



Ministry of Corporate Affairs
Government of India

CRF
INDIA 2012

Knowledge Partner



THE INSTITUTE OF
Company Secretaries of India
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Proceedings of the Opening Plenary and Technical Sessions of CRF-2012 Conference on February 14, 2012 at The Hotel Ashok, New Delhi.



OPENING PLENARY

Dr. M. Veerappa Moily, Minister of Corporate Affairs, Government of India, inaugurated 8th Corporate Registers Forum (CRF) 2012 Conference in New Delhi. "Regulations can never be a substitute for personal integrity", said Dr. Moily at the opening plenary. While referring to the dynamic regulatory landscape, he said that revamping of regulations is essential to be in tune with globalization and technology and referred to regulatory initiatives taken by Ministry of Corporate Affairs such as e-governance, introduction of XBRL, etc. He also spoke about the National Competition Policy and National Corporate Governance Policy which are being formulated. He also spoke about the enhancement of the role of independent directors, detection of financial misgovernance through early warning signals etc.

Mr. Naved Masood, Secretary, Ministry of Corporate Affairs, Government of India in his address deliberated on the importance and benefits of Corporate Registers Forum (CRF). He said CRF Conference is an educating and enlightening event where pooling of Ideas and knowledge help the countries to improve on the regulatory prescriptions.

Mr. Sudhir Mital, Additional Secretary, Ministry of Corporate Affairs, Government of India and President, CRF 2012 while delivering welcome address said that India being one of the fastest growing emerging economy of the world, its policies are being shaped in a manner that allow India to play more constructive role in the world economy and explained that as part of economic reform process, the regulatory reform process initiated more than two decades ago is continuing to keep pace with economic, legal, regulatory and technological development taking place the world over. While referring to initiatives of Ministry of Corporate Affairs with respect to e-governance, XBRL etc, he spoke at length about the highlights of Companies Bill, 2011 which was introduced in the parliament recently. He appreciated the Institute of Company Secretaries of India for its support as Knowledge Partner in the organization of the Conference.

Ms. Juthika Ramanathan, Immediate Past President, CRF in her address briefed about the evolution of Corporate Registers Forum (CRF) and said that Annual Conference combined with Annual General Meeting provide effective knowledge base to participants as members benefit from this international network of Corporate Registers and exchange of experience.

Mr. Avinash K. Srivastava, Joint Secretary, Ministry of Corporate Affairs, Government of India, proposed a vote of thanks.

TECHNICAL SESSION 1

REFORMING LEGISLATIVE ENVIRONMENT- A GLOBAL PERSPECTIVE

Ms. Renuka Kumar, Joint Secretary, Ministry of Corporate Affairs, Government of India spoke on Globalization referring to the principles propounded by Mahatma Gandhi which says, **Avoid - Wealth without Work, Pleasure without conscience, knowledge without character, commerce (business) without morality (ethics), science without humanity, religion without sacrifice, and politics without principle.**

Ms. Teresa Cristina Pantoja, Attorney-at-law in Brazil, highlighted the legal framework of trade board of the state of Rio de Janeiro. She focused on the promotion of IT.

Ms. Nor Azimah Abdul Aziz, Director, Company Commission of Malaysia highlighted the provisions of the Company Act and the new provisions which are proposed to be implemented in phased manner like modernizing the Companies Act etc.

Ms. Elena Yeo, Legal Consultant, Singapore highlighted the role of Accounting Corporate Regulation Authority (ACRA). She focused on Key Business law reform in Singapore.

The first session was followed by Question & Answer Session. One Question was regarding IEPF to which Mr. Avinash K Srivastava, Joint Secretary, MCA (India) explained that all the unclaimed dividend and deposits are to be credited to IEPF fund of Government after Seven years and money is then used for Investor Education.

Another Question was as to how the Companies are moving from Government Regulation to Self Regulation. Ms. Renuka Kumar, Joint Secretary, MCA replied that the process is two fold whereby policies are amended on one side and Industry Chambers and Professional Institutes create awareness on the other side, enhancing Corporate Governance.



TECHNICAL SESSION 2

GLOBAL BUSINESS SCENARIO AND IMPACT ON CORPORATES

Mr. Viraf Mehta, Advisor GIZ in his presentation focused on self regulation. He also discussed in detail the Right to Information Act which helped the public to obtain necessary information.

Mr. Dobromir Christow from World Bank highlighted the innovation and its impact on business registration reforms. He informed about ease of business rankings.

Mr. Timothy Moss, UK in his presentation focused on the creation of right environment and emphasized on providing the company information in such a manner that is valued by the customers.

Ms. Prabha Chinien, Mauritius focused on the setting of norms and standards which attract the international firms. She said setting of standard norms helps to improve good governance practices in a country.

Mr. Azryain Borhan from Malaysia highlighted the global trends, challenges and opportunities in the context of subprime crisis which made global economy more uncertain. He also discussed about the dimensions of global change highlighting the leadership, corporate governance, productivity, planet and people.

MCA-21

Mr. Avinash K Srivastava, Joint Secretary, Ministry of Corporate Affairs while giving a bird's eye view of the MCA-21 programme of the Ministry of Corporate Affairs, informed that this initiative of the Ministry has received accolades worldwide, and explained about the development of MCA-21 programme. The stakeholders can freely access the documents maintained in the RoC office which permits many value added services informed Mr. Srivastava. There has been improvement in the compliances with over 80% compliances being reported today, he added.

Ms. Sharmila Sahai, Principal Consultant, Tata Consultancy Services said that MCA-21 is a award winning, benchmark e-governance project for Government of India. She also highlighted the application, digitization, Infrastructure setup and facilitation centers of MCA-21.

Shri Manmohan Juneja, Registrar of Companies, Delhi, Ministry of Corporate Affairs, highlighted the pre MCA-21 and post MCA-21 scenario. He also highlighted the benefits of MCA-21 and made the demo of MCA-21 website.





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Proceedings of the Technical Sessions of CRF-2012 Conference on February 15, 2012 at Hotel The Ashok, New Delhi.

TECHNICAL SESSION 3A : CORPORATE ACTIONS AND REGULATORY MECHANISM



The panelists for technical session 3A were Dr. Navrang Saini, Regional Director, Ministry of Corporate Affairs, India; Mr. Anant Barua, Executive Director, Securities and Exchange Board of India; and Ms. Rokiah Mhd. Noor, Malaysia. Ms. Prabha Chinien, Mauritius was the Moderator.

Mr. Ananta Barua focused on the regulatory framework of Capital Market in India, Depositories, listing agreement, takeover regulations, insider trading etc.

Dr. Navrang Saini highlighted on the regulatory and prosecution mechanism. He also focused on the investigation process in the case of fraud.

Ms. Rokiah Mhd. Noor from Malaysia explained the incorporation process, annual routine functions and filings such as annual return and audit of accounts, winding up process etc.

The session was followed by Question & Answers. On a question that "Can modification be allowed on MCA-21 website, if Company once filed balance sheet ?" Mr. Navrang Saini replied that no modification is allowed once the balance sheet has been filed. If certain changes are to be made on part of regulatory change, then only regulators can make necessary changes. But no revision of balance sheet is allowed.

TECHNICAL SESSION 3B : EMERGING CHALLENGES FOR MNCs OPERATING IN VARIOUS JURISDICTIONS

The panelists for technical session 3B were Mr. Julian Lamb, Jersey Financial Services Commission, Mr. P K Choudhury, Vice Chairman and Group CEO, ICRA Ltd., and Mr. Nesar Ahmad, President, The ICSI. Ms. Juthika Ramanathan, Immediate Past President, CRF was the moderator.

Mr. Julian Lamb, while explaining the role and responsibilities of Jersey Financial Services Commission said that reputation, international standards, flexible laws, ease in listing, tax efficient mechanism, profit distribution etc are the factors that attract MNCs to invest in Jersey.

Mr. P K Choudhary shared his experience regarding setting up of business units in many countries and highlighted the variation in standards and norms, being followed by the different jurisdictions.

Mr. Nesar Ahmad highlighted nine key challenges such as sustainability, money laundering, IPRs, Competition etc. being faced by MNCs and explained possible solutions to these challenges.

Ms. Juthika Ramanathan said that certainty of laws, flexibility of processes, CG issues are very important and that the engagement between regulator and the potential customer is essential.



The session was followed by Question & Answers. There was a question relating to tax treatments for multi-nationals. Mr. Julian Lamb, replied the questions and explained tax efficient mechanism at Jersey that reduces effect of tax on MNCs.

TECHNICAL SESSION 4A : CORPORATE GOVERNANCE AND CSR



The panelists for the technical session 4A were Prof. Y R K Reddy, International Advisor & Founder, Academy of Corporate Governance, Mr. N K Jain, Secretary & CEO, The ICSI and Mr. Azryain Borhan, Malaysia. Mr. Joey Mathekgwa was the moderator.

Mr. Azryain Borhan from Malaysia focussed on repositioning of CG and CSR in the 21st Century and explained that the CG and CSR are the part of National Economic Value Chain. He said, "Instead of knowing Corporate Governance there is a need to love Corporate Governance."

Mr. N K Jain explained in detail the development of CG in India, challenges, strategies to address the challenges, trends in UK, Singapore,

South Africa, India etc. He also highlighted the various initiatives taken by ICSI including research studies and training programmes in this regard.

Prof Y R K Reddy highlighted global financial crises, self regulation and global challenges on CSR and said stronger rules are required in those countries where capital market is not fully developed.

The session was followed by Question & Answers. The question, "Does law made it, compulsory to contribute 2% of Company profit towards CSR activity, while these profits are related to shareholders directly?" Mr. N K Jain replied that contribution is 2% that is fixed but not mandatory. But if we see this from the perspective of society at large, then that amount would be spent by board for the benefit of society. If the board do not spend this amount then shareholder has the right to ask the question in the meeting about the CSR fund.

TECHNICAL SESSION 4B : SOCIAL NETWORKS : USE AND IMPACT ON REGISTRARS' FUNCTIONS

The panelists for technical session 4B were Mr Pavan Duggal, Advocate, Supreme Court of India, Mr. Jermy Dickson, Manager Client Service Delivery, New Zealand Companies Office (NZCO) and Mr. Sutanu Sinha, Senior Director, The ICSI. Mr. Timothy Moss, Companies House, UK was the moderator.

Mr. Pavan Duggal said that social media has both positive and negative aspects and the regulators should use the information considering its authenticity and relevance.

Mr. Jermy Dickson explained the way NZCO uses social media for sharing information, receiving public review etc.

Mr. Sutanu Sinha said that the regulators can use social networks for consultative process, investor education, dissemination of information.

The session was followed by Question & Answers. A question relating to quantifying the benefits from social network, was replied by Mr. Jermy Dickson explaining the mechanism followed at NZCO. Another question was related to case against social media. Mr. Pavan Duggal replied the question by explaining a recent case study on infringement of copy right by social media.





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Proceedings of the Closing Plenary & Technical Sessions of CRF-2012 Conference on February 16, 2012 at Hotel The Ashok, New Delhi.

CLOSING PLENARY



"Knowledge management is essential to meet challenges of globalization", said Dr. M Veerappa Moily, Hon'ble Minister for Corporate Affairs at the valedictory session of CRF INDIA 2012 conference that has concluded on February 16th 2012. Dr. Moily, while talking about the impact of technology on business functions and regulators said that sharing of knowledge and best practices is essential in the era of globalization where cross border transactions are inevitable. He appreciated the initiatives of CRF that provide platform for regulators in mapping of business and regulatory aspects across nations. He emphasized on the fact that knowledge is not power unless it is shared and such sharing has a positive cascading effect.

Mr. Sudhir Mital, Additional Secretary, MCA and President CRF, 2012 in his welcome address emphasised that the purpose of this meet is to learn from each other and to adopt the best practices in the respective countries. He thanked all the delegates for making the conference meaningful and memorable.

Mr. Michael Brosnahan, Secretary CRF in his address talked about the success of conference, thanked delegates, sponsors, knowledge partner the ICSI, CRF executive committee and others who were the part of this conference.

Mr. Avinash K Srivastava, Joint Secretary, MCA, gave a session wrap up and thanked delegates, speakers, sponsors, media, CRF executive committee and the team ICSI.

TECHNICAL SESSION 5A : TRANSFORMING DATA INTO KNOWLEDGE : LEVERAGING XBRL TOOLS

Panelists were Mr. Anil Kumar Bhardwaj, Director, Ministry of Corporate Affairs, India, Mr. S Swaminathan, Founder CEO IRIS, India and Ms. Juthika Ramanathan, Past President CRF. Mr. Dhanraj, Director of Investigation and Inspection (DII) was also present for question and answer session.

Mr. Anil Kumar Bhardwaj spoke about XBRL process, benefits of data analysis by MCA and said that XBRL filings would result in quality, efficiency and cost savings.

Mr. S Swaminathan said that Corporate Registry is uniquely positioned in implementation of XBRL. He spoke about the benefits of XBRL in terms of credit analysis, liquidity of stocks, ease of comparison, conversion of XBRL data into different languages, XBRL implementation in MSME sector etc.

Ms. Juthika Ramanathan, while briefing on financial reporting process and objectives of XBRL said that XBRL is aligned with Accounting and Corporate Regulatory Authority's (ACRA) over all strategic direction.

The session was followed by Questions and Answers. For the Question relating to compliances by companies exempted from XBRL filings, Ms. Juthika replied that though it is difficult to ensure the total compliance level by exempted companies, many companies are voluntarily filing in XBRL mode.

Another question was "whether the XBRL preparation tool is free of cost"? Mr. Anil Kumar Bhardwaj replied that though preparation tool is not free of cost, the validation tool is free of cost.



TECHNICAL SESSION 5B : CRYSTALLIZING GLOBAL BEST PRACTICES IN CORPORATE REGULATION



Panelists for technical session were Mr. U K Chaudhary, Past President ICSI & Senior Advocate from India, Mr. K V Narayanan, Vice President TCS, Ms. Rosanne Bell, Senior Executive of Registry Services & Licencing of Australian Securities and Investment Commission (ASIC), Mr. Dobromir Christow, World Bank Group. Mr. Andrei Mikhnev, World Bank was the moderator.

Mr. U K Chaudhary, said that self - regulation has to be implemented with regulatory supervision. He also said, "self regulation is like a mask which will be good on good persons and worse on bad elements."

Mr. K V Narayanan gave presentation on "use of Information and Communication Technology (ICT) for Corporate Regulations". While referring to MCA-21, a complete transformation programme, he explained about the evolution of MCA-21.

Ms. Rosanne Bell spoke about the way ASIC is making processes easier for business. She spoke about leveraging the changing regulations and technology landscape, Registry transformation vision, ASIC transformation Journey etc.

Mr. Dobromir Christow, gave presentation on "Supporting Business Registration Reform through Technology". While referring to ICT as an effective contributory to business, he explained about the support of World Bank Group in Business Registry Automation.

Mr. Andrei Mikhnev, emphasized on the integration of regulatory functions. He said ICT places major role in such integration.

The session was followed by Question and Answers. The question about the effectiveness of Self-regulation was answered by Mr. U K Chaudhary. He said that keeping "regulations" first and "self" next would make the self regulations more effective.

With regard to the question relating to effectiveness in appointment of Independent Directors, Mr. U K Chaudhary referred that data base of Independent directors maintained by professional bodies like ICSI can be useful solution to have proper board representation.

The session was followed by a presentation on "Company Registration Reforms in Nepal" by Mr. Lava Raj Shrestha, Registrar of Office of the Company, Registrar of Nepal.

Mr. Michael Brosnahan, Secretary CRF from New Zealand made a presentation on "Looking Forward Towards CRF-2013", and said that CRF-13 would be held at Auckland, New Zealand.

TECHNICAL SESSION 6 : CORPORATE FINANCIAL ACTIONS AND MONEY LAUNDERING

Panelists were Mr. T N Manoharan, Past President ICAI India, Mr. S N Ananthasubramanian, Vice President, ICSI and Mr. Sumit Makhija, Senior Director, Deloitte Touche Tohmatsu India Private Limited, New Delhi, India. Mr. Julian Lamb, Jersey was the moderator.

Mr. T N Manoharan gave a presentation on Satyam Saga Financial Action - a case study. He spoke about basic facts about Satyam episode, revival mechanism etc.

Mr. S N Ananthasubramanian, while referring to KPMG "India Anti-Money Laundering Survey 2012" said that anti money laundering is to be the part of risk management. He also emphasised on Board level involvement in anti money laundering aspects.

Mr. Sumit Makhija briefed on Indian regulatory framework, KYC requirements; FATF India mutual evaluation highlights etc. He also spoke about role of CS in combating money laundering.

The session was followed by Question and Answers. On question related to strengthening of regulatory mechanism relating to money laundering, Mr. Sumit Makhija replied that India, being a member of FATE, has been taking measures to strengthen the regulatory framework and Anti-Money Laundering Bill, 2011 provides for stringent mechanism against anti-money laundering.

