



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

May 29, 2017

ADVISORY FOR MEMBERS TO REFRAIN FROM UNETHICAL PRACTICES

Dear Professional Colleagues,

1. We are all aware that with the repeated efforts taken by those at the helm of affairs of the Institute, "Company Secretary" has been conferred with the special status under the Companies Act, 2013, as the key managerial personnel (KMP) bracketing him with Managing Director or Chief Executive Officer or Manager, Whole-time director or Chief Financial Officer. Similarly, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014, a Company Secretary is mandatorily required to be appointed as Compliance Officer.
2. Certain instances have been brought to notice where a member of the Institute is seen to assisting a company against the spirit of the related law. In such instances, a Company Secretary - though required to be on a whole time basis so as to be in a position to ensure compliance with various laws by the company concerned, joins a company for a period as short as a week or ten days to merely facilitate the company concerned to very cleverly aiming to be seen complying with the requirement of law, possibly to sign certain documents during that particular period signifying as a Whole Time Company Secretary and then attempting to leapfrog to another Company to attain a similar purpose.
3. Such a practice when resorted to by a Company Secretary, besides being most undesirable and far from ethical, tends to frustrate the very purpose of law providing for the requirement of there being whole-time Company Secretary. This also questions the integrity and credibility – the hall mark of any profession and more particularly bearing in mind that the Company Secretary is considered the flag bearer of Corporate Governance.
4. Keeping in view that resorting to such practices are detrimental to the image of the Institute and the profession, the Institute, therefore, having viewed them with deserved seriousness, has even initiated disciplinary action against certain members in line with the disciplinary mechanism.
5. In the above backdrop of the matter, I once again accentuate the need for adherence to the highest standards of ethics and compliance of the Code of Conduct in true letter and spirit.
6. With the concerted efforts of each one of our members, the Institute will attain yet greater heights.

With regards,

Dinesh C Arora
Secretary, ICSI