

COMPANY SECRETARY

In this section, we will look at a Professional course that is equally popular and high on remuneration: Company Secretary. Company Secretary is a popular option not only amongst commerce students but also among students of law and other non-commerce stream. Let us take a deeper look at the course, what it entails and top colleges to study the course.

Who is a Company Secretary?

A company secretary is a senior position in a private sector company or public sector organization, normally in the form of a managerial position or above.

With companies growing at a rapid scale, start-ups gaining a lot of ground, and increasing focus on having an organized company structure; it has become imperative for companies to have a Professional administrator. The company secretary is responsible for the efficient administration of a company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented.

Institute of Company Secretaries of India (ICSI)

The importance of a Company Secretary can be gauged by the fact that the institute governing them was set up as a Parliamentary Act. The Institute of Company Secretaries of India (ICSI) is the organization set up under the Company Secretaries Act, 1980, for the regulation and development of the profession of company secretary in India.

According to some of the guidelines as mandated by the Act, all companies having a paid up capital of Rs.5 crore or more are mandatorily required to appoint a full-time company secretary. Additionally, all listed companies and public companies having a paid up share capital of Rs 50 crore or more and turnover of 250 crore or more are required to obtain a secretarial audit report from a Practicing Company Secretary. Because it comes under the legal ambit, it is mandatory for all big companies to ensure that they have a company secretary. This opens up a window of opportunities for candidates wanting to pursue this course.

This means an individual post qualification can either prefer employment as a full-time company secretary in a Company, or else prefer practice & render services under Corporate Laws to client companies.

Job Prospects:

There are two areas in the career: whole-time employment and whole time practice. The Institute, being a pro-active body, focuses on best and top- quality education to students and best quality Set Standards for members.

A qualified CS can either be employed by a company or can start his or her own practice. Independent practitioners require a certificate from ICSI (after having qualified as a company secretary).

A CS in practice, can then issue compliance certificates to companies (with a paid up share capital between Rs. 10 lakh to Rs. 5 crore) and undertake diligence report for banks etc. The new Companies Act, 2013 has tremendously widened the area & scope of practice. They can also be employed by small firms on a retainership basis for Professional advice and support on issues such as licenses, registrations, loans, taxes and partnership deeds.

Responsibilities of a Company Secretary

According to Section 205 of the Companies Act, 2013, the Company Secretary shall discharge following functions and duties, this is the first time that the duties of the company secretary have been specified in the company law:

- To report to the Board about the compliance with the provisions of this Act;
- To ensure that the company complies with the applicable secretarial standards;
- To provide to the directors of the company the guidance they require in discharging their duties, responsibilities and powers;
- To facilitate the convening of meetings and attend Board, committee and general meetings and maintain the minutes of these meetings;
- To obtain approvals from the Board, general meeting, the government and such other authorities as required under the provisions of the Act;
- To assist the Board in the conduct of the affairs of the company;
- To assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices.

The need and the role of the company secretaries have been increased with the advent of the new Companies Act 2013, and if the company does not comply with the aforesaid provisions there is a penalty for the same.

What does a company secretary exactly do?

By virtue of having an integrated knowledge of multiple disciplines of Corporate Laws, Management, Finance and Corporate Governance, a Company Secretary is the vital link between the company, its:

- Board of Directors
- Investors
- Bankers
- Shareholders
- Stock Exchanges
- Government and other Agencies

The Company Secretary 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

Why Company Secretary?

As a Counsellor, if you find students having a knack for logical thinking, Curiosity in Legal arena and are generally able to grasp complicated legal information etc., then you can suggest them to go for company secretary as a choice of career. The company secretary ensures that an organization complies with relevant legislation and regulation, and keeps board members informed of their legal responsibilities.

Company secretaries are the company's named representative on legal documents, and it is their responsibility to ensure that the company and its directors operate within the law. It is also their responsibility to register and communicate with shareholders, to ensure that dividends are paid and to maintain company records, such as lists of directors and shareholders, and annual accounts. In a nutshell, company secretaries have a very vital role to play in an organization.

Who should pursue CS?

It is generally believed that only students of commerce should pursue CS course. However, CS being a very practical course, the students from science and arts streams can equally benefit and make a successful career. Students of science and arts stream have to make extra efforts in order to understand some complex accounting nuances and have to get basic knowledge of various management topics. But it can be easily concluded that students of science and arts streams can be successful CSs, if they are ready to toil.

If a student has a keen interest in subjects like auditing, taxation, costing, law, and the passion and dedication towards the profession, he is meant to be in this profession.

Duration: The minimum duration of the course is 4.5 years.

Admission to the CS course is open throughout the year. Examinations are held twice a year in June & December. Students can register for the course through both online and offline methods.

At this point, if you are thinking about how one can become a company secretary, we have the answer.

Stages to become a Company Secretary:

The student who would like to join this CS Course after class 12 has to undergo three stages to pursue the Company Secretaries Course i.e.:

Foundation Programme
Executive Programme
Professional Programme

The Student who would like to join the Course after passing the Graduation (Example: B.com) has to undergo two stages of the Company Secretary i.e.

- Executive Programme
- Professional Programme

In addition, the student has to undergo Practical Training for about 15 months which a student may opt to start after passing the Executive Programme.

Stage 1: The Foundation Programme:

Foundation Programme is a part of 3-stage Professional examination of Company Secretary- Course (i.e. Foundation/Executive/Professional Programmes). It is an 8 month course which the students who have passed class 12 from any stream i.e. Commerce, Science or Arts (Excluding Fine Arts) can take. There is no minimum requirement of percentage of marks secured at Senior Secondary (10+2 or equivalent) examination.

Students who are appearing in the final of Senior Secondary examination i.e. 10+2 are given Provisional admission to the course. Such provisional admission would be valid for not more than 6 months from the date of admission and the students should furnish proof of having passed the Senior Secondary (10+2 pass or equivalent) examination within this time.

Admission to this programme is open throughout the year and is valid for a period of 3 years from the month in which the application is completed.

Examinations for the Foundation Programme are conducted twice a year i.e. in the months of June and in December.

Though there is no formal deadline for the registration for the Foundation Programme, students have to make sure that they seek admission by 31st March for appearing in the December examination of the same year or By 30th September for appearing in the June examination of the next year.

There is no late fee for registration to the foundation programme, so candidates who

Afternoon Session – 90 Minutes

3	Business Economics	100	50	2 Marks for each Correct Answer
4	Fundamentals of Accounting and Auditing	100	50	2 Marks for each Correct Answer

register by the 31st March are eligible to appear for the examination to be held in the month of December of that year. In case a student registers for the programme by 30th September then he will be eligible to appear for the June examination to be held in the next year

To clear this level of CS course, students will be required to study the following 4 subjects:

1. Business Environment and Entrepreneurship;
2. Business Management, Ethics and Communication;
3. Business Economics;
4. Fundamentals of Accounting and Auditing.

Students will be appearing for these papers after completing 8 months of study. There would be objective type multiple-choice questions. The 4 subjects are divided into two parts consisting of two subjects of 100 marks each. Each part will have duration of 90 minutes.

Morning Session – 90 Minutes

Part	Subject	Maximum Marks	Total No. of Questions	Allotment of Marks
1	Business Environment and Entrepreneurship	100	50	2 Marks for each Correct Answer

2	Business Management, Ethics and Communication	100	50	2 Marks for each Correct Answer
----------	--	------------	-----------	--

Duration of CS Foundation Programme:

Initial duration of foundation programme is 8 months. It means after registration to Foundation Programme student can give exams only after the time gap of 8 months excluding the months of admission and the examination.

The results of the Foundation Programme examination held in June/December are generally declared within two months from the date of conclusion of the examination. So, students who have appeared for the exams in June would receive their results by 25th August and those appearing in the month of December would get their results in February.

A candidate shall be declared to have passed in the Foundation Programme examination if he/ she obtains at one sitting a minimum of 40% marks in each subject and 50% marks in the aggregate of all subjects. As this programme has a validity of 3 years, students can take maximum 6 attempts to pass this stage. If a student does not clear all the papers then he will require re- registering for this stage again.

Stage 2 - The Executive Programme

This is the second level of the CS course which has study duration of 9 months. After passing CS Foundation, students can enroll with Institute of Company Secretaries of India (ICSI) for CS Executive Programme.

The Executive Programme is pursued by students who clear the Foundation Programme.

It can be also be pursued by a Graduate of all streams except Fine Arts. Students who have passed in the Foundation examination of the Institute of Cost Accountants of India (ICAI-CMA) or Common Proficiency Test (CPT) conducted by the Institute of Chartered Accountants of India (ICAI) or any other Accountancy Institution in India or abroad recognized as equivalent thereto by the Council.

A registered student shall be required to complete the Executive Programme and Professional Programme examinations within the normal valid registration period of five years.

Registered students of the Institute having valid registration number can enroll themselves for writing Executive Programme and Professional Programme examinations within these 5 years.

Duration of CS Executive Programme:

The minimum duration of executive programme is 9 months. It means after registration to executive programme, a student can give exams of both modules only after the time gap of 9 months excluding the months of admission and the examination.

However, a candidate registered as a student at least six months prior to the month in which the examination commences may be allowed to appear in one module of the Executive Programme examination.

Subjects in CS Executive Programme:

ICSI has introduced a New Syllabus for the Executive and Professional programs. Where there were a total of seven (7) subjects that were divided into 2 Modules, the new syllabus would comprise of 8 subjects which would fall under the 2 modules:

Module 1:

1. Jurisprudence, Interpretation & General Laws;
2. Company Law;
3. Setting up of Business Entities and Closure;
4. Tax Laws.

Module 2:

1. Corporate & Management Accounting;
2. Securities Laws & Capital Markets;
3. Economic, Business and Commercial Laws;
4. Financial and Strategic Management.

Marking system of the papers

Executive Programme			
Module 1	1.	Jurisprudence, Interpretation & General Laws;	100 Marks
	2.	Company Law;	100 Marks
	3.	Setting up of Business Entities and Closure;	100 Marks
	4.	Tax Laws.	100 Marks
Module 2	5.	Corporate & Management Accounting;	100 Marks
	6.	Securities Laws & Capital Markets;	100 Marks
	7.	Economic, Business and Commercial Laws;	100 Marks
	8.	Financial and Strategic Management.	100 Marks

A candidate shall be declared to have passed in Both Modules of the Executive Programme examination if he/she secures at one sitting, a minimum of 40% marks in each of the papers in which he/she is required to appear and 50% marks in aggregate of all the papers.

A candidate shall be declared to have passed in one module if:

He/she secures at one sitting a minimum of 40% marks in each paper and 50% marks in the aggregate of all papers of that module.

Important dates:

Registration of candidates as students to this level is open throughout the year. Candidates registered as students by the month of February in a year are eligible to appear in both modules in December examination. Similarly students registering by the month of August in a year will be eligible to appear in both modules in June examination of next year.

OR

If the students wish to appear for only One Module papers, then they can register by May to appear for the December examination. Students registering by the month of November are eligible to appear for One Module of the Executive programme in June of the next year.

Candidate Registered in	Eligible to Appear in
June/July/August	Both modules of Executive Programme Examination to be held in June next year.
September/October/November	One module of Executive Programme examination to be held in June next year.
December/January/February	Both modules of Executive Programme Examination to be held in December.
March/April/May Global	One module of Executive Programme examination to be held in December.

Stage 3: CS Professional Programme:

It is the final stage in the CS Course. After passing CS Executive, students can enroll himself/ herself with Institute of Company Secretaries of India (ICSI) for CS Professional Programme. It is a 9 month study course. It should be noted that there is no way to enroll directly for CS Professional Programme without clearing CS Executive.

Subjects in CS Professional Programme:

The subjects falling under the Professional Program have also seen a change. As opposed to the 7 subjects (falling under 3 modules) in the old syllabus, the new syllabus has 9 subjects (also falling under 3 modules). Each module has 3 subjects. In the last module, the students would have an option of choosing 1 out of 8 subject options offered. Here are the subjects in the Professional Programme:

Professional Programme Examination			
Module 1	1	Governance, Risk Management, Compliances and Ethics	100 Marks
	2	Advanced Tax Laws	100 Marks
	3	Drafting, Pleadings and Appearances	100 Marks
Module 2	4	Secretarial Audit, Compliance Management and Due Diligence	100 Marks
	5	Corporate Restructuring, Insolvency, Liquidation & Winding-up	100 Marks
	6	Resolution of Corporate Disputes, Non-Compliances & Remedies	100 Marks
Module 3	7	Corporate Funding & Listings in Stock Exchanges	100 Marks
	8	Multidisciplinary Case Studies (The examination for this paper will be an open book examination)	100 Marks

Module 3	9	Electives: 1 paper out of below 8 papers (The examination for this paper will be an open book examination)	100 Marks
	9.1	Banking – Law & Practice	
	9.2	Insurance– Law & Practice	
	9.3	Intellectual Property Rights– Laws and Practices	
	9.4	Forensic Audit	
	9.5	Direct Tax Law & Practice	
	9.6	Labor Laws & Practice	
	9.7	Valuations & Business Modelling	
	9.8	Insolvency – Law and Practice	

Registration Timelines:

The Professional Programme is a 9-month course so candidates registered as students by the month of February in a year are eligible to appear in all the three modules of the Professional Programme examination to be held in December of that year. Students registered between March and August during a year are eligible to appear in all the three modules of the Professional Programme examination to be held in the month of June next year subject to satisfactory completion of compulsory coaching.

However, if a student registers six months prior to the month in which the examination commences he may be allowed to appear in any one or two module(s) of the Professional Programme examination.

So, a candidate registered as a student by the month of May in a year is eligible for appearing in one or two module(s) in December examination. For those who are registered from September onwards and by the month of November in a year will be eligible to appear in any one or two module(s) of Professional Programme examination to be held in the month of June next year.

Candidate Enrolled in	Eligible to Appear in
June/July/August	All Modules of Professional Programme Examination to be held in June next year.
September/October/November	Any One or Two Modules of Professional Programme Examination to be held in June next year.
December/January/February	All Modules of Professional Programme Examination to be held in December.
March/April/May Global	Any One or Two Modules of Professional Programme Examination to be held in December.

A students is declared pass if he /she secures at one sitting a minimum a minimum of40% marks in each of the papers in which he/she is required to appear and 50% marks in the aggregate of all the papers put together.

On completing all of the above three stages and the compulsory trainings the students would become members of ICSI. Members of the Institute of Company Secretaries of India, in good standing for a period of two years, can avail of the benefit of the MOU.

MOU with CISI, London

The Institute of Company Secretaries of India (ICSI) and Chartered Institute for Securities and Investment, London, have entered into a Memorandum of Understanding (MoU), stating that it will offer certain units of CISI

qualifications in Capital Markets, Commodity Markets, Fund Management, Wealth Management and Investment Banking as electives to both its students and members. This will provide them an exposure to the Securities and Investment industry apart from an internationally recognized qualification.

CISI has offered certain recognitions to ICSI students who have passed the 'Executive Programme' which will facilitate their obtaining the 'International Investment Administration Qualification (IAQ)'. CISI has also recognized membership of ICSI for automatic membership of CISI at the associate level (ACSI).

Senior practitioners of ICSI in Securities and Investment industry would be entitled to apply for Membership (MCSI).

MOU with Malaysian Institute of Chartered Secretaries and Administrators (MAISCSA)

ICSI has signed a Memorandum of Understanding with Malaysian Institute of Chartered Secretaries and Administrators (MAISCSA). The MOU will help students and members in attending the training programs, exchange of course material and undertake research projects.

Class Room Teaching

The Institute has also granted accreditation to certain Colleges/Senior Secondary Schools and Private Institutions (empaneled under Public Private Partnership Scheme) to impart Class Room Teaching under the above said scheme. A list of such Accredited/Public Private Institutions are available at the website of the Institute. Students intending to attend class room teaching are, therefore, required to pay additional fee to the Regional Councils/Chapters/ Accredited Centers and/or Private Institutes (empaneled under Public Private Partnership Scheme).

E-learning

In order to facilitate students, e-learning portal is available for the Company Secretary course. Students throughout the country including rural and semi-urban areas as well as from other countries can avail this 24x7 hours on-line study facility as the portal has global reach. Under e-learning, students can have continuous access to studies and guidance of faculties on-line.

KEY TAKEAWAY

- A company secretary is a senior position in a private sector company or public sector organization, normally in the form of a managerial position or above. The company secretary is responsible for the efficient administration of a company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented.
- Company Secretaries are governed by ICSI, the Institute of Company Secretaries of India. In order to become a Company Secretary, one has to pass the exams and get a license from the ICSI. Every company which has a paid-up capital of at least 5 crores is required by the law to have a full time Company Secretary.
- Basically, a Company Secretary reports to the board of directors of a company and helps them in discharging their duties. A Company Secretary also facilitates the convening of general meetings, board meetings etc. along with helping the board members in various affairs of the company.
- The Company Secretary course takes a minimum of 4.5 years to complete. Students who have completed their 10+2 education can take up the CS course. Admissions are open throughout the year and the examinations are held twice a year in June and December.
- The course is divided into 3 phases: The Foundation Programme, which takes a minimum of 8 months; The Executive Programme, which takes at least 9 months; and The Professional Programme, which also takes a minimum of 9 months. On completing all of the above three stages and the compulsory trainings the students would become members of ICSI.