'GST will increase demand of Company Secretaries'

CSs have the ability to go into fineprint and understand the nuances better, says Mamta Binani, President, ICSI in a chat with Sabari Saran.

What are the career prospects for a student pursuing the Company Secretary course?
The Company Secretary (CS) course provided by the Institute of Company Secretaries of India (ICSI) is a very professional and niche course. Only we can award company secretaries membership in India. We are known as governance professionals and we deal with both corporate as well as non-corporate entities. CSs are known as the Key Managerial Personnel (KMP) and under the Companies Act of 2013, they have been categorically carrying the designation of KMP. Now as a KMP, they are also officers in default. CSs are more of business managers and business strategists for a company. They help the management to actually understand the business environment: what is the right way of doing it, which are the laws that are applicable, what are licenses that are applicable, etc. They normally put everything together and present it in the board meeting. So CSs are always part of the board of directors as they assist the Chairman and MDs to conduct the board meetings and to prepare the papers, etc.

Can you elaborate on how the CSs are trained at ICSI?
At ICSI, we have divided the course into three parts—foundation, professional and executive. Foundation is the level 1, professional is the intermediate stage and executive is
the final. All three parts need to be crossed by the students. There is also 15 months practical training where students can train not only in corporate but also in practising Company Secretaries’ firms or banks, financial institutions, universities, etc, and this can be finished after any of the stages.

Our course works in such a fashion that we teach them not only all the company laws but also economic laws, economic legislation, banking legislation, taxation, accounts, costing, financial management, WTO, conventional and non-conventional laws that are coming to the economy, etc. So we make them absolutely future ready and corporate ready and CS are very acceptable in the corporate sector. There is always a high demand for CSs and in fact, the demand surpasses the supply.

Once the Bill is passed, what role will the GST offer to CSs? Will it open career prospects for students pursuing the course?

Company Secretaries are already helping by going through the audits, etc. With the GST, they will be eligible to appear before the appellate tribunal and the GST authorities. So, once the GST Bill comes into force, the CSs will play an important role as they will represent the companies and this will definitely do justice by helping to speed up things. It will also increase the demand of CSs significantly.

With new legislations/rules like the voluntary income disclosure and the Real Estate Bill coming into play, how does it impact the role of CSs? In income disclosure scheme, we have a big role to play because we are helping our corporate clients as practitioners and we are helping our corporate companies to make them understand what this scheme is all about. A CS has the ability to go into fineprint and understand the nuances of any scheme or laws. So they are trained in such a way that they understand the nuances of it. The government is also looking forward to all the professional support because they are the ones who help the citizen to understand the scheme. So we are all working as a team towards supporting the government. As far as income disclosure is concerned, the institute has taken a lot of steps to spread knowledge about this scheme and is also educating people on why this scheme should be availed of.

As far as the Real Estate Bill is concerned, it will now help in a lot of loopholes getting plucked. We feel that lot of investors and people who bought property were probably at the hands of unscrupulous builders. The government always has the mandate to save the people from getting suppressed. So through this the government is taking a very good stand to have passed this Act. Now we are looking forward to the draft rules and ICSI would like to help the various state governments to draft the real estate regulations.

What is the difference between floating and fixed rate of interest?

In case of home loans under the floating rate of interest, the interest rate is reviewed every quarter or half yearly, depending on the clause set by the lender based on the prevailing market conditions as judged by the lender. This means, depending on the change in prevailing interest rates, the floating rate of interest could increase, decrease or remain the same. In comparison, the rate of interest is fixed throughout the tenure in case of a fixed rate of interest option.