



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

dc

PD: MCA/ August

26th August, 2020

Shri Rajesh Verma, IAS
Secretary,
Ministry of Corporate Affairs
Government of India
Dr. Rajendra Prasad Road
Shastri Bhawan,
New Delhi - 110 001

प्राप्ति एवं प्रेषक अनुभाग R & I Section
भारत सरकार/Govt. of India
कार्पोरेट कार्य मंत्रालय
Ministry of Corporate Affairs
डा. सं./Dy. No.
दिनांक/Date

400 26/8/2020

**Subject: Companies (Appointment and Remuneration of Managerial Personnel)
Amendment Rules, 2020 notified on 3rd January, 2020**

Respected Sir,

This has reference to our letters dated 21st May, 2020, 10th January, 2020 and 3rd February, 2020 on the captioned subject.

We once again submit your goodself to consider further amendment in Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as suggested in the aforesaid letters. The same is reproduced hereunder:

“Every company which has:

- a) a paid-up share capital of ten crore rupees or more; or
- b) **net worth** of one hundred crore rupees or more; or
- c) outstanding **loans or borrowings** from banks or public financial institutions of one hundred crore rupees or more; or
- d) turnover of two hundred fifty crore rupees or more

shall have a Whole-Time Company Secretary.

Explanation:- For the purposes of this rule, the paid up share capital, net worth, outstanding loans or borrowings or turnover, as the case may be, existing on the last date of latest audited financial statement may be taken into account.

Every company which ceases to be a company covered under Rule 8A for three consecutive financial years shall not be required to appoint Company Secretary till such time it meets the criteria specified in Rule 8A”.

Justification for submission

The companies have proper and significant business operations which triggers compliance with various laws. In absence of services of Whole-Time Company Secretaries, these active companies may be exposed to greater regulatory risk and non-compliances. Further, in such companies, public interest is also involved and following good governance practices becomes more significant.

Vision

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

Motto

सत्यं वद। धर्मं चर। इन्द्रो मे देव त्वां पतेः अर्चयेत् त्वां मे देव इन्द्र

Mission

“To develop high calibre professionals facilitating good corporate governance”

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The financial and corporate frauds in the recent past in India have increased the need for more monitoring of the compliance of laws.

The Board while fulfilling its responsibility of ensuring continuity of business, crisis management and sustainability, may avail the financial assistance from banks or public financial institutions. The Company Secretary has also an important role to play in organizing and implementation of decisions of Board, its Committees and the general body meetings mandated under law. At the same time, he is the conscience keeper of governance norms of the Company. With the paid up capital, borrowing, net worth and turnover, crossing over the threshold limits, his role becomes more crucial in protecting the interest of stakeholders and carrying out transparent reporting.

Hence, we humbly request your good office to consider further amendment in Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, taking into kind consideration the submissions made above.

We shall be pleased to provide any further information or clarification on hearing from your goodself.

Thanking you,

Yours faithfully,

(CS Asish Mohan)
Secretary