2002 and Competition Bill, 2002 by both Houses of Parliament, expanding employment and practice opportunities for Company Secretaries.
- ⌘ Naresh Chandra Committee on Company Audit and Corporate Governance recommends provision for system of "pre-certification" and power to Central Government to direct 'Compliance Audit' by Company Secretaries.
- ⌘ Issuance of the Secretarial Standard on 'General Meetings' (SS-2).
- ⌘ Issuance of 'Guidance Note on Meetings of the Board of Directors', 'Guidance Note on General Meetings' and 'Guidance Note on Passing of Resolutions by Postal Ballot'.
- ⌘ 34th Foundation Day lecture on the theme "Corporate Citizenship – Vision for the Future" delivered by Shri Vinod Dhall, IAS, Secretary, Department of Company Affairs.

- ⌘ 30th National Convention of Company Secretaries on the theme "Repositioning the Profession in the Changing International Business Environment" at Ahmedabad.
- ⌘ Visit of Mr. John Ainsworth, Chief Executive, and Ms. Alison Ainsworth, Director, Professional Education, The Institute of Chartered Secretaries and Administrators, (ICSA), London to ICSI Headquarters, New Delhi.
- ⌘ Organisation of 2nd ICSI National Award for Excellence in Corporate Governance function at Vigyan Bhawan, New Delhi. His excellency Shri Bhairon Singh Shekhawat, Hon'ble Vice President of India and Chief Guest of the function presented the Awards to the winners and delivered the key note address.
- ⌘ Recognition of Company Secretaries Qualification for doing Ph.D from Bhavnagar University, Gujarat and M.Phil from the University of Kashmir.

2003

- ⌘ Adoption of Vision Statement and Mission Statement by the Institute.
- ⌘ Recognition to Company Secretaries in Practice to issue certificate regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.
- ⌘ Initiating of the process of introducing PMQ Course in Corporate Governance.
- ⌘ Issuance of the Secretarial Standard on Dividend (SS-3).
- ⌘ Issuance of Guidance Note on Dividend; Compliance Certificate; Certification under Investor Education and Protection Fund Rules; Code of Conduct for Company Secretaries.
- ⌘ Handbook on Internal Audit of Depository Participants (with Extensive Checklist).
- ⌘ Publication of Segmentwise Role of Company Secretaries.
- ⌘ 31st National Convention of Company Secretaries on the theme Corporate Excellence and Professional Accountability at Agra.
- ⌘ 35th Foundation Day Lecture by Shri Jagmohan, Hon'ble Union Minister of Tourism and Culture on the theme "Excellence through Good Governance".
- ⌘ Recognition of Company Secretary Qualification for doing Ph.D from Dayalbagh Educational Institute (Deemed University) Agra, U.P.; Punjabi University, Patiala, Punjab and TM Bhagalpur University, Bihar.
- ⌘ AICTE recognised the Company Secretary qualification for the purpose of recruitment as Director/ Professor/Reader in AICTE approved institutions.
- ⌘ MOU with NISIET, Hyderabad to collaborate in the areas of training, research and information services for the professional development of working executives, academicians and students aspiring to be trained in the field of corporate laws, corporate governance, and statutory compliances by small scale enterprises.
- ⌘ Setting up of Investor Clinics, Professional Help Centres and appointment of Counsellors.
- ⌘ Organised 3rd "ICSI National Award for Excellence in Corporate Governance" function at Vigyan Bhawan, New Delhi. Shri L.K. Advani, the then Deputy Prime Minister and Chief Guest to the function presented Awards to the winners and delivered the key note address.

2004

- ⌘ SEBI issued revised Clause 49 of the listing agreement on October 29, 2004 authorising Company Secretaries in practice to issue certificate of compliance of conditions of Corporate Governance.
- ⌘ MOU with NALSAR University of Law, Hyderabad to collaborate in the area of holding workshops, educational programmes; undertaking joint research projects and holding joint conferences; exchange of faculties and recognising membership of the Institute as equivalent to Masters Degree for the purposes of pursuing Ph.D. in business law and corporate laws in NALSAR University.
- ⌘ Issuance of Guidance Note on Board's Report.
- ⌘ Publication of books on : Mergers, Amalgamations and Takeovers — Law & Practice (Revised edition); Segmentwise Role of Company Secretaries. Are You a Director; Doing Business in Thailand; Referencer on Propounding Areas of Practice on CD ROM; Chartered Secretary on CD ROM (updated version).
- ⌘ Recognition of Company Secretary Qualification for doing Ph.D. from Bharathiar University, Coimbatore; NALSAR University of Law, Hyderabad; Banaras Hindu University, Varanasi; University of Madras, Chennai; Jiwaji University, Gwalior and Annamali University, Annamalai Nagar, Chidambaram, Tamil Nadu.
- ⌘ 32nd National Convention of Company Secretaries on the theme Building Strategies for Future — A Professional's Approach at Mumbai.
- ⌘ 36th Foundation Day Lecture by Shri H R Bhardwaj, Hon'ble Minister of Law and Justice on the theme— Reforms in Indian Judicial System.
- ⌘ 6th National Conference of Practising Company Secretaries held at Kolkata on the theme Profession of Company Secretaries in Practice— Managing Excellence in Competitive Environment.
- ⌘ Organised the 4th ICSI National Award for Excellence in Corporate Governance at Vigyan Bhawan, New Delhi. Shri Prem Chand Gupta, Minister of Company Affairs, presented the Awards to winners.

2005

- ⌘ Company Secretaries (Amendment) Bill, 2005 passed by the Parliament.
- ⌘ Dr. J.J. Irani Committee on New Company Law submitted its Report.
- ⌘ Concept paper on Limited Liability Partnership Law released by the Ministry of Company Affairs.
- ⌘ Clause 49 of Listing Agreement authorising Company Secretaries in practice to issue Certificate of compliance of conditions of Corporate Governance.
- ⌘ Institute recognised under Investor Education and Protection fund.
- ⌘ International Federation of Company Secretaries approved by the Government.
- ⌘ Secretarial Standard on Registers and Records (SS-4) issued by the Institute.
- ⌘ Guidance Note on Corporate Governance Certificate issued by the Institute.
- ⌘ International Conference on India - Singapore : Forging Strategic Alliances and Building Successful Partnerships, organised jointly with SAICSA at Singapore.

- ∞ New Satellite Chapters opened at Kolhapur, Alwar and Srinagar.
- ∞ 33rd National Convention organised at Chennai.
- ∞ 7th National Conference of Practising Company Secretaries organised at Mount Abu.
- ∞ Foundation day and Silver Jubilee of Institute's Recognition as statutory body, celebrated.

2006

- ∞ Company Secretaries (Amendment) Act, 2006
- ∞ Launch of MCA-21 – e-governance project and recognition to PCS for pre-certification of certain e-forms
- ∞ Authorisation of Company Secretaries in Practice by NSE to issue Certifications regarding Compliances by Trading Members at par with Chartered Accountants
- ∞ Authorisation of Company Secretaries in Practice by BSE to issue Net Worth Certificate to its trading Members
- ∞ Qualified Practising Company Secretaries recognized by NSDL for Conducting Concurrent Audit of its participants
- ∞ Organisation of 34th National Convention on the theme "Reshaping the Profession-Creating New Niches" held at Kolkata
- ∞ Release of three New Publications titled Delisting of Securities Handbook on Arbitration and Alternate Dispute Resolution and Doing Business in Singapore on CD Rom
- ∞ Release of 4th edition of Chartered secretary on CD ROM
- ∞ Launch of PMQ Course in "Corporate Governance"
- ∞ National Award for Excellence in Corporate Governance, 2005 presented by Shri Prem Chand Gupta, Hon'ble Minister of Company Affairs
- ∞ Foundation Day Lecture by Mr. Wajahat Habibullah, Chief Information Commissioner, Central Information Commission on Promoting Professionalism through Right to Information Act.
- ∞ International Federation of Company Secretaries – Third meeting held in Bangladesh.
- ∞ Recognition of Company Secretary's qualification for doing Ph.D. by Osmania University, Hyderabad and University of Bikaner, Bikaner.
- ∞ International Conference on Exploiting Potential in Emerging Economies of the WTO : Forging Strategies Alliances and Building Strategic Partnerships organised jointly by the ICSI and ICPSK at Kenya.
- ∞ Thirty three Investor Awareness Programmes organised under the aegis of IEPF, Ministry of Company Affairs
- ∞ Chain National Workshops on Legal Compliance Management, organised jointly with Confederation of Indian Industries.
- ∞ Organization of 3rd Meeting of IFCS.
- ∞ Participation in 6 days Training Programme for CS at Kathmandu, Nepal.

- ∞ Approval of International Standards as a topic for conducting joint research at ICSI-CCRT, Navi Mumbai.
- ∞ Acceptance of Research Project on "Guidelines for Compliance under Competition Act 2002."

2007

- ∞ Launching of Web based e-learning Module for CS Foundation Programme
- ∞ Implementation of New Syllabus for Company Secretaryship Course and change of nomenclature for different stages - from Foundation Course, Intermediate Course and Final Course to Foundation Programme, Executive Programme and Professional Programme respectively.
- ∞ MOU with Symbiosis International University for Training in Soft Skills to CS students.
- ∞ MOU with BSE Training Institute.
- ∞ Issuance of Secretarial Standard on Minutes (SS-5) and Secretarial Standard on Transmission (SS-6).
- ∞ Submission of Draft Research Project Report on "Guidelines on Compliance on Competition Law" to Competition Commission of India.
- ∞ 4th Meeting of IFCS at Mombassa, Kenya on 7th August 2007.
- ∞ Recognition of CS Qualification as equivalent to Post Graduate Degree in Commerce and Management for pursuing Ph.D. by Madurai Kamraj University.
- ∞ Recognition of CS Qualification as eligible qualification to pursue Ph.D by Devi Ahilya University, Indore
- ∞ Members allowed to prefix their respective names with "CS".
- ∞ Approval of a new training template for SMTP
- ∞ Release of Guidance Note on Corporate Governance Certificate (Revised edition).
- ∞ Release of a Book on "Prohibition of Insider Trading- Law and Procedure".
- ∞ Release of Practitioner's Guide to Consumer Protection Law
- ∞ Release of Chartered Secretary on CD ROM.
- ∞ Organisation of 35th National Convention of Company Secretaries on the theme "Excellence through Business Value Addition" at Jaipur.
- ∞ Organisation of National Seminar on Corporate Compliance Management sponsored with NFCG.
- ∞ Foundation Day Lecture on the theme "Excellence through Strategic Turnaround" by Shri Lalu Prasad Yadav, Hon'ble Union Minister of Railways.
- ∞ Organisation of ICSI-INSOL joint programmes at Mumbai & New Delhi.

2008

- ∞ Implementation of New Syllabus for CS Executive/Professional Programme.
- ∞ Implementation of Report of the Core Group on Strengthening of Regional Councils and Chapters.

- ∞ Setting up of Expert Group for formulating ICSI Vision Plan – 2020.
- ∞ Implementation of Enterprise Resource Planning System in the Institute.
- ∞ Introduction of 24-Hour Helpline for students.
- ∞ Guidelines for advertisement by Company Secretary in practice.
- ∞ Guidelines for issuing compliance certificate and annual returns by Company Secretary in practice.
- ∞ MoU with Capital Markets and Corporate Governance Institute (CMCGI) of the Capital Market Development Authority, Maldives.
- ∞ MoU with IGNOU to introduce specialised B.Com with Major in Corporate Affairs and Administration and M.Com in Business Policy and Corporate Governance courses, exclusively for members and students of the Institute.
- ∞ MoU with Associated Chambers of Commerce and Industry (ASSOCHAM), New Delhi, Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Hyderabad, Merchants Chamber of Commerce, Kolkata, Bangalore Chamber of Industry and Commerce (BCIC), Bangalore, Pitampur Adhyogik Sangthan (PAS), Indore, Indian Institute of Banking and Finance, Mumbai and Urla Industries Association (UIA), Raipur (Chhattisgarh).
- ∞ Completion of a research study on Guidelines on Compliance of Competition Law by Enterprises awarded by the Competition Commission of India.
- ∞ Completion of Compliance Manual for NSE.
- ∞ SEBI authorised Practising Company Secretaries to carry out complete internal audit of stock brokers/trading members/clearing members on a half-yearly basis.
- ∞ RBI authorised Practising Company Secretaries to issue diligence reports to all scheduled commercial banks in respect of companies assisted by banks through consortium/multiple banking arrangement.
- ∞ Introduction of Limited Liability Partnership Bill, 2008.
- ∞ Introduction of Companies Bill, 2008.
- ∞ One hundred Eleven Investor Awareness Programmes organised under IEPF.
- ∞ ICSI Symposium on Vision India 2020 inaugurated by Dr. A P J Abdul Kalam, Former President of India.
- ∞ 36th National Convention of Company Secretaries on the theme of "Achieving Excellence through Innovation" at Goa.
- ∞ 9th National Conference of Practising Company Secretary on the Theme: "Be the Change You Want to Become", at Bhuvanewar".
- ∞ Organisation of Executive Development Programme in collaboration with the Department of Public Enterprises.
- ∞ Chain programmes on Due Diligence and Compliance Management.
- ∞ Recognition of CS qualification by Mahatma Gandhi University, Kotayam as equivalent to Post Graduate degree for pursuing Ph.D. in commerce.

- ⌘ Recognition to Company Secretaries as Key Managerial Personnel along with CEO and CFO in Companies Bill, 2008
- ⌘ 5th Meeting of IFCS at Panaji, Goa on 5th November, 2008
- ⌘ Organisation of ICSI National Award for Excellence in Corporate Governance, 2008 on 20th December 2008.
- ⌘ Setting up of ICSI Students Education Fund Trust to extend financial assistance to economically backward students with good academic record.
- ⌘ Organisation of International Conference on International Economics and Corporate Governance in Emerging Economies at Hong Kong on May 12, 2008.
- ⌘ Constitution of Indo-UK Task Force on Corporate Governance by the Ministry of Corporate Affairs.
- ⌘ Issuance of three new Secretarial Standards namely Passing of Resolutions by Circulation (SS-7), Affixing of Common Seal (SS-8) and Forfeiture of Share (SS-9).
- ⌘ Inclusion of Company Secretaries qualification as eligible criteria by the Financial Planning Standards Board, India to pursue its Certified Financial Planner Programme.
- ⌘ Institute co-partnered with Global Corporate Governance Forum in organising Corporate Governance Board Leadership programme on November 12, 2008 at New Delhi.
- ⌘ Institute's participation in Asian Roundtable on Corporate Governance organised by OECD in Hong Kong.

2009

- ⌘ MOU with the National Stock Exchange of India (NSE).
- ⌘ Enhancement of the limit of paid-up share capital from Rs. 2 Crores to Rs. 5 crores by the Central Government for compulsory appointment of whole-time company secretary w.e.f. March 15, 2009.
- ⌘ Release of Guidance Note on Diligence Report for Banks on 8th April 2009.
- ⌘ Organisation of International Conference jointly with Cass Business School, City University, London UK on the Theme "Global Economic Recession and Corporate Governance– Role of Governance Professionals" on 23 June 2008.
- ⌘ 10th National Conference of Practising Company Secretaries on the Theme "Profession of Company Secretaries – Surging Ahead" on July 31, 2009 at Pune.
- ⌘ Webinar on 'International Financial Reporting System (IFRS): An Overview and Opportunities' on August 22, 2009, through Reliance Webworld at 83 locations all over the country.
- ⌘ Issuance of Secretarial Standard on Board's Report (SS-10).
- ⌘ 37th National Convention of Company Secretaries on the theme "Lead Corporate India – Role of Company Secretary" on November 5-7, 2009 at Hyderabad.

2010

- ⌘ Corporate Secretaries International Association (CSIA) has been formed on March 22, 2010 at Paris with Chartered Secretaries Australia Ltd., The Hong Kong Institute of Chartered Secretaries,

The Institute of Company Secretaries of India, The Malaysian Institute of Chartered Secretaries and Administrators, The Singapore Association of the Institute of Chartered Secretaries and Administrators, Southern African Institute of Chartered Secretaries & Administrators, The Institute of Chartered Secretaries and Administrators, UK, Institute of Chartered Secretaries & Administrators in Zimbabwe, as its founder members. Institute of Chartered Secretaries and Administrators in Canada, Chartered Secretaries New Zealand Inc. and Society of Corporate Secretaries and Governance Professionals, Inc., USA joined the CSIA as affiliate members.

- ☞ 11th National Conference of Practising Company Secretaries on the theme "Spread Wings To Reach New Horizons" held on April 30-May 1, 2010 at Chandigarh.
- ☞ 38th National Convention of Company Secretaries on the theme "India Inc. and Inclusive Growth" held on September 2-4, 2010 at Kolkata.
- ☞ International Conference on the theme Planet, People and Profit: The New International Paradigm for Corporates Sustainability was held on May 27, 2010 at Zurich jointly with National foundation for Corporate Governance (NFCG).
- ☞ Roadshow on Compliance Certificate on IPO/FPO held at Mumbai on April, 2010.
- ☞ Institute participated in the meeting of Forum on Asian Insolvency Reforms organised by the Ministry of Corporate Affairs and Indian Institute of Corporate Affairs, on the theme Achieving Effective and Efficient Insolvency Regimes for Small and Medium Enterprises held in April, 2010 at New Delhi.
- ☞ The Institute organised Power Breakfast on Effective Boards for the Chairpersons and CEOs, Company Secretaries and Senior Management team of Indian companies on July 27, 2010 at New Delhi.
- ☞ Signed Memorandum of Understanding with MCX-Stock Exchange Ltd., Mumbai.
- ☞ Signed an MOU with Central Board of Excise and Customs (CBEC), Department of Revenue, Ministry of Finance, Government of India for setting up of Certified Facilitation Centre under ACES Project.
- ☞ The Institute participated in the MAICSA Annual Conference, 2010 held on July 19-20, 2010 at Kuala Lumpur on the theme Governance and Ethical Practices in the Board Room.
- ☞ ICSI-Knowledge Portal (ICSI-KP) was launched by Shri Salman Khurshid, Hon'ble Minister of Corporate Affairs and Minority Affairs (I/C) at 38th National Convention held on September 2-4, 2010 at Kolkata.
- ☞ The Institute co-hosted "OECD Asian Roundtable on Corporate Governance - Fighting Abusive Related Party Transactions in Asia Workshop on Implementation" in partnership with the Government of Japan, and with the participation of Ministry of Corporate Affairs and Securities and Exchange Board of India on October 25-26, 2010 at New Delhi.
- ☞ Institute represented as a member of the Indian delegation led by Mr. R. Bandyopadhyay, Secretary, Ministry of Corporate Affairs to Australia (Canberra and Sydney) during November 8-13, 2010.
- ☞ Recognition of CS Qualification by University of Kalyani, West Bengal for pursuing Ph.D.

2011

- ☞ ICSI Vision 2020 released.

- ☞ The Institute introduced E-MSOP – a web based training (WBT).
- ☞ The Council adopted top ten Goals to be achieved during the year 2011-14.
- ☞ The word “Chartered Secretary” registered under the Trade Marks Act, 1999.
- ☞ The Institute started issuing e-admit card and e-mark sheet to students and Annual Audited Accounts of the Institute.
- ☞ The Government accorded its approval for amendments in the Company Secretaries Regulations, 1982.

2012

- ☞ Implementation of New Syllabus for Company Secretaryship Course.
- ☞ The Institute introduced e-SIP and e-EDP.
- ☞ The Institute launched a Certificate Course on Valuation.
- ☞ The Institute introduced Post Membership Qualification Course in Corporate Restructuring and Insolvency.
- ☞ The Institute started Convocation for new members at all four Regions.
- ☞ Recognition of CS Qualification for pursuing FPM (equivalent to PhD) by Rajiv Gandhi Indian Institute of Management, Shillong.
- ☞ Recognition of CS Qualification for pursuing PhD by Mahatma Gandhi University, Meghalaya.
- ☞ The Institute launched its Online Registration Services for students.

2013

- ☞ The Institute launched Certified Banking Compliance Professional Course in association with Indian Institute of Banking and Finance (IIBF).
- ☞ The Institute introduced OMR based examination for Foundation Programme.
- ☞ The Council implemented Strategic Action Plan for the year 2013-14.
- ☞ ICSI Governance Research and Knowledge Foundation incorporated.
- ☞ Institute signed Memorandum of Understanding with ICAI and ICMAI for setting up on Centre of Excellence for Quality and Ethics in Ajmer.
- ☞ The Institute released a Primer on Companies Act, 2013.
- ☞ The Institute launched e-library for Students.
- ☞ The Institute established a Grievance Solutions Cell and a dedicated ‘grievance portal’ created for this purpose at www.icsi.edu.
- ☞ Company Secretary recognised as Key Managerial Personnel (KMP) under the Companies Act, 2013.
- ☞ Placement Portal launched.
- ☞ Insurance Facility for Members.

2014

- ☞ Secured recognition for practising company secretaries under Maharashtra Value Added Tax Act, 2002.
- ☞ Secured recognition for practising company secretaries under U.P. Value Added Tax Rules, 2008.
- ☞ The study material converted into e-Books for Mobile and made available for download at the website of the Institute www.icsi.edu, free of cost.

- ⌘ Institute started a fortnightly e-journal called "e-CS Nitor" for sharing and dissemination of knowledge among the members and students on the emerging topics which are relevant to the profession.
- ⌘ The Institute launched Integrated Company Secretaryship Course on 12th July, 2014 at ICSI-CCGRT.
- ⌘ Institute introduced in house e-magazine "Sangachatman".
- ⌘ PCS recognised for pre-certification of e-forms filed under the Companies Act, 2013.
- ⌘ SS-1 on Board Meetings and SS-2 on General Meetings made mandatory under the Companies Act, 2013.
- ⌘ Annual Return Certification by PCS under the Companies Act, 2013.
- ⌘ Company Secretaries authorised to conduct Secretarial Audit of specified class of companies.
- ⌘ ICSI Governance Research and Knowledge Foundation incorporated.
- ⌘ PCS allowed to render attestation services such as Secretarial Audit and Annual Return Certification under LLP Mode.
- ⌘ E-library for ROs/Chapters has been launched.

2015

- ⌘ Secured recognition for mandatory appointment of Company Secretary as compliance officer except for units of Mutual Funds listed on Stock Exchanges under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014
- ⌘ The Institute introduced the mentorship programme whereby the heads of Directorates of the Institute have been assigned specific Chapters in four regions to ensure seamless coordination between the Headquarters, Regional Councils and Chapters.
- ⌘ Institute jointly with NISM introduced a Post Graduate Certificate Course in Capital Market and Certified Banking Professional Course with Indian Institute of Banking & Finance (IIBF).
- ⌘ The Institute started Massive Open Online Course (MOOCs) and videos on areas / soft skills have been uploaded in this regard.
- ⌘ Ministry of Corporate Affairs accorded its approval to the Secretarial Standards; SS:1 (Secretarial Standards on Meetings of the Board of Directors) and SS:2 (Secretarial Standards on General Meetings) were notified on 23rd April, 2015 and made effective from 1st July, 2015.
- ⌘ The Dubai government in principle approved ICSI's application subject to certain legal formalities for opening a Chapter at Dubai.
- ⌘ The MoU between Central Board of Excise and Customs and the ICSI for setting up of ACES Certified Facilitation Centres extended till 31st March, 2017 for the benefit of the Members.
- ⌘ The Institute launched a free online assessment for members on "Secretarial Standards: in collaboration with NSEIT.
- ⌘ ICSI and Insurance Institute of India jointly launched an academic course titled "Certificate Course in Compliance, Governance and Risk Management in Insurance" focusing on regulatory compliance in the Insurance industry with the objective to create a cadre of professionals in the Insurance industry.
- ⌘ ICSI inducted as member of the Executive Committee of CSIA.

- ☞ Institute introduced Module wise Revisionary Papers containing solved model question papers, in the subjects of Executive programme and Professional programme.
- ☞ The renovated building of Vadodara Chapter inaugurated on October 14, 2015.
- ☞ Institute acquired new premises at Sector 62 Noida, the transfer cum sale deed was executed in the month of October, 2015.
- ☞ The Institute brought out a Guidance Note on Annual Return to guide the company secretaries in filling and filing the annual return and also in its certification.

2016

- ☞ 1st Global Congruence to Promulgate International Corporate Governance Day on 8-9 December, 2016
- ☞ ICSI Insolvency Professionals Agency set up
- ☞ The Institute initiated 1st ICSI CSR Excellence Awards
- ☞ Submitted the revised draft of SS-1 & SS-2 to the Ministry of Corporate Affairs
- ☞ Auditing Standards Board of ICSI was constituted
- ☞ Launched Compliance Management and Auditing Configuration tool for facilitating conduct of Secretarial Audit
- ☞ Syllabus Review Board constituted
- ☞ Participated in Make in India Week at Mumbai during February 13-18, 2016
- ☞ Provided e-library on corporate laws to members on complimentary basis
- ☞ Initiated Professional iTellect series of webinars for the members
- ☞ Recognition of Company Secretary for Third Party Certification by Government of Haryana
- ☞ Celebrated PCS Day on 15 June, 2016
- ☞ Launched Certificate Course in Valuation
- ☞ Launched Short Term Course on International Business Taxation
- ☞ Launched Diploma in Internal Audit
- ☞ Organized GST Awareness Months during August-September, 2016
- ☞ Launched President's Portal in ICSI website
- ☞ Launched Virtual Front Office / CS Acceleration Centre
- ☞ Inaugurated newly purchased premises at C-36, Sector-62, Noida
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REAL ESTATE (REGULATION & DEVELOPMENT) ACT, 2016

- Way to tough housing regulator and buyers' guardian

Anand Vijay*

Introduction

The Indian real estate market saw a robust growth and expected to touch US\$ 180 billion by 2020. Real estate sector is at its zenith. The Sector contributes around 5% to GDP and it is growing at a rate of approximately 20% per annum.

The Real Estate Regulator Bill or RERA was first proposed in year 2013.

India's Real Estate (Regulation & Development) Bill, 2015 passed by both house of parliament. The Real Estate (Regulation & Development) Bill is cleared by Rajya Sabha on 10th March, 2016. It has received the assent of the President of India on 25 March 2016. 69 sections of the RERA, 2016 notified by the Ministry of Housing & Urban Poverty Alleviation on 27 April, 2016 bringing the act into force with effect from 1 May, 2016.

The Real Estate Regulation and Development Act, 2016, that came into force on May 1, 2016 (Central Act 16 of 2016) has been enacted to regulate the real estate industry.

It mandates every state to establish a Real Estate Regulatory Authority and Appellate Tribunal by April, 2017. The Act would ensure consumer protection and sustainable business practices in the real estate sector.

It would help to establish regulatory authority, which brings transparency and safety in the real estate sector. It would affirm accountable, ethical and sustainable approach in construction and buying and selling of properties. It has ushered a new era in the Indian real estate market.

Present Situation

The Indian real estate industry is unfortunately riddled with nefarious builders and developers that dupe unsuspecting customers.

The real estate developers often launch projects and book sales without proper clearances for the land, delay completion of projects for years without paying compensations to buyers, manipulation of ratios of supper built up (stairs, lift, corridors etc.) with carpet area (net usable area inside the home) and divert funds raised from the sale of properties in a project to launch another plan. Such practices would result hardship to the buyers.

* ACS

The views expressed are personal views of the author and do not necessarily reflect those of the Institute.

Unscrupulous & Unethical and flashy advertisements business practices by the real estate builders & real estate agents would result hardship to the potential home buyers. Flashy advertisement would be garnished with false promises. Such technique lure innocent home buyers to convince to shoddy dream homes deals that often turn nightmarish. They would fall prey to litzy ads and big promises made by builders.

Such methodology and practices would lack transparency and negative image in the realty sector.

Buyers' Concern

Buyer's sentiment has been at an all time low.

Major Concern

- Delay in construction and delivery & quality related issues of flats.
- Lack of transparency.
- Delay & limited recourse for home's buyer in case of conflicts with the developer.
- Misleading information related to size, area of the property.
- Sky rocketing price.

Such aspect would result in huge financial distress to home buyers along with tremendous mental and psychological strain.

Unethical Practices

- Builders' would not specify the date of delivery. One says, the delivery of the possession would be subject to force majeure. Thus, Builders would not be held accountable for late delivery of possession. (Case Law : Bhupendra M. Pitroda Vs Megha Property Developers, Supreme Court)
- Builders would often specify penalty clause at pittance amount. For Instance, Builders would pay the allottee compensation at the rate of Rs 5 per sq ft of the super area per month for the period of such delay. It means a Flat of 2000 sq ft, would get Rs 10,000 per month pittance.
- Builder would often state, The plans, design and specifications are tentative and the developers reserves the right to make variations and modifications. Often, builder may charge additional amount from allottees in the name of increase in super built - up area.

Present Legal Recourse

We would find few notable legislation mentioned as under :

- The Maharashtra Ownership of Flat Act, 1963 Sec 8, It would take recourse and makes a developer liable to refund the money obtained from a customer with 9 % interest if he is unable to justify non - completion of his project.
- The Delhi Apartments Ownership Act, 1986.

International Legislation

<i>Countries</i>	<i>Regulatory Body</i>	<i>Relevant Legislation</i>
USA	No. of regulatory body like the Department of Housing and Urban Development (HUD)	A) The Real Estate Settlement Procedures Act for residential properties B) State Real Estate Licensing Laws
UK	The Financial Services Authority (FSA) under Bank of England	A) The Property Misdescriptions Act of 1991
Germany	No Authority	The German Civil Code
China	No Authority	A) The Real Estate Regulation 2010 B) The State Department of Real Estate "New State 10"
Singapore	A) Land ownership controlled by the Public Sector B) The Housing Development Board for residential C) Jurong Town Corporation (JTC)	As per Contract
The United Arab Emirates	A) Federal Real Estate Regulatory Authority (Proposed) B) Emirates such as Dubai and Ajman have their own real estate authority * Real Estate Regulatory Authority (RERA), Dubai * Ajman Real Estate Regulatory Authority (ARRA), Ajman The Real Estate Investor Protection Law (Proposed by the Govt)	

Need of New Legislation

- It is time to establish a disclosure framework along with stringent penal provision for participants.
- Measures to check on errant builders and constant prodding by agitating buyers.
- The need for the bill arose because of the current malaise afflicting the real estate sector in India.

Salient Feature

It would brief as under :

- Setting up Real Estate Regulatory Authority in every state and union territories (except Jammu & Kashmir) within one year of its notification.
- The Government was perturbed over the absence of strong laws in the real estate sector. Such authority would be vested with penal provisions.

Effect :

- o Timely completion of project.
- o Adherence of layout plan in project.
- o Transparent and Sustainable business practices.
- A developers would deposit 70% of allottees fund in separate bank account.

Effect : It would ensure allottees fund being invested in the project. No diversion of projects funds to others project being feasible.

Presently, developers would divert the allottees money towards creating massive land banks in order to show more activity in their annual reports (Taneja 2016). Such practices of diversion of project funds to other project would not being feasible under new law.

- It would mandatory for builders to obtain all necessary approvals and clearance before start selling projects.

Promoters would get registration on the RERA Website (Sec 3) with online filling of quarterly updates of projects. Builders would furnish the details of the project. New Project would get registration in immediate effect under the new act. While, Existing project for which completion certificate would not issued, need to get register with the authority within a period of 3 months from the date of commencement of this Act.

Effect : Often the builders would launch the projects without getting the necessary approvals. It would result delay in the project completion. Such concern would being rooted out. Thus, allottees would get possession on time. Punishment up to 3 years or fines or 10 % of the estimated cost of the project can be imposed by the regulatory authorities for non - registration of real estate project. Penal provision with revocation of registration may be levied by the authority due to false or misleading representation (including advertisements). It may face penalties and be listed on public portal as a defaulter.

- The Act would prescribes mandatory disclosures such as details of the projects, promoter details, timeline for completion of the projects and quarterly project related disclosures. Such Information would be disseminate on public domain. While, project development is phased, each phase is treated as a separate project and would require independent RERA approval.
- The Act would establish the appellate tribunal (the Real estate appellate tribunal). It

create dispute resolution mechanism and expeditiously redresses of the grievances of consumers.

Composition : The Tribunal shall consist of at least one judicial member and one administrative and technical member.

Appeal : It would adjudicate cases in 60 days. It would hear appeals against RERA decisions. While, the appellant would file a further appeal with the High Court against the order of tribunal. Such adjudication mechanism would safeguard buyers interest.

Effect : Present practices of recourse to a prolonged litigation in a courts of law or consumer courts would not in public interest.

- The act requires all projects exceeds 500 sq meters or where more than 8 apartments are proposed to be developed inclusive of all phases to register with the regulator (RERA). It would required the registration of all real estate projects and real estate agents. Such act would applies to both residential and commercial properties.
- The act would make mandatory to sell homes on the basis of carpet area than existing practice of selling on super built area. Case Laws : *Shri Jyoti Swaroop Arora vs M/S Tulip Infratech Ltd. & ors* on 3 February, 2015 (Competition Commission of India)

Effect : It would protect consumers from biased classifications such as 'super built-up area' etc.

Case Law : Super Built Area Vs Carpet Area Menace

Builders would often deceive consumers in the name of super built-up area. They would often register the projects on the basis of carpet area before stamp & registration authority. And, on contrary they would deals on the basis of super built-up area with consumers. Consumer would pay more than what he actually getting.

The Consumer Guidance Society of India (CGSI) would acknowledge such unethical practice of the builders. Promoters' would actually sell only the carpet area of the projects' and not the super built area.

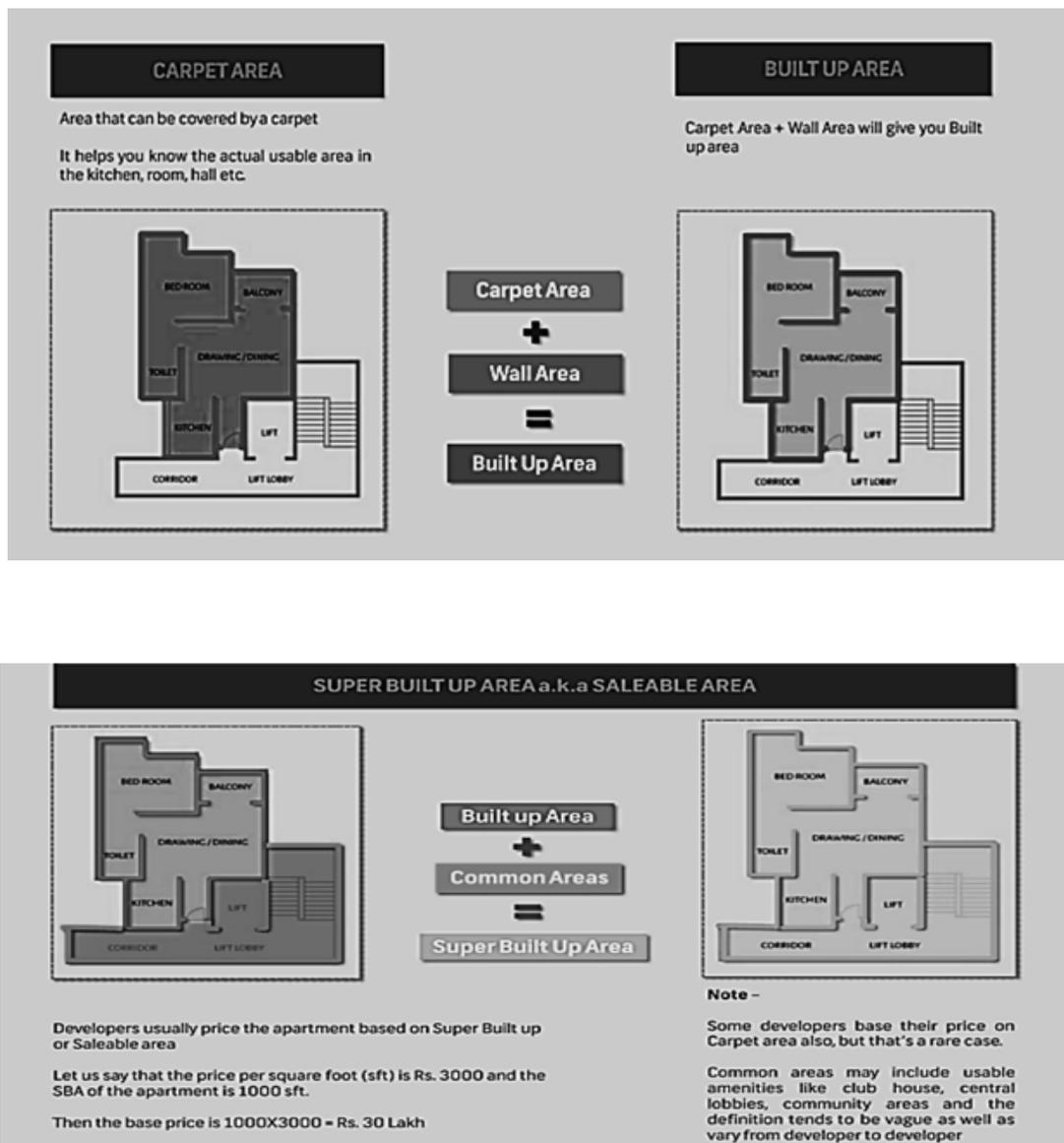
Carpet Area : Carpet Area of a property is defined as the net usable area from the inner sides of one wall to another. Carpet Area comprises of the carpet area of the demised premise, toilet areas within the demised premises, AHU room/s within the demised premises and dedicated service areas for the demised premises.

Built-up Area (BUA) : BUA consists of carpet area, area covered by inner and outer walls and additional areas mandated by the authority such as flower beds, dry balcony etc.

Super Built-up Area (SBUA) : SBUA consists of BUA and the proportionate area under the common spaces of a building like lobby, staircases and elevators.

* Built Up Area = Carpet Area + Wall Area

* Super Built Area = Carpet Area + Common Area + Wall thickness



Positive Implication of the RERA, 2016

- It would paved way for setting up of sector regulator (Real Estate Regulatory Authority). Thus, it help to provide protection to buyers from unscrupulous activities.

Effect: It turns an industry befitting caveat emptor (buyers beware) could well become caveat vendor (sellers beware).

- It would help to make the realty business more disciplined. It result maintenance of transparent and accountable business. Further, it yield benefit to builders to avail institutional fund flow into the realty sector.

Effect : Such act would help developers to boost buyers trust. It would yield transparency into realty sector.

- Timely delivery of projects and better customer compliance would be maintained
- Dispute adjudicating mechanism would protect buyers' interest of real estate in expeditious manner. Such initiative would rebuild consumer confidence and create builders brand on quality and timely delivery of projects.

Effect : It would result opportunities for professional such as CA, CS and CWA in real estate industry.

- Stringent penal provisions along with fines would solve menace of errant developers. Thus, the problem of unscrupulous elements in the industry would be addressed. It would end menace of fraudulent practices of builders.
- Disclosure of the carpet area before sale of a unit would be mandatory, it will prevent the builders to defraud the buyers and fleece them of their hard earned money.
- The act would attract foreign investments, which result necessary fillip in the sector.

Effect : It would result increase in job in the market.

- Hedge massive investment in the real estate project of honest homebuyers.
- It helps buyers to get details about project registration, necessary clearances and other relevant information at the Real estate development authority website.
- It would help to sieve out speculators in the Indian property market. It would result few competitive bidders vying for the limited supply of land. Thus, It would maintain supply - demand equilibrium. It would develop competition in the sector.

Presently, the sector would have an inventory pile - up (Indian Express 2016). Example: Unsold inventory in the NCR in Jan - March, 2016 rose by 12.63%. As many as 235,908 apartments were unsold.

- It would help to keep out fly by night operators and land grabber. It result check on land prices from shooting off.
- Implementation of RERA and Goods & Service Tax would likely bring down the prices of raw materials by up to 3%. Efficient Financial transaction would occur, which result positive growth in foreign investment.
- The exemption of dividend distribution tax for real estate investment trusts in the 2016 Budget would be considered as an incentive for the industry to comply provision under these Act.
- Equality in penalty provision for builders and buyer. Penalty on builders for delay in handing over the project to the buyer will be same as on buyer for delayed payment of unpaid amount dues to the builder.

Exemption

It would be brief as under :

- Projects of upto 500 sq.m (5,380 sq. ft.) are exempted under this Act.

- Promoter / Developers has already obtained the completion certificate for existing projects.
- Projects having at most 8 apartments, inclusive of all phases of development (which are treated as separate).

Obligation and Duties of Promoters

Obligation

- Registration of the project with the concerned RERA and obtain registration number before launch of the project.
- Any kind of marketing, advertising or selling of units is strictly prohibited before the registration of the project.
- Developers would submit all documents related to the project with the RERA.
- They would deposit 70% of the amount received from the allottees in an escrow account, with proper certification from CA ensuring fund used solely for the project.
- Adherence of the project plan in true spirit.
- In the event of non completion of project, amount would be refunded with interest to the customer.
- To repair structural defects if any in the construction in 5 years period since handover of the project to allottees.

Duties

- Promoters need to get necessary approvals before execution of sale agreement. Otherwise, promoters would suffer penalty of upto 10% of the estimated cost of the real estate project.
- It would curb the practice of initiating building work prior to approvals being obtained.
- Execution of written sale agreement is being mandatory before accepting amount more than 10% of the project from allottees.
- Adherence of sanctioned building plan throughout the projects.
- Developers must deliver the project on time. In case of delay of the project, they would compensate allottees either through refund of money or otherwise.
- Developers must obtain approval for making changes to the building design from 2/3rd of the allottees.

Duties of Intermediary

To apply for registration with the RERA and obtain registration number for furtherance of sale of project.

Rights & Duties of Allottees (Sec -19)

Rights

- The allottee would get information about sanctioned plans, layout plans along with the specifications, and other incidental details mentioned in the agreement.

- The allottee would get details about stage wise time schedule of completion of the project. It would also get details of utilities and other facilities.
- The allottee would claim possession of the flat or apartment from the promoter.
- The allottee would demand compensation along with refund of money in case of default by the promoter.
- The act would help the buyers to easily take legal recourse against builders in case of infringement of the agreement.

Duties

- The allottee would pay amount due as per sale agreement to the promoter at the proper time. Otherwise, Suitable action can be taken against buyer (Madhavan 2015)
- The allottee may pay interest in case of default in payment of due amount.
- Every allottee would take physical possession of the apartments within a period of 2 months of the issuance of occupancy certificate.

Practise Opportunities

- Being as a consultants, serve as a jovial coordinator between promoters, buyers and the agents.
- Consulting services for registration under the RERA to the promoters and real estate agents.

Documentation for Registration of Project with RERA

- Detail of the projects including name, address, type, names and photographs of the Promoters.
- Project already launched by the developers and current status in the preceding 5 years.
- Details of approvals and commencement certificate obtained by the competent authority for each phase of construction.
- Detail of Sanctioned plan, layout plan and development plan for the project along with incidental facilities provided.
- Performa of allotment letter, agreement for sale and conveyance deed to be signed with the customers.
- Location of the project.
- Detail about number, type and carpet area of units along with terrace, balcony etc.
- A certified declaration about true title holders of project land, deposit of 70% fund in escrow account and utilization of funds in the project itself.

Consequence of Revocation of Registration

RERA may revoke registration of applicant. its effect would be summarized as under :

- The real estate developers would be debarred from accessing the web portal for the project.

- They would list as defaulters by RERA. Bank account of the project would be frozen.

Transactional Provision

- RERA would grant registration within 30 days of application from the promoters. Project registration would be valid only for the period specified by the promoter.
- Promoter would obtain registration number and access codes to facilitate online filing in relation to the project. Such filings would be updated on a quarterly basis.
- Pursuant to any structural defect in the property within 5 years of the transfer of the property to the purchaser, would be rectified by the promoter, without any charge to purchaser within a period of 30 days.
- States would be required to create a web based online system for submitting applications for registration of projects within one year of the establishment of regulatory authorities.
- In case of inconsistency among state law regulating real estate projects with the RERA, then RERA would override the provisions of these state laws.

Conclusion

The Act is a much needed legislation and a welcome change. The Act would ensure minimum hassle to customers and a healthy relationship between builder and customer. It would guarantee professional and transparent interaction with the builder. It would protect customer from the builder's shady tricks. The act would set out details disclosure mechanism for the promoters. The establishment of RERA would be a formalized regulatory system. The act would enhance accountability and ethical business in the market. It would prevent the simple buyers from being taken for a ride by the crafty developers and promoters. Siphoning of funds by real estate developers would be a nightmare under the new act. Such measures would attract investment in the real estate industry, unrest in the sector would be lowered, online publications of promoter details would reflect protection from errant promoters. It would help positively achieve the goals of Make in India initiative along with smart cities across the nation.

Case Law : Errant builders practices of changing layout plans

Presently, errant builders would often change layout plan after project launch. Such practices would result in delay in regulatory approvals.

Sometimes, builders would sell 500 flats to over 1000 buyers.

Recently, The Greater Noida authority sent a notice to Noida-based builder Supertech for violation of sanctioned plans in a housing project in Greater Noida. The authority would seal 1009 flats in the project which exceeds originally sanctioned 844 flats unit.

Pursuant to Section 21 of the Uttar Pradesh Industrial Area Development Act, 1976 with section 21 of the Uttar Pradesh General Clauses Act, 1904 and The Greater Noida Industrial Development Area Building Regulation, 2011. Supertech builders argued that, they had originally got permission for 844 units. And, they had submitted revised plans under the policy of purchasable FAR (Floor Area Ratio) by GNIDA, for approval of 1009 flats.

Similarly, Civic authority Municipal Corporation of Greater Mumbai (MCGM) had launched a website to address concerns of citizens and home buyers about unauthorized constructions, violation of FSI rules or illegal alternations.

* FSI (Floor space index - the ratio of the total area of building to the total land area)

The RERA, 2016 makes mandatory for transparency in layout plan with incidental details at the time of registration with the authority. It will help to safeguard the interest of buyers'.

New Law make investors tweak realty contract

Stringent litigation and fines penal provision under new laws result to have rethink approach for strategic and private equity investors in India.

Many investors often involved in design, development and marketing strategies for projects. They considered developers and would face penal provision for any violation of rules in the projects financed.

Since 2005 year, Foreign Direct Investment (FDI) under the " automatic route " has been permitted in townships and housing projects, built - up infrastructure and construction development projects. Various Companies like Jones Lang Lassalle are actively participated in the market. Almost FDI of \$ 9 billion has been invested in the last decade.

Such regulations would aimed at keeping irregularities in the sector under control. RERA would likely to impact sector investment pattern.

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VARIATION OF SHAREHOLDERS RIGHTS AND REDUCTION OF CAPITAL

Parthasarathy R.*

Vide notification dated 7th December 2016, Ministry of Corporate Affairs (MCA) have notified that the following sections of the Companies Act, 2013 (the Act) have been brought into effect with effect from 15th December 2016:

- 1) *Section 48 – Variation of shareholders’ rights*
- 2) *Section 66 – Reduction of share capital*

This article deals with the study of the provisions of the newly notified provisions of the Act vis-à-vis that of the Companies Act, 1956 and the intent of the legislation in incorporating such provisions with the corresponding impact on the corporate sector.

Introduction

Variation of shareholders’ rights signifies the change in the entitlement of rights that a shareholder can exercise as a shareholder, which may be applicable for a class of shareholders.

Restructuring is the corporate management term for the act of reorganizing the legal, ownership, operational, or other structures of a company for the purpose of making it more profitable, or better organized for its present needs. Other reasons for restructuring include a change of ownership or ownership structure, demerger, or a response to a crisis or major change in the business such as bankruptcy, repositioning, or buyout. Restructuring may also be described as corporate restructuring, debt restructuring and financial restructuring.¹

Notification dated 7th December 2016

Vide notification dated 7th December 2016, Ministry of Corporate Affairs (MCA) have notified that the following sections of the Companies Act, 2013 (the Act) have been brought into effect with effect from 15th December 2016:

- (1) Section 48 – Variation of shareholders’ rights
- (2) Section 66 – Reduction of share capital

Rule 3 of Companies Amendment Rules (Transfer of Pending Proceedings), 2016 provides that that all proceedings under the Act, including proceedings relating to arbitration,

* ACMA, ACS, ACA.

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compromise, arrangements and reconstruction (other than proceedings related to winding-up on the date the rule comes into force) shall stand transferred to the Benches of NCLT exercising respective territorial jurisdiction.

Thus corporate restructuring related matters including mergers, demergers, capital reductions, etc. will be filed before and dealt by NCLT exercising respective territorial jurisdiction. Rules have been notified for the transfer of certain pending proceedings before the respective High Courts to the concerned tribunal, except the proceedings in arbitration, compromise, arrangements and reconstruction which are reserved for orders for allowing or otherwise.

This article deals with the study of the provisions of the newly notified provisions of the Act vis-à-vis that of the Companies Act, 1956 and the intent of the legislation in incorporating such provisions with the corresponding impact on the corporate sector.

Section 48

This section corresponds to section 105 and section 106 of the erstwhile Companies Act, 1956. Section 48 is similar to that of its predecessor except with respect to the following:

This section requires that for the variation of rights, members holding at least 3/4ths of the total paid up capital would be essential shall consent to the variation.

Illustration

A company has 100 shareholders. Paid up share capital is Rs.100,000 divided into 1000 shares of Rs.100 each. Shareholding pattern is as under:

51 members each holds 10 shares of Rs.100 each amounting to Rs.51,000 and Mr.A holds 490 shares of Rs.100 each amounting to Rs.49,000.

In this case, if all the 51 members jointly pass a resolution, then the resolution is not valid in as much, the number of members exceeds 3/4ths of the total strength required but they collectively do not hold 3/4th of the total share capital. Thus share capital is the criterion and not the number of shareholders alone.

Sub-section (1)

Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.

Unlike the previous Act, the intention of the legislature is clear. Variation of the rights of one class of shareholders cannot in any way infringe the rights of the other group. For example, if a company decides to vary the rights of the equity shareholders which have a consequential effect on the rights of the preference shareholders, then the Act prescribes that the consent of the preference shareholders is essential to give effect such variation in rights. Again, the Act prescribes the same threshold limit of the number of members whose consent is essential for passing the same viz., holders having 3/4th of the total shares.

Again the language used is "three fourths of such other class of shareholders" and not "holders of not less than three-fourths of the issued shares".

Continuing with the previous example, if there are 100 preference shareholders and the total preference capital is Rs.100,000 divided into 1000 shares of Rs.100 each and the pattern of holding is as under:

51 persons were holding 10 shares each with paid up value of Rs.51,000 and Mr.A holds 490 shares with a paid up value of Rs.49,000.

If the 39 persons passes a resolution agreeing to the variation, by a plain reading of the proviso, one can infer that the resolution is perfectly valid viz., total number of members – 52 and persons who agreed is 39, being 3/4ths. But the 39 holders controls only 39% of the total preference capital. Though this would not have been the intention of the legislature, interpretation of the language of the proviso can lead to this legal lacuna.

Sub-section (5)

Company is punishable with a fine in the range of Rs.25,000 – Rs.500,000 and every officer of default is punishable in the range of Rs.25,000 – Rs.500,000 and/or imprisonment upto six months.

New provisions deviate in two aspects as under:

Previous Act held both the company and the officer in default at the same level. Both are charged with a fine. Besides increasing the amount of fine from Rs.50 to a range of Rs.25,000 – Rs.500,000, the new Act distinguishes the act of non-compliance by the company vis-à-vis by the officers in default.

Company, being an artificial person, is charged with a fine in the range of Rs.25,000 – Rs.500,000. Whereas the officers in default, who are natural persons and who have been entrusted with the whole or substantially the whole of the responsibilities of compliance are charged not only with fine in the range of Rs.25,000 – Rs.500,000 but also with imprisonment which may extend up to six months.

Section 66

Sub-section (1)

This corresponds to Section 100 of the erstwhile Companies Act, 1956 except with respect to the following:

The Act dropped the words “if so authorized by the articles”. Thus, authorization by the Articles of Association is no longer essential or a pre-requisite. In other words, company can go in for reduction in capital even if the articles of association is either silent or even prohibits.

The Act also dropped the words “if and so far as is necessary”. Thus alteration of memorandum was optional and the company may choose not to amend the memorandum if in its opinion, feels that the same is not necessary. Now the option is no longer available and the company is bound to amend the memorandum.

Proviso to sub-section (1)

The Act prescribes conditions for resorting to reduction of capital. It has been provided in the Act that reduction of capital shall not be made if the company is in arrears of either repayment of deposits accepted by it. The prohibition applies if the arrears of repayment exists either prior to or after the commencement of the Act. The prohibition applies also to

the payment of interest thereon. Thus payment of interests on deposits or repayment of principal on due dates without break is a pre-requisite for the company to go in for reduction of capital.

Sub-section (2)

This corresponds to Section 101(2) of the erstwhile Companies Act, 1956, except with respect to the following:

Whom shall be served with notice of application

Notice of application filed under sub-section (1) shall be given to:

- 1) Central Government;
- 2) Registrar; and
- 3) Creditors.

In addition, notice shall also be given to the Securities Exchange Board of India, if the company is a listed company.

Protection of the interests of the creditors

Also the previous Act contains a provision to the effect that where the proposed reduction of share capital involves either the diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, and in any other case if the Tribunal so directs, creditors have the right to object the same. Under the previous Act, special provisions were enacted under Section 101(2)(a), 101(2)(b) and 101(2)(c). These provisions for creditors have been dispensed with.

Time limit for the Tribunal

New Act prescribes a period of three months for considering the representations made by the Central Government, Registrar, SEBI and the creditors. If no representation is received within a period of three months, the Tribunal can presume that there are no objections and can clear the case. Thus, the intention of the legislature is to prescribe a maximum period upto which the objections can be made for being considered.

Accounting treatment to be authenticated by the auditors

New Act provides that:

"Provided that no application for reduction of share capital shall be sanctioned by the Tribunal unless the accounting treatment, proposed by the company for such reduction is in conformity with the accounting standards specified in section 133 or any other provision of this Act and a certificate to that effect by the company's auditor has been filed with the Tribunal."

The requisites are as under:

- 1) Accounting treatment shall be specified in the application.
- 2) Such accounting treatment shall be in conformity with the Accounting standards prescribed under section 133 or any other provisions of the Act.
- 3) Certificate duly authenticating the fact that the company has complied with, shall be obtained from the Statutory Auditor.

4) Such certificate shall be filed with the Tribunal.

It is not just the scheme that needs to be submitted but also the methodology of how the scheme is going to be implemented that requires submission. Accounting treatment invariably shall also indicate and bring out the financial and non-financial implications arising out of such scheme of such capital reduction. Scheme shall also conform to the Accounting standards prescribed under the Act. Thus the effectiveness in the implementation of Accounting Standards is given prominence. Besides Statutory auditor has to certify that the company has complied with the Accounting standards and the Generally Accepted Accounting Procedures for the time being in force.

Penalty for contravention

If any officer of the company—

- (a) knowingly conceals the name of any creditor entitled to object to the reduction;
- (b) knowingly misrepresents the nature or amount of the debt or claim of any creditor; or
- (c) abets or is privy to any such concealment or misrepresentation as aforesaid, he shall be liable under section 447.

Unlike the previous Act, where the penalty prescribed is fine or imprisonment upto one year or both, the new Act makes stringent measures. It says that the officers in default would be liable under section 447, which deals with "Punishment for fraud", the provisions are reproduced hereunder:

Ambit of Section 447

Penalty under Section 447 is in addition and not in substitution to any liability arising out of any other provisions of the Act or any other Act for the time being in force. By prescribing penalty under this section, the legislation intends to bring the lacuna of non-compliance of Section 66 as a fraud.

Definition of Fraud

Fraud has been defined in the section 447 itself, as:

- 1) Any act of omission; or
- 2) Any concealment of any fact; or
- 3) Any abuse of position jointly and severally; and
- 4) Intention to deceive; or
- 5) To gain undue advantage from or to injure the interests of the company, shareholders, creditors or any other persons; or
- 6) Whether or not there is any wrongful gain or wrongful loss.

Thus, the definition of fraud is very wide and covers within its ambit all forms of lacunae. The words "intention to deceive" indicates that "mens rea" is an essential criterion thereby indicating that the officer in default charged under section 447 faces a criminal penalty.

Wrongful gain and Wrongful loss is defined as the gain or loss arising out of any unlawful means of property to which the person is not legally entitled to gain or lose. Section has

made this as a non-essential criteria. In other words, person cannot claim immunity on the grounds that there is no wrongful gain or wrongful loss. Section operates if any or all of the points (1) to (3) along with (4) and (5) holds good.

Coming to the quantum of punishment, the imprisonment ranges from six months to ten years and fine ranging from the amount of fraud to three times the amount of fraud.

In case, public interest is involved, the fine remains the same whereas imprisonment shall be in the range of three years to ten years.

Application of Section 211

Section 210(1)(c) states that the Central Government can make investigation into the affairs of the company in public interest.

Again section 211 reads as under:

Without prejudice to the provisions of section 210, where the Central Government is of the opinion, that it is necessary to investigate into the affairs of a company by the Serious Fraud Investigation Office—

- (a) on receipt of a report of the Registrar or inspector under section 208;
- (b) on intimation of a special resolution passed by a company that its affairs are required to be investigated;
- (c) in the public interest; or
- (d) on request from any Department of the Central Government or a State Government,

the Central Government may, by order, assign the investigation into the affairs of the said company to the Serious Fraud Investigation Office and its Director, may designate such number of inspectors, as he may consider necessary for the purpose of such investigation.

The section begins with the words "Without prejudice to the provisions of section 210". Thus, investigation under Section 212 is in addition to the one under section 210 and not in substitution of the same.

Section 212 talks about "Serious Fraud". The word "serious" is not defined in the Act. Taking the generic meaning or the dictionary meaning "serious" means either:

- 1) "significant or worrying because of possible danger or risk;
- 2) not slight or negligible
- 3) substantial in terms of size, number, or quality.

Again whether the fraud is a serious or non-serious depends upon several factors and differs on a case to case basis. The fact is any contravention committed by any officer in default may lead to consequences under sections 447, 210 and 212. All these sections operate distinctively resulting in aggravation of penalty in case of contravention of section 66.

Summary

The responsibilities of the company and the officers in default, in particular, are enhanced and are potentially liable for any misdeeds or any contravention of the provisions of the law. More professional approach.

UNDERSTANDING COMPONENT ACCOUNTING IN A SIMPLIFIED MANNER

Rakesh Chawla* & Puneet Chawla**

With the introduction of the revamped Company Law, changes have been brought about quite a few areas of interest. Depreciation is one among those significant changes since depreciation under the Companies Act, 2013 is expected to have a pervasive impact; significant amongst which would be determination of profits, EPS, and managerial remuneration. The collateral impact would be felt on other items such as limits for overseas direct investment by companies, extent of reserves available for buy back of shares etc. While the Companies Act, 1956 prescribed the rate of depreciation to be charged on various assets, the Companies Act, 2013 requires companies to compute the depreciation in accordance with the Schedule II to the companies Act which provides useful lives to compute the depreciation. Accordingly, provisions governing charge of depreciation in the erstwhile Schedule XIV to the Companies Act, 1956 have been replaced with Schedule II to the Companies Act, 2013. The present article explains the componentization approach of depreciation calculation, shift from rate approach to useful life approach, calculation of depreciation on shift based working, and the transitional provisions with the help of some examples.

Componentization approach of Depreciation

Note 4 of Schedule II of Companies Act 2013 specifies, "Useful life specified in Part C of the Schedule is for whole of the asset. Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately." This is commonly referred as Component Accounting. As per the amendment dated August 29, 2014 notified by the MCA, the said requirement shall be voluntary in respect for the financial year commencing on or after the April 1, 2104 and mandatory for financial statements in respect of financial years commencing on or after April 1, 2015

Also Para 43 to Para 45 of **Ind AS 16** on Property, Plant and Equipment prescribed the component accounting method of depreciation. It reads as follows

Para 43 – Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

* ACS, ACMA.

** CS Inter, UGC Net.

The views expressed are personal views of the author(s) and do not necessarily reflect those of the Institute.

Para 44 – An entity allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. For example, it may be appropriate to depreciate separately the airframe and engines of an aircraft, whether owned or subject to a finance lease.

Similarly, if an entity acquires property, plant and equipment subject to an operating lease in which it is the lessor, it may be appropriate to depreciate separately amounts reflected in the cost of that item that are attributable to favorable or unfavorable lease terms relative to market terms.

Para 45 – A significant part of an item of property, plant and equipment may have a useful life and a depreciation method that are the same as the useful life and the depreciation method of another significant part of that same item. Such parts may be grouped in determining the depreciation charge.

Para 46 – To the extent that an entity depreciates separately some parts of an item of property, plant and equipment; it also depreciates separately the remainder of the item. The remainder consists of the parts of the item that are individually not significant. If an entity has varying expectations for these parts, approximation techniques may be necessary to depreciate the remainder in a manner that faithfully represents the consumption pattern and/or useful life of its parts.

Para 47 – An entity may choose to depreciate separately the parts of an item that do not have a cost that is significant in relation to the total cost of the item.

Note 4 of Schedule II of Companies Act 2013 specify “Useful life specified in Part C of the Schedule is for whole of the asset. Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately.” Thus two conditions must be satisfied before applying component accounting approach, i.e.,

- a. The cost of the component should be significant to the total cost of the asset, &
- b. The remaining useful life of the component shall be different from the remaining useful life of the asset as a whole.

Determination of Significant Components:

Neither the Companies Act, 2013 nor the Notification by MCA has made it clear or provide any threshold limit to identify the significant portion or component of an asset. However the determination as to whether a part of an asset is significant requires a careful assessment of the facts and circumstances. This assessment would include at a minimum:

- a. Comparison of the cost allocated to the item to the total cost of the aggregated property, plant and equipment; and
- b. Consideration of potential impact of componentization on the depreciation expense.

Additionally the following factors may also be used to determine the cost of such component

- Break up cost provided by the vendor,

- Cost break up given by internal/external technical expert,
- Current replacement cost of component of the related asset and applying the same basis on the historical cost of asset.

Identification of significant parts is a matter of judgment and decided on case-to-case basis with special consideration to materiality. The ICAI has suggested in its application guide to use a threshold limit, say 10% of original cost of the asset, to determine whether a component is material / significant.

Determination of the useful life

Determination of the useful life of a depreciable asset is to be estimated based on various factors, and it becomes more difficult for an asset involving new technology or used in the production of a new product or in the provision of a new service but is nevertheless required on some reasonable basis. However the Application guide issued by ICAI suggests, as a general principle, the following factors shall be considered in determining the useful life of an asset

- a. *Expected usage of the asset*, Usage is assessed by reference to the asset's expected capacity or physical output.
- b. *Expected physical wear and tear*, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance programme, and the care and maintenance of the asset while idle.
- c. *Technical or commercial obsolescence* arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset. Expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technical or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.
- d. *Legal or similar limits* on the use of the asset, such as the expiry dates of related leases.

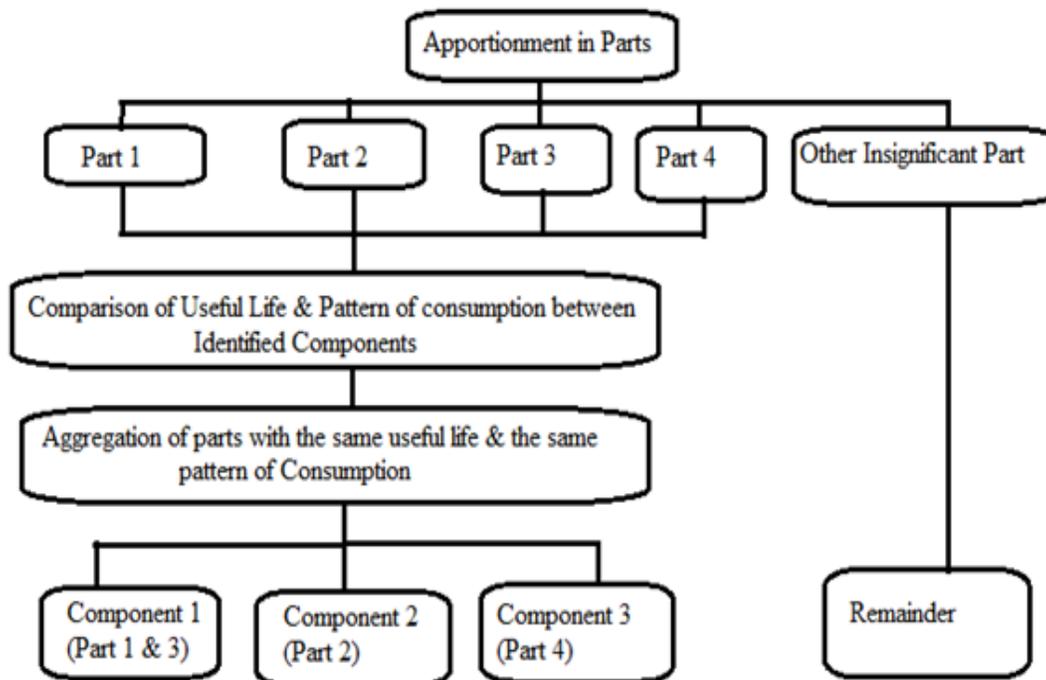
Thus where an asset comprises of different items of fixed assets which are significant to the total cost of main assets & their useful life is different from the useful life of main asset, then depreciation shall be computed for each such component separately as per useful life estimate given by Companies Act, 2013 or by technical expert, as the case may be. The company must split the fixed asset into various identifiable parts, and grouped together those parts having the same or similar useful life for the purpose of separate depreciation. Insignificant parts may be combined together in the remainder of the asset or with the principal asset. For instance, a Building may be split up into the following components:

- i. Structural design
- ii. Elevators
- iii. Heating system
- iv. Water system
- v. Electrical system

It shall also be noted that

- a. If the useful life of the component is lower than the useful life of the principal asset as per Schedule II, such lower useful should be used.
- b. On the other hand, if the useful life of the component is higher than the useful life of the principal asset as per Schedule II, the company has a choice of using either the higher or lower useful life. However, higher useful life for a component can be used only when management intends to use the component even after expiry of useful life for the principal asset.

Following diagram depicts a method for bifurcating Fixed Assets into major components



Source Application Guide on the Provisions of Schedule II to The Companies Act, 2013 by ICAI, page 10 from <http://www.icai.org> accessed on 25 Sep 2015

Depreciation in case of Shift Working

Schedule XIV to the 1956 Act prescribed separate rates of depreciation for the single, double and triple shift use of assets. For example, with regard to general plant and machinery, single, double and triple shift depreciation rates applicable under the Schedule XIV were 4.75%, 7.42% and 10.34%, respectively. Under Schedule II to the 2013 Act, no separate rates/ lives are prescribed for extra shift working. Rather, it states that for the period of time, an asset is used in double shift depreciation will increase by 50% and by 100% in case of triple shift working.

Example

ABC Ltd. has built a power plant at a cost of Rs 1000 Lakhs. The cost break up is as follows:

<i>Component</i>	<i>Cost (Rs in Lakh)</i>	<i>Useful Life (years)</i>
Erection, fabrication & construction of Building Structure	200	30
Electrical Panels Installation	50	10
Transformer, grids	100	10
Plant & Equipments (Boiler, Turbine, Generator, condenser etc.)	650	40

Now as per Schedule XIV of the Companies Act, 1956, depreciation per annum, using SLM Method will be:

- For single shift – at 4.75% p.a., i.e., Rs 47.5 Lakh.
- For Double Shift – at 7.42% p.a., i.e., Rs 74.2 Lakh.
- For Triple Shift – at 10.34% p.a., i.e., Rs 103.4 Lakh.

On the other hand, as per Schedule II of the Companies Act, 2013 depreciation will be calculated component wise, i.e., each component will be treated as separate item. The calculation is shown below, (assuming 5% residual value).

<i>Components</i>	<i>Cost (Rs in Lakh.)</i>	<i>Useful life (in years)</i>	<i>Amount to be depre- ciated</i>	<i>Depreciation (Rs in Lakh.) For Single Shift</i>	<i>Depreciation (Rs in Lakh.) Double Shift</i>	<i>Depreciation (Rs in Lakh.) Triple Shift</i>
Erection, fabrication & construction of Building Structure	200	30	190	6.33	9.495	12.67
Electrical Panels Installation	50	10	47.5	4.75	7.125	9.5
Transformer, grids	100	10	95	9.5	14.25	19
Plant & Equipments (Boiler, Turbine, Generator, etc.)	650	40	617.5	15.44	23.16	30.87

Thus total depreciation as per Schedule II will be Rs 36.02 lakh. for single shift, Rs 54.03 Lakh. for double shift and Rs 72.04 Lakh for triple shift. Thus each component that is significant & having a useful life different from main asset, is depreciated separately.

Insignificant Component or remainder components

The ICAI has suggested in its application guide has suggested that, “the company must split the fixed asset into various identifiable parts to the extent possible. The identified parts should be grouped together if they have the same or similar useful life for the purpose of separate depreciation. Insignificant parts may be combined together in the remainder of the asset or with the principal asset”. On the other hand, the Para 46 & 47 of Ind AS – 16 on Property, Plant & Equipment states;

Para 46 – To the extent that an entity depreciates separately some parts of an item of property, plant and equipment; it also depreciates separately the remainder of the item. The remainder consists of the parts of the item that are individually not significant. If an entity has varying expectations for these parts, approximation techniques may be necessary to depreciate the remainder in a manner that faithfully represents the consumption pattern and/or useful life of its parts.

Para 47 – An entity may choose to depreciate separately the parts of an item that do not have a cost that is significant in relation to the total cost of the item.

Thus if in the above example we assume that Electrical Panels Installation are insignificant component, then according to the Companies Act they will be grouped together with the main asset, i.e., Boiler, Turbine, Generator, condenser etc, but according to Ind AS 16, they will be depreciated on the basis of consumption pattern and/or useful life of its parts. Depreciation calculation in both the cases is shown below:

Calculation of Depreciation as per Schedule II of Companies Act, 2013

<i>Components</i>	<i>Cost (Rs. in Lakh)</i>	<i>Useful life</i>	<i>Amount to be depreciated</i>	<i>Depreciation (Rs. in Lakh) For Single Shift</i>
Erection, fabrication & construction	200	30	190	6.33
Transformer, grids	100	10	95	9.5
Plant & Equipments including remaining insignificant assets, i.e., Electrical Panels Installation etc.	700	40	665	16.625

Calculation of Depreciation as per Ind AS – 16

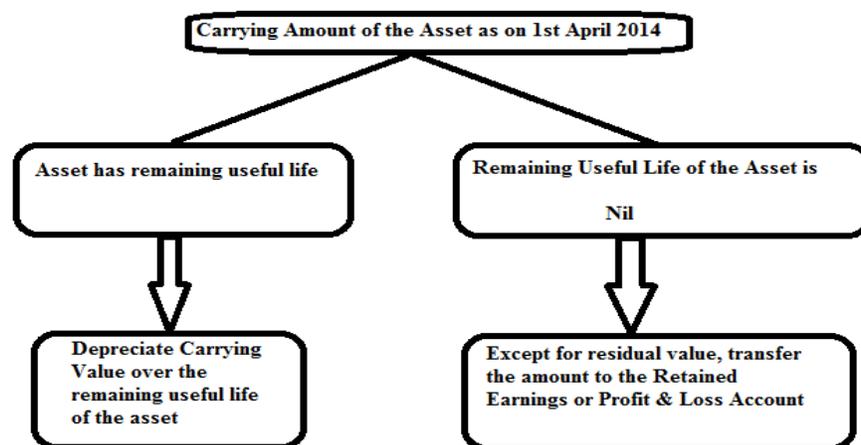
<i>Components</i>	<i>Cost (Rs. in Lakh)</i>	<i>Useful life</i>	<i>Amount to be depreciated</i>	<i>Depreciation (Rs. in Lakh) For Single Shift</i>
Erection, fabrication & construction of Building Structure	200	30	190	6.33
Electrical Panels Installation	50	10	47.5	4.75
Transformer, grids	100	10	95	9.5
Plant & Equipments (Boiler, Turbine, Generator, condenser etc.)	650	40	617.5	15.44

While the total depreciation as per Companies Act, 2013 is Rs 32.46 Lakh. the depreciation to be charged under Ind AS – 16 will be Rs. 36.02 Lakh., **the difference because of difference in treatment of insignificant component.**

Transitional Effect of Schedule II

As per Companies Act, 2013, from the date Schedule II comes into effect i.e., 1 April 2014, the carrying amount of the asset as on that date

- a. Shall be depreciated over the remaining useful life of the asset.
- b. After retaining the residual value, may be recognized in the opening balance of retained earnings or may be charged off to Profit and Loss account where the remaining useful life of an asset is nil.



Thus reassessment of useful life of existing assets has to be done by the companies & in case the remaining useful life of the asset is nil, it has to be adjusted against the opening balance of retained earnings. But if the asset is having some remaining useful life then the carrying amount is to be depreciated completely (except for residual value) over this remaining life.

For example, if a Company has purchased furniture on 1st April 2006 for Rs 10 Lakh, charges depreciation @ 6.33% p.a. on SLM basis for single shift, then the carrying amount on 1st April 2014 will be Rs 4.93 Lakh. Now if on 1st April 2014, the remaining useful life is estimated to be 2 year (with a residual value of Rs 0.5 Lakh), then the Rs 2.215 Lakh $\{(4.93 - 0.5)/2\}$ shall be charged to profit and loss account as depreciation in next two years. But if the remaining useful life is estimated to be NIL, then the whole amount of Rs 4.43 lakh $(4.93 - 0.5)$ shall be adjusted against the opening balance of Retained earnings as on 1st April, 2014.

Now AS – 6 provides ...the depreciation method selected should be applied consistently from period to period. A change from one method of providing depreciation to another should be made only if

- The adoption of the new method is required by statute or

- For compliance with an accounting standard or
- If it is considered that the change would result in a more appropriate preparation or presentation of the financial statements of the enterprise.

When such a change in the method of depreciation is made, depreciation should be recalculated in accordance with the new method from the date of the asset coming into use. The deficiency or surplus arising from retrospective recomputation of depreciation in accordance with the new method should be adjusted in the accounts in the year in which the method of depreciation is changed. In case the change in the method results in deficiency in depreciation in respect of past years, the deficiency should be charged in the statement of profit and loss. In case the change in the method results in surplus, the surplus should be credited to the statement of profit and loss. Such a change should be treated as a change in accounting policy and its effect should be quantified and disclosed. Thus AS – 6 and Schedule II of Companies Act, 2013 contradicts on two aspects

1. AS – 6 provides that any deficiency or surplus due to change in the method of depreciation should be charged in the statement of Profit and Loss, whereas Schedule II states if the remaining life of the asset is nil, then the carrying amount of the asset (after deducting residual value) shall be adjusted against the opening balance of Retained Earnings.

In the above example, according to AS – 6, the amount of Rs 4.43 lakh (in case of residual life is Nil) shall be charged to P&L A/c of Financial year 2014 – 15.

2. AS – 6 provides that the deficiency or surplus arising from retrospective recomputation of depreciation in accordance with the new method should be adjusted in the accounts in the year in which the method of depreciation is changed. But Schedule II of Companies Act, 2013, that carrying amount of the asset shall be depreciated over the remaining useful life of the asset.

In the above example, AS – 6 requires the retrospective computation of depreciation shall be made and any difference resulting from such recomputation shall be charge in the P&L A/c of the Financial Year 2014 – 15.

Considering the preface of the Accounting Standards issued by ICAI, if an accounting standard is not in conformity with the law, then the provisions of the said law, or statue shall prevail over the accounting standard. Thus it can be said that the provisions of Schedule II of the Companies Act 2013, shall prevail over AS – 6.

Conclusion

The enactment of Companies Act, 2013 has resulted in a requirement for a change in accounting policy of the Company. As per AS 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies", "... any change in an accounting policy which has a material effect should be disclosed. The impact of, and the adjustments resulting from, such change, if material, should be shown in the financial statements of the period in which such change is made, to reflect the effect of such change. Where the effect of such change is not ascertainable, wholly or in part, the fact should be indicated. If a change is made in the accounting policies which has no material effect on the financial statements for

the current period but which is reasonably expected to have a material effect in later periods, the fact of such change should be appropriately disclosed in the period in which the change is adopted.”

Thus a detailed evaluation of useful life of the assets & its carrying amount should be done at the time of transition from the Schedule XIV of Companies Act, 1956 to Schedule II of Companies Act, 2013. The following information is required to be disclosed under significant accounting policies in the annual accounts, namely:

- a. Depreciation method used; and
- b. The useful life of the assets for computing depreciation, if they are different from the life as specified in the Schedule II.

Also as far as tax treatment is concerned, there will not be any impact in respect of depreciation allowance in arriving at taxable income because under Income Tax Act, block of asset method is used for computing allowable expenditure under depreciation.

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CORPORATE SOCIAL RESPONSIBILITY INITIATIVE THROUGH FOOD FORTIFICATION

Vineet Sawhney*

Introduction

Food Fortification is a flagship corporate social responsibility initiative that can afford companies the opportunity to address a humanitarian challenge in an economically sustainable way. Nutritional deficiencies, also referred to as malnutrition, are widely spread in developing countries the consequences of which are devastating. For example, malnourished children compared to their well-nourished counterparts have impaired growth, more severe illnesses, an increased mortality risk or a lower performance at school. The most frequent forms of malnutrition are protein energy malnutrition (PEM) and micronutrient deficiencies, such as Vitamin A, iron and iodine deficiency. Other micronutrients of concern are B Vitamins, Vitamin C and zinc.

Poor nutrition is Poor Economics

The need to systemically address underlying causes of malnutrition in India is an urgency that cannot be deferred for long. The World Bank estimates that India loses 2-3 per cent of its annual GDP by way of lower productivity, the underlying cause of which is malnutrition. The Ministry of Finance in its Economic Survey 2015-16 says, "Imagine the government were an investor trying to maximize India's long-run economic growth. Given constraints on fiscal space and the state's capacity to deliver public services, where would it invest? This chapter argues that some of the highest economic returns to public investment in human capital in India lie in maternal and early-life health and nutrition interventions." Poor nutrition will fracture the dreams and aspirations of India to become a global player in manufacturing and other industries. The human dividend on which we are banking is actually a huge liability given that one out of every three children is born underweight and unable to realize the full potential for physical growth and cognitive development, leading to lower levels of productivity. Poor nutrition is also poor humanity. Article 47 of the Constitution mentions the "duty of the state to raise the level of nutrition and the standard of living and to improve public health. The state shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties."

The "Global Nutrition Report 2016" again demonstrates India's slow overall progress in addressing chronic malnutrition, manifest in stunting (low weight for age), wasting (low

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weight for height), micronutrient deficiencies and over-weight. In a ranking of countries from lowest to highest on stunting, India ranks 114 out of 132 countries, with the incidence of stunting at 38.7 per cent, compared with Germany and Chile at 1.3 per cent and 1.8 per cent, respectively. Even Bangladesh and Nepal rank marginally higher than India. On wasting, India ranks 120 out of 130 countries, at 15.1 per cent, compared with Australia and Chile at number 1 and 2, with 0 per cent and 0.3 per cent, and South Sudan at 130 with 22.7 per cent. On the prevalence of anemia in women of reproductive age, India ranks 170 out of 185 countries at 48.1 per cent, compared with Senegal which is the worst at 57.5 per cent and the U.S. which is the best at 11.9 per cent.

What is Food Fortification?

Micronutrient deficiencies caused by a chronic lack of essential vitamins and minerals affect more than two billion people worldwide and are especially prevalent in developing countries. Micronutrient deficiencies account for 7.3 per cent of the global disease burden. It is well acknowledged that global health and developmental goals cannot be attained without addressing the magnitude of micronutrient malnutrition. Food fortification or enrichment is the process of adding micronutrients (essential trace elements and vitamins) to food. It may be a purely commercial choice to provide extra nutrients in a food, while other times it is a public health policy which aims to reduce the number of people with dietary deficiencies within a population or a Corporate Social Responsibility (CSR) led initiative by a corporate. As defined by the World Health Organization (WHO) and the Food and Agricultural Organization of the United Nations (FAO), fortification refers to "the practice of deliberately increasing the content of an essential micronutrient, i.e., vitamins and minerals (including trace elements) in a food irrespective of whether the nutrients were originally in the food before processing or not, so as to improve the nutritional quality of the food supply and to provide a public health benefit with minimal risk to health," whereas enrichment is defined as "synonymous with fortification and refers to the addition of micronutrients to a food which are lost during processing". As outlined by the FAO, the most common fortified foods are Cereals and cereal based products, Milk and Milk products, Fats and oils, Accessory food items, Tea and other beverages and Infant formulas.

The WHO states that limitations to food fortification may include human rights issues indicating that consumers have the right to choose if they want fortified products or not, the potential for insufficient demand of the fortified product, increased production costs leading to increased retail costs, the potential that the fortified products will still not be a solution to nutrient deficiencies amongst low income populations who may not be able to afford the new product, and children who may not be able to consume adequate amounts thereof.

Taken as a whole, the largest food and beverage manufacturers in India are falling far short of what they need to do to help fight the enduring and mounting burden of malnutrition in India. Large-scale effective fortification requires clear and enforceable government standards, accompanied by commitment and investment by the companies to build the market for fortified products. In India, only 2% to 5% of foods are believed to be fortified, with the micronutrients lacking in many Indian's diets. The foods that are fortified are mostly staples, such as dairy and wheat, fortified with vitamins A, D, C and iron among other micronutrients. There are only one or two examples of companies using salt fortified with iodine to make their products. Most companies produce no or very few fortified packaged products. Cargill

is the exception which has shown leadership by fortifying its oils voluntarily. Nestlé India leads the rank when it comes to addressing micronutrient deficiencies through product fortification followed by Britannia Industries. Only Nestlé India and Britannia Industries have a structured approach to product fortification with relevant commitments and programs. They also engage in other non-commercial initiatives designed to disseminate fortified products to those who need them.

However, the technical fortification standards for several commodities launched by Food Safety and Standards Authority of India (FSSAI) in October 2016 could provide the much-needed central leadership to scale up fortification and create a “level playing field” for companies. This major step taken by the government affords the perfect opportunity to the F&B industry to declare its support, and for companies to set bold, specific targets to build the market for fortified foods and to deliver fortified products to millions of consumers across India.

The significance of food fortification is well acknowledged under the Companies Act, 2013 when one reads Schedule VII to the Companies Act, 2013. Under this schedule, activity relating to eradication of hunger, poverty and malnutrition is one of the prescribed activities which may be adopted by companies in their Corporate Social Responsibility (CSR) policies.

Global Perspective

In a highly connected and globalized world, Corporate Social Responsibility (CSR) and Brand Reputation Management (BRM) are changing not just rapidly, but in innovative fashions. Several global brands and companies have been experimenting with long-term development oriented goals which not only help sell their products but create a positive image of the brand by associating it with a cause. Nestle has addressed the health outcomes of its consumers in developing regions by incorporating micronutrient fortification in its Popularly Positioned Products (PPP). One such example is iron fortification of the best-selling Maggi bouillon cube in parts of Central and West Africa to combat iron deficiency.

BASF, the world’s largest chemical company is a leading global provider of nutrition solutions. Through its product solutions, technical assistance, scientific capacities and partnerships with academic and public-interest organizations, BASF is engaged in programs in more than 30 developing countries that are helping local producers, the public sector and civil society to reduce Vitamin A deficiency.

Urbano Rice, one of the leading rice millers in Brazil, noted compelling business opportunities in developing a fortified product, including competitive differentiation in a flat growth market; brand-building as an innovative and socially conscious company and expansion of the product line into export markets (Costa Rica and Peru, for example). In 2010, Urbano launched a partnership project with the Global Alliance for Improved Nutrition and PATH to introduce affordable multiple micronutrient fortified rice in the Brazilian market, while raising awareness of the benefits of fortified products. Urbano consequently embraced fortification as part of its marketing strategy, co-investing substantially in store collateral, tasting booths, and other marketing materials to promote the product. Through innovative social marketing, awareness of fortified rice went from a very low level to almost one third of the exposed market in just 12 months.

Involvement in fortification apparently has plenty of benefits, regardless of the profit to be made. These can include business development with low-income populations and demonstration of corporate social responsibility. But on a cautionary note, if businesses get involved for the wrong reasons or are not motivated to help others and are more focused on the returns to shareholders, then their involvement is detrimental to fighting malnutrition.

CSR under Companies Act, 2013 with Income Tax Implication

As per Section 135 of the Companies Act 2013, all companies (including foreign companies) with an annual turnover of at least Rs. 1,000 crores, or a net worth of minimum Rs. 500 crores, or a net profit of Rs. 5 crores and above shall constitute a CSR panel of the Board and are required to mandatorily spend 2% of their average net profits of the company made during the three immediately preceding financial years towards specified CSR activities during the year.

Schedule VII of the Companies Act prescribes activities towards which CSR expenditure should be incurred, including eradicating extreme hunger, poverty and malnutrition, promoting education, promoting gender equality, empowering women, ensuring environmental sustainability, protection of national heritage, art and culture, etc.

The Finance Act 2014 brought a far reaching amendment as far as CSR expenditure was concerned. There was a lot of expectation that as a corollary to the CSR related amendment in the Companies Act 2013, there will be a corresponding amendment in the Income Tax Act, 1961 allowing all CSR expenditures as deductions under section 37. On the contrary, the Finance Act proposed that CSR expenditure shall not be allowed as expenditure under section 37. However, any CSR expenditure which is allowed as deduction under other section such as section 30, 32, 35, 35AC, 80G is permissible. The amendment to section 37 by Finance Act 2014 was supported by an explanatory circular (Circular no. 1/2015 dated 21.1.2015) as per which CSR expenditure, being an application of income, is not incurred wholly and exclusively for the purpose of carrying on business and therefore such expenditure cannot be allowed under the provisions of the Income Tax Act. At this stage, it would be worthwhile to also refer to the Companies (Corporate Social Responsibility Policy) Rules 2014 which defines CSR activities as activities which shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The Companies (Corporate Social Responsibility Policy) Rules, 2014 contain guidance on how the companies can undertake CSR activities in the most tax efficient manner. The CSR can be implemented through trusts or a Section 8 company (formation of companies with charitable objects corresponding to section 25 companies under Companies Act, 1956) set up for this purpose. The company may itself set up such entities or may use entities set up by others for its CSR programs. There does not appear to be any bar on a company desirous of incurring CSR expense to associate with some other charity or association to discharge its obligation or duty cast under the Companies Act.

The tax treatment, however, will be different for various types of permissible activities. If the company directly undertakes CSR expenditure there will be no tax benefit which otherwise would be available if the company adopts a different way of incurring CSR expenditure. For example, if the company undertakes CSR expenditure through 80G registered NGOs (including

its own foundation) focusing on food fortification and eradication of hunger and malnutrition, it will get 50% deduction on such CSR contribution made. There are some successful public-private partnerships already in Southeast Asia, with organizations such as the Global Alliance for Improved Nutrition (GAIN) and PATH working with governments, other NGOs and the private sector on food fortification programs over a number of years. These organizations provide a diverse range of expertise in areas such as research and social marketing, and a broad reach, particularly at the grass-roots level, that can greatly enhance public-private partnerships in food fortification programs.

In case, a company decides to associate with an association which is covered by Section 35AC of I-T Act and makes contribution to the said association for undertaking construction of school or pollution control which is one of the projects listed in Schedule VII of Companies Act, 2013 it will get a 100 per cent deduction of the contribution made. The 'eligible project or scheme' in section 35AC(1) means such project or scheme for promoting the social or economic welfare of, or the uplift of, the public as the Central Government may, by notification in the Official Gazette, specify in this behalf on the recommendations of the National Committee.

Conclusion

Unlike gnawing hunger that results from going without food, the hunger of micronutrient malnutrition often goes unnoticed, even by those affected. To create a robust Indian work force and a strong economy, our human capital should be nutrient strong. The companies by converging and supporting food fortification drive, while discharging their CSR responsibilities, would certainly create an enabling environment and share the burden of the government in this direction. The Food Safety and Standards Authority of India (FSSAI) is actively working with different stakeholders in this direction. For encouraging the fortification drive the Government may introduce suitable amendments in the Income Tax Act, 1961 to allow a higher deduction of 100% of donations to such funds or institutions whose charitable purpose includes removal of malnutrition of hunger and malnutrition from India. Else, it could include 'fortification projects or schemes' for promoting social welfare as "eligible projects or schemes" under section 35AC (1) of the Income Tax Act, 1961. This, indeed, would result in a paradigm shift from the limited focus on adulteration to a wider canvas of food safety and nutrition.

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EMPOWERING WOMEN - POWERING BOARD GOVERNANCE : THE WOMEN DIRECTORS

Meenu Gupta*

"Gender Equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance".
- KOFI ANNAN

Way back in 1987 after the Satyam Scandal (called the Enron of India) hit the Indian Market, the need for a strong Corporate Governance framework was felt to enhance the accountability on the part of corporates and auditors, and to raise the levels of transparency keeping in mind interest of investors in India Inc. Also, with the initiation of globalized economy under the theme of free market, corporate gets hold of abundant opportunities of playing sufficient role not only in people's life but also utilizing various resources available at global level. With rights comes the responsibility, so is with the corporates worldwide where strong management at the end of Board of Directors is required which forms one of the robust pillars of corporate governance framework. For directors to deliver there is an urge for Gender Diversity at Boards for effective decision making. Diversity among board members facilitates bringing multiple viewpoints to bear on issues before the board. The article intends to emphasize the role of women directors to powering board governance at Corporates.

Literature Review

As recent corporate governance scandals and Sarbanes-Oxley legislation, Higgs Review, and other initiatives draw attention to the importance of corporate governance, scrutiny has turned to the composition of corporate boards of directors. For example, the demise of Icelandic bank Kaupthing led to immediate resignation of the entire board of directors (The Age, 2008). In the wake of failure of other financial institutions, such as Lehman Brothers, investors, governments, and concerned parties around the world are demanding answers to questions such as "Where was Lehman's Board?" (Berman, 2008; Thornton, 2008). While the market plunge has highlighted media coverage on the directors of board, practitioners and academics have long followed board composition, including the slow advancement of women onto corporate boards, despite nearly 40 years of equal opportunities policies. A Google search reveals 340,000 webpages for female or women corporate board directors, including 25,400 webpages in Google Scholar. Extant research emerges from an interdisciplinary academic community, across psychology, sociology, leadership, gender, finance, management, law, corporate governance, and even entrepreneurship. It is timely, therefore, to pull together

* ACS.

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research on nature and impact of gender diversity in board composition as a facet of corporate governance.

Female representation in corporate decision making is an important issue for policymakers. For example, the Norwegian government requires that boards of directors of publicly held firms be comprised of at least 40 per cent women (Hoel, 2008) and the Spanish government has committed to 40 per cent by 2015 (De Anca, 2008). Around the world, other countries are considering legislation while developing economies, such as India and China, and Middle

East countries (Tunisia and Jordan) are beginning to recognize the importance of developing female talent up to the board level (Singh, 2008a).

A key theme in the literature is that women represent a resource that is still greatly underutilized. Their presence at top managerial and executive ranks not only introduces benefits such as higher business competitive advantage, but also results in better quality decisions and consequently the better financial performance of firms. Literature indicates that presence of women on boards not only improves corporate governance but also changes boardroom environment (Huse & Solberg, 2006; Rosener, 2005).

According to researchers, women's lower representation on corporate board may be merely an act of discrimination as a result of their token status on top management and board positions. Kanter (1977) argues that problems faced by women in organisations are not the product of their gender per se.

Women are less represented on Indian corporate boards as compared to other countries. India is the lowest with 5.4% of directorships being held by women whereas Canada (15%), USA (14.5%), the U.K. (12.2%), Hong Kong (8.9%) and Australia (8.3%) have higher percentages. The major sources of directorships for women are public sector employment, family ties and private sector banks only. Balasubramanian (2011) reported that out of 1112 directors on the BSE-100 boards in 2010 just 59 or 5.3% were women. Only 4 of 13 of BSE-100 family based boards companies have women on their boards. Banks record the highest at 11.0% while several other sectors including renewable energy and health sectors trail at bottom with 1.0%. Walt and Ingley (2003) described diversity in context of corporate governance as the composition of board and the combination of different qualities, characteristics and expertise of individual members in relation to decision making and other processes within the board.

Corporate Governance & Growth through Gender Diversity

It is considered necessary to create a corporate culture of consciousness, transparency, confidence among investors and prospective investing public. It refers to a combination of laws, rules, regulations, procedures and voluntary practices to enable companies to maximize shareholders' long-term value. Good corporate governance practices are sine qua non for sustainable business that aims at generating long term value to all its stakeholders. Good Corporate Governance practices are essential to ensure inclusive growth, wherein every section of society enjoys the fruits of the corporate growth. Sound and efficient corporate governance practices are the basis for stimulating the performance of companies, maximizing their operational efficiency, achieving sustained productivity as well as ensuring protection of shareholders' interests. It ensures the health of the economies and their stability.

A key policy objective of Corporate Governance is to make sure that financial sector can serve the needs of real economy, that savings are available and effectively channeled to corporations that need capital for innovation, job creation and growth. Corporate Governance is therefore an integral part of any policy for economic development and social progress. At global level, a universal demand has been raised that corporates should take a balanced view towards environment protection, transparency among stakeholders, education, health, employee welfare activities and compliance with the legal requirement as a venture apart from being money making engine. And since the strength of the company lies in its board of directors who act as agents of the shareholders, they are expected collectively to devise operational and financial strategies for organization and to monitor the effectiveness of company's practices. The widely adapted OECD Principles of Corporate Governance highlights the essential role boards play in ensuring that nominations and election processes are transparent and respected and that potential members for the board have "the appropriate knowledge, competencies and expertise to complement the existing skills of the board and thereby improve its value-adding potential for the company".

Stakeholders are more interested in board diversity than ever. As per various national/international practices, it would also mean that the individuals of the board should be diverse in background, education, experience, knowledge, thoughts, perspective, functional expertise, independence, age and gender. Diversity would further include differences that relate to communication styles, problem solving and interpersonal skills. Diversity is not simply about having a collection of individuals who have different characteristics. It is about getting the right people for the job and harnessing their unique and individual skills and experiences in a way that collectively benefits the organization and the business. This approach may take time and effort, but companies that make this investment will experience the benefits a diverse board can yield.

A simple and common measure to promote heterogeneity in the boardroom commonly known as gender diversity is to include female representation on the board. A more diversified board contributes to better performance, as decisions would be based on evaluating more alternatives compared to homogenous boards. Diversity, in all its aspects, serves an important purpose for board effectiveness. It can widen perspectives while making decisions, avoid similarity of attitude and help companies better understand and connect with their stakeholders. A board composed of directors representing a wide range of perspectives will lead to an environment of collaborative wisdom that is the essence of good governance.

Need of a diverse Board

Board Diversity means introducing diversity of thought, experience, knowledge, understanding, perspective, gender and age in the boards of directors. Over the years, regulators have placed great emphasis on addressing different matters relating to the board of directors being stressing on the roles of non-executive directors as well as the importance of independence of the board; and emphasizing the significance of balancing skills and experience of the board members. Until recently, there has been an urge for diversifying the board. Intuitively, diversity means having a range of many people that are different from each other. There is, however, no uniform definition of board diversity. The purpose of achieving diversity on board of directors of the company is for:

- (i) Enhancement of the quality of performance of the Board;

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- (ii) Usher in independence in the performance of the Board;
 - (iii) Eradicate the gender bias in the Board;
 - (iv) Achievement of sustainable and balanced performance and development in the Company;
 - (v) Support the attainment of strategic objectives of the Company; and
 - (vi) Compliance of applicable law/s and good corporate practices.

Board is essentially a group of individuals working together. The Board must be a fine blend of individuals drawn from different walks of life and diverse sections of community. It is sometimes observed that few members actually discharge their responsibilities while rests are decorative or play a peripheral role. Moreover, when members are too alike, the overall thought process becomes stereotyped and predictable. Therefore, it may hamper the decision making process, since others ideas/issues are not debated/discussed. Having diverse skills and expertise in the Board is a very important pre-requisite for the effectiveness of Governance.

The Board is supposed to be the most powerful body of an Organization and in the absence of an effective Board; it is an arduous task to ensure good governance in any organization. Diversity plays a very crucial role in forming an effective Board. However, it has been seen that in many Organizations diversity is not given much importance. Diversity of background, skills and perspectives are considered essential ingredients of effective Boards. Multiple perspectives are necessary to bring in creativity and to challenge stereotype thought process. Diversity leads to more innovation, more outside box thinking and better governance.

More diversity leads to better Governance. A diverse Board contributes to overall Board effectiveness by safeguarding and fulfilling the mission of the Organization and enhancing fiduciary oversight. A diverse Board brings fresh perspectives to decision making. A more diverse group fosters creativity and produces a greater range of perspectives and solutions to problems. A Board with members having different external linkages can help in easy access to resources and help in establishing connections easily. Organizations having a more diverse board can be a means of acquiring legitimacy in the view of society, media and Government.

Certain issues seem to receive more attention when there are several female board members present. Women tend to raise questions their male counterparts often disregard. What's more, once granted the opportunity, women can take traditional conversations in new, unexplored directions that can lead to different outcomes.

Men are more concerned about strong internal controls, keeping up with the new regulatory environment and good corporate governance processes. Women, on the other hand, are particularly concerned with succession, growing the senior staff and sustainable shared value and this tends to lead to good governance.

Women gravitate towards issues involving corporate citizenship or CSR, making these issues more of a priority for the boards on which they serve. Many experts contend that companies that fulfill their duty to society and implement effective CSR measures will see improved standards of corporate governance. What may connect the dots between corporate

governance and sustainable shared value is a more diverse board. A more diverse board can drive performance levels while expanding the thinking of boardroom outside a very company-centered mind-set.

These small changes in board focus may well be worth the effort to recruit to recruit more female board members. There is an increasing demand for women directors because there is a clearer understanding from their male counterparts that companies need to better focus on their stakeholders, including shareholders and customers. Shareholders are demanding sustainable business success, and this is difficult, if not impossible, to accomplish if your board is not composed of individuals who represent diverse points of view of stakeholders and customers, which are essential to the success of organization.

Women on board

"There is no chance of welfare of world unless the condition of women is improved. It is not possible for a bird to fly on one wing."
- Swami Vivekanand

The principle of gender equality has been enshrined in the Indian Constitution in its preamble, fundamental rights, fundamental duties and directive principles of state policy, but despite such unambiguous equal rights given to both men and women Indian society has remained male dominated. A corporate board is one example where gender inequalities are easily noticed. However, now there is an increasing trend to promote greater gender diversity within organization due to social, cultural, and legal changes adapted. Government of India has propagated many laws for empowerment of women. Companies Act, 2013 has mandated inclusion of atleast one woman director in Board of every prescribed class of companies in India being a truly revolutionary step initiated by legislation for women empowerment in corporate world and to recognize important role of women in promoting economic welfare of the country. The second proviso to Section 149(1) of the Act makes it mandatory for every listed company to appoint atleast one woman director. Every other public company having paid-up share capital of Rs. 100 crores or more or turnover of Rs. 300 crore or more as on the last date of latest audited financial statements, is also required to appoint atleast one woman director. SEBI vide its circular dated 17th April, 2014 has made it mandatory for all listed companies to appoint atleast one Woman Director on their Board of Directors in alignment with requirement of Section 149 of Companies Act, 2013, under corporate governance norms.

However, India is not the first, several countries including Norway mandated 10 years ago that atleast 40% of all Board members should be women; most European countries moving towards atleast 25% of board members being women. Even in,tradition-bound country such as Japan, where few women enter the top echelons of management, there is a move to have atleast one woman board member.

Number of women on boards of Companies in India has doubled over the past six years from 5.5% in 2010 to 11.2% in 2015. As per the latest data available at Indian Boards Database (Prime Database), among 1574 NSE listed companies, 60 do not have even one women director on their board with several public sector companies at the top who are struggling to meet the norm including ONGC, BPCL, among others.

It is research-proven that the mandatory inclusion of a lady on board will improve firm's

performance in terms of increase in Return on Equity, Return on Sales. A correlation analysis conducted among 10 NSE listed companies having atleast one women board member with PSUs having no single woman on board revealed positive relation with their respective ROEs. The study also revealed an increase in ROE by 16.60% in 2015-16 compared to previous year for companies with maximum one women director whereas ROE rose by only 4.52% for companies with no women director. Certain examples would be Chanda Kochhar heading ICICI Bank, Arundhati Bhattacharya being a chairperson of SBI Group, CS Mamta Binani being the President of ICSI (first lady to hold the position among three professional bodies, ICAI, ICSI, ICAI), are all amongst the women making the impact on their board governance and functioning. Infact it is of the view that there should be atleast two women on corporate boards with one being an independent director, since one woman on board puts a lot of unfair pressure and adding one more will reduce that pressure. Being an individual from a different background isolates the person from the rest of group and that issue of singling out goes away if we have more than one woman. Adding the instances of Cipla which have three women board members and Apollo Enterprises headed by four women members on their board.

Even an increasing number of companies seem to trust women in key finance roles at CXO level as woman leaders bring diversity of thought and approach which helps to embrace new ways of working. Diversity is clearly a key result area now for companies. Three women are handling key finance roles at HUL. There is also a 15-30% increase in demand for women lawyers at in-house legal teams in past 12 months including Citi, Mondelez, GE, Crompton Greaves. Apart from helping company's comply with mandatory norms, women lawyers also score higher on soft skills, are less prone to job-hopping and it helps them ensure work-life balance. Since they have better empathy and social skills than their male counterparts, they handle relationships with colleagues better and have a more subtle approach during negotiations, where big egos of clients can easily be bruised.

The percentage of women employees in Banks in India is 24% which is among the highest ratios in female to male workforce in any industry. This is due to the work culture in banks being suited to female candidates, pay and perks, banking professionals are viewed at a higher pedestal than all the other working classes especially female bank employees, and the growth prospects that banks offer to female employees.

Powering Board Governance: Benefits of Having Women Director

The Board of Directors of a company is the vital governing body and directors have utmost responsibility for stable, efficient, and profitable running of the company, safeguarding the interests and progress of the company and its stakeholders.

- *Effective decision making*: It is believed that a diverse board is able to make decisions more effectively by reducing the risk of 'groupthink', paying more attention to managing and controlling risks as well as having a better understanding of the company's consumers. One of the pitfalls behind the decision making process in the boardroom is 'groupthink', which is described as a psychological behaviour of minimizing conflicts and reaching a consensus decision without critically evaluating alternative ideas in a cohesive in-group environment. Combining contributions of a group of people with different skills, backgrounds and experiences is assumed to be

able to approach problems from a greater range of perspectives, to raise challenging questions and to debate more vigorously within top management groups. Such a multiple perspective analysis of problems can change the boardroom dynamics and is more likely to be of higher quality than decisions made under a 'groupthink' environment.

Diversified board members are more likely to possess different personal characteristics, which lead to dissimilar leadership, thinking, emotional styles and even risk preferences and behaviours. Not only may this foster creativity in delivering solutions to problems, but also provide a more comprehensive oversight to the operations of the organization through a further enhancement of the company's sensitivity to a wider range of possible risks such as reputation and compliance risks. This may then support a greater supervision on the boards in its performance evaluation and in the decision-making process.

Further, companies are competing in a global environment nowadays. In order to achieve organizational goals and objectives, directors need to understand diverse stakeholders' claims in particular the needs of customers well. A balanced board will have more representatives of users and customers of its products in the boardroom to make informed judgment. This may be especially important for consumer-facing industries to have female directors and for multinational companies to include foreign nationals on the board. Dissimilar backgrounds, experience and social networks in the boardroom may therefore improve their understanding of the stakeholders, provide diverse connections with the external environment and help address stakeholders' claims in a more responsive manner.

- *Reputation Building & Improved Investor Relations* : Having a heterogeneous board can enhance corporate reputation through signaling positively to the internal and external stakeholders that the organization emphasizes diverse constituencies and does not discriminate against minorities in climbing the corporate ladder. This may somehow indicate an equal opportunity of employment and the management's eagerness in positioning the organization as a socially responsible citizen.

It is also argued that board diversity reflects the diversity of the society and community served by the organization. This reflection strengthens the social contract between a business and its stakeholders, which, in turn, improves its strategic fit that the business has with its environment. As a result, it is suggested that a diverse board can help a company build its reputation as a responsible corporate citizen that understands its community and deserves its trust.

Further, more institutional investors have taken into account board diversity as a factor for investment evaluation due to the reasons that a number of academic research papers indicated the positive correlation between firm value and board diversity; and institutional investors are placing greater emphasis on corporate social responsibility. Board diversity can, therefore, to a certain extent, improve its investor relations.

Having a diverse board can play an important role in anticipating and managing risk because it will have a broader range of perspectives and professional expertise that will allow greater insights and discussion. Being a Board member is a role where one can make a real difference, and the diverse views of Boards make companies more resilient and agile to face the complex world of the 21st century.

- *Better Utilization of Talent Pool* : Stakeholders are demanding more from directors, in particular from non-executive directors (NEDs). Having NEDs on board has already been a common requirement across countries. NEDs are, however, often criticized for having insufficient devotion of time and effort in understanding the business and representing stakeholders to scrutinize executive directors in making appropriate decisions.

One of the problems of searching for suitable directors lies on the limited number of candidates – there is especially a tendency to search for board members with typical characteristics, such as male directors. If directors expand the pool of potential candidates by considering more diversified attributes, like women and ethnic minorities to be included in boardroom, it will alleviate the problem of 'director shortage' and therefore better utilize the talent pool. It is therefore vital for companies to initiate tapping into the under-utilized pool of talent through board diversity.

- Women directors bring diversity of thought and approach which helps to embrace new ways of working.
- Would be better placed to understand and appreciate the constraints faced by women in workforce thereby leading the change.
- Women being younger than their male counterparts, bring innovative ideas and strategies to the table.
- They bring in unique skillsets adding to the long-term success and competitive advantage of the organisation.
- Since companies are required to have Sexual Harassment Committee, women at a senior level are required to act as a presiding officer of Committee.
- With just one women present at board table, fraternity culture of board has been disrupted. Board meetings are now more formal, focused and open. More importantly, women have brought a different perspective to strategic issues, which have prompted boards to be more responsible and avoid costly mistakes.
- Women directors tend to be more protective about company's money, employees and reputation. They tend to be less supportive of better collective interest for adventurous schemes. Being an extreme minority and practically an 'outsider', women directors ensure greater scrutiny of board considerations and decisions.
- Women as good listeners can ensure problem solving.
- If there were more women on the boards of companies then a larger pool of potential directorial talent would be tapped and the make-up of boards would come closer to that of society as a whole.
- Women are likely to be better than male board members with similar backgrounds and education because they are not afraid of asking the awkward questions which leads to the better decisions which are less likely to be nodded through.
- Women are said to be proactive in anticipating risks and issues that could arise, and thereby, help strengthen risk management practices.

- Address the sustainability issues of business.
- Bring environmental sensitivity in board room discussions and business processes.
- Act as effective compliance managers.
- Guide the Board on corporate governance policy of the company.
- Strengthen the stakeholders communication mechanism, media policy etc.
- Make effective contribution in corporate strategies.
- Update the Board and functional head on legislative and regulatory developments.
- Actively participate and contribute in improving the internal control systems including risk management.
- Devise, develop and monitor effectiveness of Competition Compliance Programme.
- They should facilitate the integration of new, non-executive directors into the business and their role on the board:
 - i. orientation of new directors and ongoing board education;
 - ii. developing and implementing guidelines, criteria and instruments to evaluate and enhance individual member and board performance;
 - iii. support board succession planning and overseeing independent directors' rotation.
 - iv. contribute to the drafting of the directors' remuneration policy and may ensure its compliance. Accordingly, disclosure requirements as per Corporate Governance norms may also be complied with.

The role of Company Secretary has emerged over a period of time with the advancement in technology, expanding of businesses globally, increasing investors' expectations, ensuring society's welfare, the Govt's vision and initiatives to ensure India's exclusive growth by 2022, the Companies Act, 2013, the indirect tax reform measures, change in Insolvency laws, all these reformative measures requires them to act as Governance professionals while updating towards the radical reforms of Government, their impact analysis and serving best to the clients, stakeholders, society, and thereby, to the Economy.

With increasing emphasis on good governance, introduction of various provisions relating to corporate governance and with ICSI mooted the idea of 'International Corporate Governance Day', Company Secretaries are playing a crucial role in safeguarding the interests of the stakeholders. In fact, they have been instrumental in promoting compliance and good governance norms and have achieved an outstanding recognition in the corporate sector. Being expert in corporate governance, corporates are seeking their professional expertise so as to guide their destiny in the governance regime by ensuring better compliance management, besides building sound compliance policies and procedures, optimal collaborative processes and efficient compliance structures.

More so, with the market driven economy becoming more and more important, disclosures made by corporates are the most important inputs in decision-making by various stakeholders. The credibility of disclosures becomes very important in infusing investor confidence which

can be ensured none other than Company Secretaries. It may be pointed out here that we are going through a significant time now with the changing public attitude and tolerance for the lack of transparency and corruption. There is a real desire in the society for greater transparency at all levels. But the situation is not going to improve unless we create a culture of greater transparency. In such a scenario, Company Secretaries will be playing a crucial role in making the companies understand their core purpose of business and helping them in systematizing the same so that transparency becomes a part of the company's culture.

How Company Secretaries can promote a diversified board

Company Secretaries can act as gatekeepers to the board and their primary duties include educating the board and management, and raising awareness of issues that can improve corporate governance.

Company Secretary can:

- Ensure every director slate voted on includes a woman. CS can look for and reach out to women and other diverse candidates who can bring important perspectives to the board, help balance board thinking and contribute to improved performance. They understand the various voices on the board, and where the company is looking for growth and expertise whereby can encourage diversity of director candidates and are often those in contact with board search firms.
- Identify talent within the corporation. Building a pipeline of diverse executives in company can drive better performance at all levels of organization. It can also help to create a succession planning 'bench' where senior talent can mentor exceptional up-and-comers who can possibly hold board positions at other companies, enabling them to further develop their leadership potential. Company Secretaries can help drive this leadership development and conduct training sessions for management on functions of a board and how to pursue board service.

Conclusion

The most important ingredient of success of business probably would lie in diversity in mindset, thoughts and ideas of their board members which a woman can surely and effectively able to create. It is a good start by government to mandate atleast one woman director on corporate boards for richer corporate governance standards and quality discussions at boardrooms. Once the companies live upto the mandatory requirement, they will definitely witness the merit of woman directors on board where the Governance Professional's role comes into play to ensure transparency at board tables while acting as a Women Board Member.

ROLE OF COMPANY SECRETARY IN BUILDING RESPONSIBLE BUSINESSES

Dr. S. K. Gupta*

The concept of Responsible Business has received increased attention in the past decade. In the wake of rapid changes and emerging dynamic scenario in the business world in recent years stakeholders of companies are increasingly concerned with the conduct of the affairs of the company. Companies are under greater pressure to take responsibility for conducting their business responsibly with focus on disclosure, transparency, accountability, Stakeholders engagement and Internal Controls.

The most important right we have is the right to be responsible - Gerald Amos

Responsible Business is about successfully integrating responsible business issues into the core strategy and the day to day operations of the company, including inter-alia aspects relating to Corporate Governance, Corporate Social Responsibility, Risk Management, Code of Conduct and Ethics, Sustainability Reporting, and Annual Business Responsibility Reporting. Responsible business is the responsibility of the enterprises for the impact of their operations on various stakeholders. It aims at maximizing the creation of shared value for all stakeholders. Businesses should actively integrate responsible business practices in their decision making and core business strategy and promote that thinking across the whole of their business and further through to their entire value chain for engaging actively with wider society with focus on Triple Bottom Line, i.e., People, Profits and Planet, in the pursuit of building a sustainable and responsible business.

Being a responsible business essentially means minimising the negative social and environmental impacts of your business and maximising the positive ones. These impacts are across all stakeholders – be it staff, customers, suppliers, investors, the local community, regulators etc. However it is not enough to just be responsible – after all companies need to be economically viable. Hence it is important that being responsible is married with being a sustainable business. Being sustainable is about the 'triple bottom line' – i.e., about not only managing financial risks, obligations and opportunities, but social and environmental ones too.

The motivations driving responsible business have been categorized by Maignan and Ralston (2002). They identify the three motivations, performance-driven, stakeholder-driven, and value-driven. Performance-driven is a motivation that is part of a company's economic

* FCS, FCMA.

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operations, a tool to improve its competitive position and financial performance. The value-driven motivation is part of a company's culture, or an expression of the company's core values. Finally, stakeholder-driven responsible business is generally a response to the expectations and pressures from stakeholder groups on the responsibility of the company (Maignan & Ralston, 2002). Business is increasingly portrayed as a key instrument for sustainable development and responsible business initiatives are seen as the bridge connecting the areas of business and development (Blowfield & Frynas, 2005).

Responsible business = Profitable business

The responsibilities of the modern day company secretary have evolved from that of a "note taker" at board meetings or "administrative servant of the Board" to one which encompasses a much broader role of acting as "Board advisor" and having responsibility for the organization's overall governance

In recent years, the role of the Company Secretary has expanded and greater responsibility than ever is being placed on the Secretarial function. The role has become multi-faceted and global, with Company Secretaries adding value through commercial solutions designed to protect boards and maximize shareholder engagement. The growing clamour for effective responsible business has increased focus on the role of the company secretary.

Company Secretaries rank among the most productive, valued and committed members of their organizations. As they are the part of top management and Board of Directors, they must have a strong conscience; they should be committed to the goals of their organization and have strong sense of professional responsibility and accountability.

The growth of Indian businesses, new regulatory prescriptions, intense antagonism and emergence of multifaceted business models expect the Company Secretary to rapidly expand their understanding of emerging business and governance scenarios and acquire requisite skills to provide exacting solutions on business issues with efficient service deliverables. Not only the businesses, the Company Secretary – Governance professional as we are popularly known, are also required to meet the progressively growing expectations of the stakeholders.

The Companies Act, 2013 has considerably enhanced the role and responsibilities of company secretaries both in employment and in practice and has identified Company secretary as a key managerial person in a company. However, defining the profession has become even tougher due to the way in which the challenges of enhanced stakeholders expectations, business structures and intensely dynamic scenarios, have unfolded affording an opportunity and challenge for the Company Secretary to take on and juggle a number of responsibilities that were never a part of their original jobs.

Following are the key tenets and levers for building a responsible business and the Company Secretary is expected to play a pivotal role in bringing about the desired responsible business culture in the corporate world.

Risk management

Risk management has always been regarded as an inherent or integral feature of sound business management. The board of a company is responsible for the management of risk. The board must have a clear understanding of the risks facing the company; it must ensure

that the organization has effective risk management and control processes; and it must be provided with assurance that the processes and key risks are being effectively managed. The company secretary has a pivotal role to play in the provision of appropriate guidance/ advice to the board regarding its duties and responsibilities pertaining to risk management.

As per Section 134(3)(n) of the Companies Act, 2013 the Directors Report shall include a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

Section 177 (4) stipulates

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include evaluation of internal financial controls and risk management systems.

As a top level officer and board confidante, a Company Secretary can play a vital role in ensuring that a sound Enterprise wide Risk Management [ERM] which is effective throughout the company is in place. As a key managerial personnel responsible for coordination and communication of processes and mechanisms for effective corporate functioning and governance, a Company Secretary should ensure that there is an Integrated Framework on which a strong system of internal control is built. Such a Framework will become a model for assessing and evaluating risk management efforts in the organization. Risk and control consciousness should spread throughout the organization. Company Secretary should ensure that this happens so that the risk factors are duly considered at every stage of formulation of business strategy. It will also create awareness about inter-relationships of risks across business units and at every level in the organization. Company Secretary can ensure that the following questions are effectively addressed at the board level:

- What is the organization's risk management philosophy?
- Is that philosophy clearly understood by all personnel?
- What are the relationships among ERM, performance, and value?
- How is ERM integrated within organizational initiatives?
- What is the desired risk culture of the organization and at what point has its risk appetite been set?
- What strategic objectives have been set for the organization and what strategies have been or will be implemented to achieve those objectives?
- What related operational objectives have been set to add and preserve value?
- What internal and external factors and events might positively or negatively impact the organization's ability to implement its strategies and achieve its objectives?
- What is the organization's level of risk tolerance?
- Is the chosen risk response appropriate for and in line with the risk tolerance level?
- Are appropriate control activities (i.e., approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, segregation of duties) in place at every level throughout the organization?

- Is communication effective — from the top down, across, and from the bottom up the organization?
- How effective is the process currently in place for exchanging information with external parties?
- What is the process for assessing the presence and performance quality of all eight ERM components over time?

Company Secretaries, need to interact with all the company's business divisions so they can explain the risks in a unit far away that the board may not be familiar with. 'You need to translate it into why it's important for me as a director.

When speaking with managers of individual business units about risks they're confronting, Company Secretaries need to be on alert for any filtering out of negative information. 'Think of yourself as a deputized auditor, People in the departments may not want to tell you about something because they haven't figured out how to handle it yet.' Company Secretaries should take an inventory of all the events over the past year that impacted the company and assess whether or not the management team was prepared for each event. The company secretary has a pivotal role to play in the provision of appropriate guidance and advice to the board regarding its duties and responsibilities pertaining to Risk Management.

Reporting of frauds

If during the course of their professional duties, a practicing professional has reason to believe that an offence involving fraud is being or has been committed by a company, it is his duty to report the fraud.

Section 143 (12) of the Companies Act, 2013 provides that notwithstanding anything contained in this section, if an auditor of a company, in the course of the performance of his duties as auditor, has reason to believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company, he shall immediately report the matter to the Central Government within such time and in such manner as may be prescribed. As per section 143 (14), the provision of section 143 shall mutatis mutandis apply to a company secretary in practice conducting secretarial audit under section 204. The Company Secretary must be vigilant and if something abnormal comes to his knowledge then he must discharge his duty and comply with the reporting requirements prescribed under the Companies Act, 2013

Corporate Social Responsibility

"The price of greatness is responsibility", Winston Churchill often used to say. There is no reason why it should be any different for companies as well.

A new initiative that has been put in place under Section 135 of the Companies Act, 2013 relates to corporate social responsibility (CSR) of companies. Regulations are supposed to modify behavior of those covered by the provisions and ensure that they behave in a socially desirable way. But whether the regulations will act a nudge or a shove depends upon how the regulated entities respond to.

Company Secretary can play a key and instrumental role in formulation and implementation of CSR strategy. For this first of all a Company Secretary must have a feeling, a desire from the bottom of the heart to do something good for the society, to participate in

the welfare of the underprivileged section of the society. Then only one can leverage such attitude and effectively encourage and drive others for CSR actions. A Company Secretary should influence CSR activities within the organization since they have direct nexus to the Board of Directors. Once CSR is initiated and directed from the top level of the pyramid it will be automatically be followed down the line in the hierarchy across the organization.

Corporate Social Responsibility is a niche area of Corporate Behavior and Governance that needs to get aggressively addressed and implemented strategically in the organizations. The Company Secretary can, right from conceptualization, deciding the legal form, structure of CSR program, identification of CSR projects, budgeting and allocation of funds, monitoring progress of CSR projects, and conducting Post CSR project completion audit can contribute a lot to ensuring effective assimilation of CSR philosophy into the DNA of the Organization.

Business Ethics

Today, the corporate world as a whole is in the process of acquiring a moral conscience. The new and emerging concepts in management like corporate governance, business ethics and corporate sustainability are some of the expressions through which this emerging ethical instinct in the corporate world is trying to express or embody itself in the corporate life.

Business ethics comprises the principles and standards that guide behavior in the conduct of business. Businesses must balance their desire to maximize profits against the needs of the stakeholders. Companies must be run ethically in a manner such that all stakeholders—creditors, distributors, customers, employees, competitors, the society at large and governments—are dealt with in a fair and equitable manner. A code of ethics should reflect top managements' desire for compliance with the values, rules, and policies that support an ethical climate

Corporate codes of ethics often contain six core values or principles in addition to more detailed descriptions and examples of appropriate conduct. The six values that are desirable for codes of ethics include: (1) trustworthiness, (2) respect, (3) responsibility, (4) fairness, (5) caring, and (6) citizenship.

Clause 49 of the Listing Agreement requires that

- (i) The Board shall lay down a code of conduct for all Board members and senior management of the company. The code of conduct shall be posted on the website of the company.
- (ii) All Board members and senior management personnel shall affirm compliance with the code on an annual basis. The Annual Report of the company shall contain a declaration to this effect signed by the CEO.

A major step in developing an effective ethical culture in the organization is constituting an Ethics Committee of the Board and implementing an education program and communication system to bring about the desired awareness amongst the employees about the firm's ethical standards and the Company Secretary has a key role to play in this regard.

Corporate sustainability

Corporate sustainability indicates a new business philosophy as an alternative to the traditional growth and profit maximization model under which sustainable development

comprising environmental protection, social justice and equity, and economic development are given more significant focus while recognizing simultaneous corporate growth and profitability. It is a business approach that creates long-term shareholder value by embracing opportunities and managing risks emanating from economic, environmental and social developments.

Corporate sustainability describes business practices built around social and environmental considerations. Corporate sustainability encompasses strategies and practices that aim to meet the needs of the stakeholders today while seeking to protect, support and enhance the human and natural resources that will be needed in the future. Corporate sustainability leaders achieve long-term shareholder value by gearing their strategies and management to harness the market's potential for sustainability products and services while at the same time successfully reducing and avoiding sustainability costs and risks.

Many companies have started preparing and releasing Sustainability Reports which report on economic, environmental, and social impacts of business. Sustainability reporting is a practice to measure, disclose, and be accountable to internal and external stakeholders for organizational, environmental, social and economic performance. Company Secretaries should guide and enlighten the management and encourage them to compile Sustainability Report which has today become a key distinguishing factor in corporate branding.

Business Responsibility Reporting

Realizing that adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance, Securities and Exchange Board of India (SEBI) vide circular CIR/CFD/DIL/ 8/2012 dated August 13, 2012 inserted a new Clause 55 in the Listing Agreement by mandating inclusion of Business Responsibility Reports ("BR reports") as part of the Annual Report for listed entities. As a starting phase, Business Responsibility Report as part of the Annual Report shall be mandatory for top 100 listed entities based on market capitalization at BSE and NSE. Other listed entities may voluntarily disclose BR Reports as part of their Annual Report.

A Business Responsibility Report contains a standardized format for companies to report the actions undertaken by them towards adoption of responsible business practices. Business Responsibility Report has been designed to provide basic information about the company, information related to its performance and processes, and information on principles and core elements of the Business Responsibility Reporting.

Further, Business Responsibility Report has been designed as a tool to help companies understand the principles and core elements of responsible business practices and start implementing social and environmental improvement mechanisms in the core processes of the structure which company adopts to undertake its business. Company Secretaries must compile and present the ABRR in true spirit by providing necessary thrust and direction within the organization for compliance and reporting on the mandated social, economic and environmental parameters.

Vigil Mechanism

A very famous quote by Edward Thurlow (1731-1806):

"Did you ever expect a corporation to have a conscience, when it has no soul to be damned, and no body to be kicked?"

The above quote describes that corporations have neither bodies to be punished nor souls to be condemned, they therefore do as they like. Whistle blowing mechanism plays a critical role in implementing Corporate Governance Practices. The effective implementation of Vigil mechanism not only reduces the fraudulent activities but also sends a signal to both internal and external agencies that organization exercises good corporate governance.

According to Section 177(9) of the Companies Act, 2013, Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases: Provided that the details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board's report.

The foundation of Whistle Blower Policy is laid on the following key aspects :

1. Clear definition of individuals covered by the Policy
2. Non retaliation provisions
3. Confidentiality
4. Process
5. Communication

The Whistle Blower Policy should include mechanism to encourage employees, vendors, to report evidence of fraudulent activities. It should properly address the processes that the employees should follow in filing their representation alleging suspected impropriety.

"The World suffers a lot not because of the violence of bad people but because of the silence of good people."
- Napoleon

Company Secretary can be instrumental in implementing whistle blowing as an internal regulator. As he is a part of Board decision making process and recipient of all important information flowing in the organization, he should sense out suspected improper activities/ unethical practices adopted by individuals / groups within the organization. He can also support the ombudsman function with the Board by establishing a symbiotic relationship between the governance and compliance.

Company Secretary as a key recipient of vigil sensitive information can face reprisal, sometimes at the hands of the organization or group, which he accused, sometimes under law. There is often a fear of straining their relationship at work or outside work. If this tool of Corporate Governance is used in true letter and spirit, it can be savior for protecting the stakeholders and the larger public interest and Company Secretary has a vital role to play in making Whistle Blowing an effective tool for safeguarding the interests of the organization.

Disclosure and Reporting

In recent years there has been increased emphasis on the quality of corporate reporting and calls for increased transparency. The company secretary has the responsibility for drafting

the governance section of the company's annual report and must ensure that all the requisite information is communicated through this vital document for building the desired trust with the stakeholders. The disclosure requirements under the Companies Act, 2013 with regard to Board of Director Report, Annual Return, Prospectus, notices of meetings and the requirement of hosting the specific information on the website of the company must be duly complied with by the Company Secretary. While these additional disclosures will increase accountability of the board, it also will provide more information to shareholders and enable informed decision making.

Communication with stakeholders

The company secretary occupies a position which entails a unique opportunity of interface between the Board, management and stakeholders and as such they act as an important link between the Board and the business. Through effective co-ordination and communication they can provide to the management an opportunity to understand the expectations of the stakeholders. Company Secretary must advise and implement an effective communication system for ensuring appropriate level of engagement with the stakeholders of the company. Regular updation of information on the website of the company, periodic release of newsletter and periodically organizing stakeholders meet could help an organization in establishing an effective interface with the stakeholders.

Corporate Governance

As per The Institute of Company Secretaries of India (ICSI), Corporate Governance is defined as "The application of best management practices, compliances of law in letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders." Driven by Clause 49 of the Listing Agreement, Indian companies have gradually scaled up their corporate governance practices over the years. Provisions of the Companies Act, 2013 have further attempted to mandate and shore up good governance in companies.

It is important that robust governance arrangements are in place, are clearly documented and communicated within the organization. The position of the company secretary enables them to have a holistic view of the governance framework and as a result they are generally tasked with the responsibility of ensuring that this framework and any supporting policies and procedures are duly structured, implemented and explicitly documented. The company secretary plays a leading role in good governance by helping the Board and its committees function effectively and in accordance with their terms of reference and best practices.

The main objective of Corporate Governance policies and practices should be wealth creation, wealth management and wealth sharing. Adherence to laws and regulations, financial goals and communications with stakeholders are major factors that make up the way in which corporations is governed.

Company Secretary is aptly christened as the Corporate Governance Officer (CGO) and required to perform following roles:

1. To ensure the effective functioning of the Board and its Committees.
2. To ensure compliances of all listing rules, other Regulatory Codes and Acts.

3. Keep under review all legal and regulatory developments affecting the company operations and make sure that directors and management are properly informed of the same.
4. Manage relations with all stakeholders with regard to Corporate Governance, Corporate Social Responsibility, etc.
5. Work with Board of Directors, Management to ensure that all regulatory reporting is correct and does not lead to errors resulting in offences under Various Acts.
6. Act as the Conscience Keeper of the Company.
7. Act as the Primary point of contact for Board of Directors and source of guidance in order to assist their decision making process.
8. To assess, manage the compliances in the governance domain, governance processes, tracking of outcomes of governance processes and disseminate the information

The top five mechanisms, which are vital for implementing an effective Corporate Governance in any organization are : Independence and appropriate composition of the Board, Role of Auditors (Internal and Statutory) and Audit Committee, Whistle Blowing, Shareholder engagement, Transparency, trust, and accountability towards stakeholders . Regulations on corporate governance can only provide the framework or structure to ensure that companies are governed in the best interest of stakeholders at large but its effective assimilation and implementation is to be ensured by the Company Secretaries by active participation in Strategic Planning process, Risk Management process, Internal Control process, MIS, Corporate Communications, Succession Planning, CSR, Board performance evaluation process. This will ensure high level corporate administration in accordance with best governance practices which results would result in well governed and sustainable business for the benefit of its stakeholders at large.

One of the themes often discussed these days is the ease of doing business. According to global ranking of 189 countries published by the World Bank, India ranks 137 in the ease of doing business. Not an insignificant part of the blame for this predicament usually is attributed to the complexity and opacity of the regulatory framework. However. no improvement is possible at the initiative of the authors and administrators of regulations alone; it requires active contributions from those for whom the regulations are framed. This is where the Company Secretaries have an important role to play in helping businesses improve their credibility through responsible business practices.

Being a responsible business means that we fully respect laws and regulations, have solid governance practices, manage risks effectively, and behave ethically according to our code of conduct in all our relationships. Company secretaries can add real value by facilitating the companies in building much cherished responsible businesses through their pivotal role in corporate management, and increase their impact by bringing commercial acumen, strategic understanding and softer people skills in addition to their already much sought after legal and governance knowledge. With increasing focus in recent years on responsible business, the role of the Company Secretary has grown in importance. In many ways, the secretary is now seen as the guardian and conscience keeper of the company's reputation, sustainability and credibility. Company Secretaries must provide value added services to

the company and play a proactive role in creating structure and processes which facilitate building a responsible business.

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A JOURNEY FROM INCEPTION TO GLORIFICATION OF COMPANY SECRETARIES

Vrishti Kaushik*

“**Uday Diwas**” as the name suggests brings us to an auspicious occasion of pride and glory signifying the remarkable rise of Company Secretaries since 1980. It is an event for remembering the arduous yet remarkable and tremendous journey of Company Secretaries throughout these long years.

BACKGROUND

The Institute of Company Secretaries of India is constituted under the Company Secretaries Act, 1980, to develop and regulate the profession of Company Secretaries in India. The origin of this profession can be traced back to 1960, when the Company Law Board started a course in Company Secretaryship leading to a Government Diploma in Company Secretaryship. A tremendous growth in the number of Company Secretaries led to the formation, in 1969, of The Institute of Company Secretaries of India under Section 25 of the Companies Act, 1956. The Institute of Company Secretaries of India has been converted into a statutory body under the Company Secretaries Act, 1980.

The Institute of Company Secretaries of India (ICSI) is constituted under an Act of Parliament, i.e., the Company Secretaries Act, 1980 (Act No. 56 of 1980). ICSI is the only recognized professional body in India to develop and regulate the profession of Company Secretaries in India. The Institute of Company Secretaries of India awards the certificate of bestowing the designation of Company Secretary(CS) to a candidate qualifying for the membership of the Institute. It was in 1960 that the Company Law Board started a course in Company Secretaryship leading to the award of Government Diploma in Company Secretaryship. As the number of students taking up the Company Secretaryship course grew, the Government promoted on 4th October, 1968, Institute of Company Secretaries of India under Section 25 of the Companies Act, 1956 for taking over from the Government the conduct of Company Secretaryship examination.

BEGINNING OF THE ERA

A Company Secretary occupied a unique position in most organisations. A key point of contact for the Chairman, as well as a Central member of the Senior Management Team, the Company Secretary helped in bridging the gap between the Boardroom and the Executives, with privileged access to both.

* ACS.

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Yet the role, and its value, was frequently misunderstood and often overlooked in the initial years of this profession across the globe .

"The profession of Company Secretaries was considered to be a glorified clerical position."

The concept of the company secretary as 'the keeper of secrets', or 'the servant of the board' was been in existence for some time. Deferential and discreet, the company secretary's principal function was regarded as being to ensure that board meetings ran smoothly, decisions were made and recorded with due process and the minutes were produced on time. The emphasis on administration and procedure over a more proactive approach was underpinned by the additional responsibility for ensuring that all law and regulation was complied with.

"This perception had been hard to shake off. As recently as 2012, a FTSE 250 executive director was quoted as saying: 'Other than form-filling and complying with rules of little substance, I don't think there is much [of a] role for a company secretary. This is a glorified clerical position.'"

RISE OF COMPANY SECRETARIES

The truth was rather different. Because of the pivotal position they occupied, high-performing company secretaries made a significant contribution to the delivery of organisational objectives.

The researches suggests that the role was undergoing a transitional phase in response to changing demands of and from boards. The increased focus on corporate governance was pointing to a renewed recognition, and greater visibility, of the company secretary, who had become the primary point of information and influence between the executive management and the board. The company secretary was required to be more outward-looking, interacting with major shareholders, proxy advisers and regulators, and being increasingly strategic – bringing a wider understanding of business and the economic context in which their organisation worked.

The Company Secretaries started becoming the central information point for reporting requirements and governance matters, had a crucial role in the quality and flow of information to the board and had an unique influence in the board's decision-making process. Close to the chair, yet able to bridge the gap between the board and the executive directors, they were present throughout the range of board and committee meetings, able to push the chair and board to talk about what needs to be discussed – although often without their own voice during the meeting. As board members come and go, the Company Secretaries started to be the longest-serving member present at board meetings, bringing vital knowledge and experience of the company's history and culture.

While technical skills and knowledge continued to be important, the more significant areas of change were perceived in the personal characteristics required from the role. As working relationships had become more complicated, independence and the ability to influence different levels and groups of people to work together were highly sought after. Access to the Executive, Board, Chair and CEO positions the Company Secretary was an intermediary and diplomat, connecting people with each other.

Nearly all Company Secretaries were identified with practical knowledge and the intellectual capacity to master complex issues as prerequisites, coupled with leadership qualities of humanity and humility, and the ability to form good relationships with key directors.

PRESENT SCENARIO

Earlier, the traditional role of a Company Secretary, was limited to providing support to the Board of Directors and managing administrative affairs of an organization. However, the horizon of their roles and responsibilities has expanded exponentially. Apart from the traditional tasks, Company Secretaries now have to take care of Corporate Governance and even legal matters of a company.

Company secretaries in all sectors have high level responsibilities including governance structures and mechanisms, corporate conduct within an organisation's regulatory environment, board, shareholder and trustee meetings, compliance with legal, regulatory and listing requirements, the training and induction of non-executives and trustees, contact with regulatory and external bodies, reports and circulars to shareholders/trustees, management of employee benefits such as pensions and employee share schemes, insurance administration and organisation, the negotiation of contracts, risk management, property administration and organisation and the interpretation of financial accounts.

Company Secretaries are the primary source of advice on the conduct of business and this can span everything from legal advice on conflicts of interest, through accounting advice on financial reports, to the development of strategy and corporate planning.

COMPANY SECRETARIES AS CORPORATE GOVERNANCE PROFESSIONALS

The **Company Secretary** plays a crucial role in the governance of the company, the board's discharge of its leadership in this vital area and in the discharge of individual director's duties.

The contemporary **Company Secretary** is much more than a "note taker" at board meetings or a mere servant of the board but is "*the chief administrative officer of the company*". The board and particularly the Chairman of the board relies, or ought to rely, on the **Company Secretary** to advise them in respect of current best practice corporate governance requirements and practices, directors' duties under the law, board reporting and disclosure obligations, listing rule requirements and proper meetings' procedure. The specialized role of the modern Company Secretary has emerged as the **Chief Governance Professional** within the organization. The need for corporations to have the qualifications and skills of a governance professional has been widely recognised:

Benchmarking Governance Practice in Australia, the 3rd benchmarking study conducted by Chartered Secretaries Australia (CSA) in 2005, indicated that the specialised role of **Company Secretary** had evolved into the **Chief Governance Officer**, according to the CSA press release:

"...directors are using them (Company Secretaries) as a resource to ensure all their boxes are ticked. In 97 per cent of organisations, Company Secretaries have primary responsibility for the increasingly complex and important area of corporate governance. No longer just an

administrative role, the Company Secretary provides essential, high---level strategic advice; and companies are clearly willing to pay for it”, CSA Chief Executive Mr. Tim Sheehy said.

“The dynamics of the boardroom are changing...Directors are realizing that they need a diversity of specialist skills and are looking...to advisers to provide this expertise.”

- The landmark Disney Case in the United States (Delaware Chancery Court) highlights the need for a professional governance advisor to the board and the evidentiary significance of professionally prepared minutes of board and committee meetings.
- The professional Company Secretary needs to have the confidence of the Board as its governance advisor independent of management. In fact, the independence, and perceived independence, of the Company Secretary speaks strongly to all stakeholders of the Board’s commitment to best practice corporate governance.

Benefits to the Board of a Professional Company Secretary

- Obtain the highest professional governance skills and experience to advise the Board and Chairman;
- Improved governance within the corporation, separates the governance professional from other executive management;
- Frees other executives to concentrate on operational issues;
- Governance commitment by the board and the company demonstrated to shareholders and the market. There are significant potential investor relations benefits. Presents the company in the best light by having “top drawer” Company Secretary’s qualifications and experience for reporting in annual report; and
- Substantially enhances the board’s potential to be the “real” driver of effective governance within the corporation

EXPANSION AND DIVERSIFICATION OF THE PROFESSION

The scope of being company secretary is increasing year by year due to factors like expansion of corporate sector within and beyond the borders, emergence of new corporate entities like LLP’s and OCP’s, e-Governance, new Companies Bill and focus on corporate governance and CSR. The increased emphasis on corporate governance has further compelled the boards of the companies to develop systematic and procedural aspects to ensure statutory compliance and at the same time establish extended governance practices, thereby creating a demand for company secretaries.

The recent upheavals in the corporate world have shaken the confidence of shareholders. There is a greater demand for displaying corporate credibility and transparency by organisations in managing their internal affairs. There is also a need to retain the confidence of various stakeholders. The role of a company secretary is not only limited to providing support to the board of directors and managing administrative affairs of an organisation. However, the horizon of their roles and responsibilities has expanded exponentially. Apart from their traditional tasks, company secretaries now have to take care of corporate governance and even legal matters of a company. As the position of a company secretary

has steadily become critical to the smooth functioning of a corporate entity so has the demand for this job profile has also steadily risen.

A Company Secretary now today is:

- An in-house legal expert; a compliance officer of the Company.
- An expert in corporate laws, securities laws & capital market and corporate governance
- Chief advisor to the board of directors on best practices in corporate governance
- Responsible for all regulatory compliances of company
- Corporate planner and strategic manager.

A Company Secretary today renders services in the following diversified areas:

CORPORATE GOVERNANCE AND SECRETARIAL SERVICES

Corporate Governance Services

- Advising on good governance practices and compliance of Corporate Governance norms as prescribed under various Corporate, Securities and Other Business Laws and regulations and guidelines made thereunder.

Corporate Secretarial Services

- Promotion, formation and incorporation of companies and matters related therewith
- Filing, registering any document including forms, returns and applications by and on behalf of the company as an authorized representative
- Maintenance of secretarial records, statutory books and registers
- Arranging board/general meetings and preparing minutes thereof
- All work relating to shares and their transfer and transmission.

CORPORATE LAWS ADVISORY AND REPRESENTATION SERVICES

Corporate Laws Advisory Services

Advising companies on Compliance of legal and procedural aspects, particularly under –

- SEBI Act, SCRA and rules and regulations made thereunder
- Foreign Exchange Management Act
- Consumer Protection Act
- Depositories Act
- Environment and Pollution Control Laws
- Labour and Industrial Laws
- Co-operative Societies Act
- Mergers and Amalgamations and Strategic Alliances
- Foreign Collaborations and Joint Ventures
- Setting up subsidiaries abroad

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- Competition Policy and Anti Competitive Practices
 - IPR Protection, Management, Valuation and Audit
 - Drafting of Legal documents.

Representation Services

Representing on behalf of a company and other persons before-

- Company Law Board
- National Company Law Tribunal
- Competition Commission of India
- Securities Appellate Tribunal
- Registrar of Companies
- Consumer Forums
- Telecom Disputes Settlement and Appellate Tribunal
- Tax Authorities
- Other quasi-judicial bodies and Tribunals.

Arbitration and Conciliation Services

- Advising on arbitration, negotiation and conciliation in commercial disputes between the parties
- Acting as arbitration/conciliator in domestic and international commercial disputes
- Drafting Arbitration/Conciliation Agreement/Clause

FINANCIAL MARKET SERVICES

Public Issue, Listing and Securities Management

- Advisor/consultant in issue of shares and other securities
- Preparation of Projects Reports and Feasibility Studies
- Syndication of Loans from banks & financial institutions
- Drafting of prospectus/offer for sale/letter of offer/other documents related to issue of securities and obtaining various approvals in association with lead managers
- Loan Documentation, registration of charges, status and search reports
- Listing of securities/delisting of securities with recognized stock exchange
- Private placement of shares and other securities
- Buy-back of shares and other securities
- Raising of funds from international markets – ADR/GDR/ECB

Takeover Code and Insider Trading

- Ensuring compliance of the Takeover Regulations and any other laws or rules as may be applicable in this regard

- Acting as Compliance Officer and ensuring compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 including maintenance of various documents.

FINANCE AND ACCOUNTING SERVICES

- Internal Audit
- Secretary to Audit Committee
- Working capital and liquidity management
- Determination of an appropriate capital structure
- Analysis of capital investment proposals
- Business valuations prior to mergers and/or acquisitions
- Loan syndication
- Budgetary controls
- Accounting and compilation of financial statements

TAXATION SERVICES

- Advisory services to companies on tax management and tax planning under Income Tax, Excise and Customs Laws
- Preparing/reviewing various returns and reports required for compliance with a the tax laws and regulations
- Representing companies and other persons before the tax authorities and tribunals

International Trade and WTO Services

- Advising on all matters related to IPRs and TRIPs Agreement of WTO
- Advising on matters relating to antidumping, subsidies and countervailing duties
- International Commercial Arbitration
- Advising on and issuing certificates on Exim Policy and Procedures
- Advising on Intellectual Property licensing and drafting of Agreement
- Acting as registered Trade Mark Agent

MANAGEMENT SERVICES

General/Strategic Management

- Advising on Legal Structure of the organization
- Business policy strategy and planning
- Formulation of the organizational structure
- Acting as management representative to obtain ISO Certification

Human Resources Management

- Manpower planning and development

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- Audit of the HR function
 - Performance appraisal
 - Motivation and remuneration strategies
 - Industrial relations
 - Office management, work studies and performance standards
 - Advising on industrial and labour laws

Information Technology

- Compliance with cyber laws
- Conducting Board Meetings through video-conferencing and teleconferencing
- Advising on software copyright and licensing
- Development of management reports and controls
- Maintenance of statutory records in electronic form
- Sending notices to shareholders by electronic mode
- Filing of forms/documents in electronic form with Registrar of Companies and other statutory authorities

THE MOST FORTHCOMING OPPORTUNITIES FOR COMPANY SECRETARIES

NCLT

PCS can now open their door to practice and explore this field if appearing before Appellate Tribunal. They can now do advocacy to solve the matter of their clients.

GST

As professional practice in GST would be a new field for an individual, following are the scope of Company Secretary in the field:

- Act as authorised Representative in the matter of registration under Goods and Service Tax Act.
- Act as authorised Representative for acting as in agent of the taxpayer.(Report on GST payment process)
- Act as a complinace officer of the company for complying all the provisions of GST applicable on the company including timely filling of returns, registrations, payments of dues etc.
- Providing advisory, consulting and interpretation services to clients.
- Providing GST record keeping services.
- Providing Tax planning and Internal Audit services

CONCLUSION

The profession has undergone a tremendous change over the last decade. Today, the

focus is on governance. There is also far more visibility and acceptability as a profession. There will be a demand of 23,000 trained professionals in next 10 years.

There has also been a change in industry's perception towards the Company Secretary as a professional who can be of value to the organisation. There is a need for a Company Secretary today as people have started believing they can make a positive change. Company Secretaries are also feeling far more responsible as they feel that they have a role to play and want to work shoulder to shoulder with the industry. They want to be a part of the team that is offering solutions and want to cover that extra mile to look for the solution.

Challenges for a company secretary in the corporate world these days is to have an increased capacity to unlearn and relearn the laws as there are new laws unleashing every movement.

Therefore, it would be very apt to say that Company Secretaries have travelled from the platform of a clerical position to now professionals having wide and varied knowledge and known for their expertise in various laws. It can be seen that the profession of Company Secretaries have only progressed and developed throughout these long years. It has now become more challenging, complex and more demanding in terms of responsibilities, role and knowledge. Now Company Secretaries have to " think beyond Governance and Compliance".

WANT TO BE SUCCESSFUL ? GO TRAVEL THAT EXTRA MILE... !

Jayakumari Ranga*

Everyone wants to be 'Successful' in life. Okay, question here – Is there anyone who doesn't want to be Successful? Answer to the question – Are you crazy to ask this question? Who on earth doesn't want to be Successful?

Certainly, everyone wants Success in life! We all have our own set of goals (some know it, some know it not) in life. Long-term goals and short-term goals. Then there is vision and mission.

Talking about Success. What is Success?

Fame? Money? Luxuries? Possessions? Big name? Being recognized? Or what? What is it?

Success is a 'Subjective' term. What is Success for one may or may not be so for the other.

If you go by the dictionary meaning of Success – It is a noun which means 'the accomplishment of an aim or purpose'.

But when you understand it in its true sense and spirit – Success means **satisfaction craving for more.**

Now you may ask – how satisfaction can ask for more because satisfaction simply means being content. There is no asking more in it.

We will catch this question a little later.

Let us now imagine ourselves carrying out this exercise first–

1. Take two sets of people who are not known to each other
2. Ask them the names of successful people
3. To make it a bit simple, ask them the names of people who are successful in a particular field/industry/sports
4. There are very high chances of two different sets of people quoting same/similar name(s)

* ACS.

The views expressed are personal views of the author and do not necessarily reflect those of the Institute.

5. Why? Why so?
6. Coincidence or what else?
7. Success is a subjective term, we know, and what is Success for one may not be so for the other.
8. Then?

It is this one quality of successful people which is same in all. A similar trait which successful people have in them which makes two different sets of people call out for same/similar name (s) because those (successful) people have it in them 'satisfaction craving for more'.

This is where 'Doing Different Things or Doing Things Differently' comes from. This is where travelling an 'Extra Mile' helps. So how we may so ask again!

What do successful people do differently than other people?

Is there a 'Secret Success Mantra'?

Even if there is one, I am yet to know about it!

Successful people don't do different things. They do things differently. They travel that extra mile. And their 'Satisfaction always craves for more'.

Everyone wants Success in life but how many are willing to go that extra mile and do that extra and do it differently is what distinguishes the successful from the ordinary.

In this write-up we will touch upon the basic requisites of being Successful in Life – and bear you in mind, if you can just do things differently and are willing to travel that extra mile, Success is no farther!

1. *Have a Goal* – Because when you don't know where you want to go in Life. Just going on and on will take you nowhere. So have a Goal. A man without a Goal is like a 'Ship without a Rudder'.
2. *Have a Plan to reach that Goal* – There are various means of achieving a certain goal. You need to set the path you wish to pass through to achieve your goal. This is important because when you know or at least have a plan, it acts like a guide, guiding you through various actions that you should take. Having a plan handy always saves time and you can avoid the potential mistakes.
3. *Have an alternative* – You never know what may happen. No one knows. It is always advisable to have an alternative. Reason being, there is no harm in taking an alternate plan if ultimately you are to reach your goal. Having an alternative plan comes in handy when your base plan doesn't work out the way you want it to. This is known as having a 'Backup plan'. This is strategizing in advance. This is where travelling an 'extra mile' shows.
4. *Time bound* – Your goal should be time-bound. You should know what you want, how you will go about it, what is the alternative if first one doesn't work out and most importantly what is the time limit you have set for yourself to achieve that goal. So this is like, the first mountain climbed.

5. *Don't leave for tomorrow what you can do today* – There isn't any good in letting things go on and on when you can do them today. Of course in case of contingencies you can excuse yourself. But if you are time bound, greater are your chances of achieving the set target.
6. *Slow and steady wins the race* – We all know the 'Hare and the Tortoise' story with the moral 'Slow and steady wins the race'. So even if you can't do too much, do as much as you can. But, on a regular basis. Make it a habit to contribute something to achieving your set goal each passing day.
7. *Write* – There is nothing better than writing it out. When you write things, they stay with you for longer periods and you know exactly where you are lacking and your current status. So always write down: (1). what you were to do (2). what you did (3). what were the deviations (4). were they reasonable (5). reasons for the same (6). ways to cope up and similar things. Also when you write down, you tend to notice what you could have otherwise missed. Thus, write, write and write! Nothing beats writing. This is that 'extra mile'.
8. *Posters* – Keep posters depicting your goals, wherever possible, be it your wardrobe, bedroom wall, your daily diary or any other place that you get to see often. So your goal or plan doesn't disappear in due course. It should be there right in front so it keeps you motivated and you are as set as always to achieve your target. How many people do this? Not many! Because, this is a bridge between the ordinary and the successful. Make sure you cross it across.
9. *Give yourself brownie points* – We all blame ourselves when we do wrong. But how often do we encourage or praise ourselves when we do well? Very Few right. So do that from now on. This will keep you positive and motivated. Clap for yourself when you think you did a good job. Say it in your head that you did a good job. This will attract positivity and you will feel motivated to carry it forward.

Keep these simple tips in mind and be always willing to do things differently and travel that 'extra mile'. Because if you do so, Success is no impossible–

1. Believe in yourself
2. Keep the hard work on. It sure will pay off
3. Always love what you do
4. Be positive
5. Answer the question yourself - Does your satisfaction crave for more? If yes, Right Track It Is!
6. Work for betterment always and bear well in mind that – if you want to be Successful, you will sure have to travel that extra mile!