



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

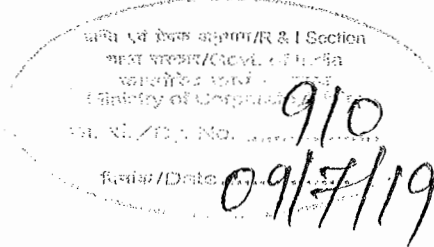
IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

MCA/PD:2019

8th July, 2019

Shri Injeti Srinivas, IAS
Secretary
Ministry of Corporate Affairs
Government of India
Shastri Bhawan
Dr. Rajendra Prasad Road,
New Delhi – 110 001



Sir,

Ref: Letter No. 17/33/2019- CL-V dated 17th June, 2019, received on 19th June, 2019

With reference to the above captioned letter, the Institute of Company Secretaries of India (ICSI) respectfully submits as under:

1. The ICSI welcomes the initiatives of Ministry of Corporate Affairs (MCA) to weed out inactive companies & disqualified directors, protect the public money, overcome the financial irregularities and increase the effectiveness of the governance mechanism. India is perhaps the only country where a form like INC-22A (ACTIVE) is introduced. Clearly, the Ministry of Corporate Affairs (MCA) is expecting to achieve significantly high level of governance norms and compliance mechanism. With this move, MCA has indicated that there is no room for inactive companies in the Registry of MCA.
2. That, upon receipt of the above mentioned letter dated 17th June 2019 from MCA alongwith representation of stakeholders, a Special Meeting of the Council of ICSI was convened on 27th June, 2019 to have detailed deliberations on the matter. Each of the said representations that were annexed to the said letter were deliberated threadbare. The individual responses to each representation are separately enclosed herewith and marked as 'Annexure A'. Further, the views of the Council of ICSI are submitted in the paragraphs herein below for your kind consideration. The concerns raised in the representations primarily relate to various issues like providing exemption to private companies, small companies, government companies, sick companies and dormant companies from filing Form INC-22A (ACTIVE). In some of the cases, it is noted that non-appointment of Company Secretary has been cited as an impediment in filing the Form INC- 22A (ACTIVE).
3. That in all the said letters, there is criticism of various initiatives of the Government, citing one difficulty or the other, whereas such initiatives viz. DIR-3 KYC, INC-22A (ACTIVE), DPT-3, SBO provisions etc., are focused to promote governance and transparency in corporate India. There was a recent drive by the MCA to carry out director's KYC and the MCA has taken a firm stand whereby non-compliant directors were disqualified and non-compliant companies were struck off from the registry of MCA. Similarly, to make a compliant corporate India, Company KYC drive by way of Form INC-22A (ACTIVE) has been initiated by the MCA, which every Company is

Vision

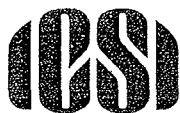
"To be a global leader in promoting
good corporate governance"

Motto

सत्यं वद। धर्मं चर। इष्टं कुरु। कुरुते भुते भव।

Mission

"To develop high calibre professionals
facilitating good corporate governance"



required to comply. In case any of the Company could not comply with such initiatives of the government, such non-compliant Company should get marked as inactive.

4. That, such defiant attitude was witnessed at the time of launch of MCA-21 e-governance programme and also the history repeated itself when the Companies Act, 2013 was introduced. But the MCA has been constantly strengthening the compliance and governance framework. It can be observed that the persons who have made representations are all approaching with a negative mindset, and pleading ignorance of law as an excuse.
5. That those companies which are citing paid up capital as an issue have an option of reduction of paid up capital but they have not chosen to reduce their paid up capital in last 5 years, since introduction of the Companies Act, 2013. The companies having paid up share capital of Rs. 5 crore or more, there is a requirement of appointment of a whole-time Company Secretary, as the very idea of the Government is to graduate such companies to a compliance driven and a far more governed platform, so that such companies could be benchmarked vis-à-vis best governed companies, globally. By doing so, the government seeks to have better corporate governance standards for such companies.
6. That, these companies have also requested the MCA to drop all the new forms introduced by MCA in view of ease of doing business. As you are already aware that the World Bank has released its latest Doing Business Report (DBR, 2019) on 31st October, 2018, wherein India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77th rank among 190 countries assessed by the World Bank. This itself proves that the compliances introduced by the MCA have not been a hurdle in the Ease of Doing Business but has been an enabler for the same. That, if we closely look at the parameters on which the ranking is based, it aims at simplifying the procedure and time involved in carrying out the compliances, whereas the appointment of Company Secretary is to ensure the compliances as an 'Officer in Default' and also a 'Key Managerial Personnel' under the Companies Act, 2013 and the Rules made thereunder.
7. That, MCA has been initiating the Ease of Doing Business by making events online and reducing the overall time taken and by making e-forms dynamic to the extent that various forms have even been categorised in STP mode and now the stakeholders get approval at the click of the button. But, despite such initiatives, there has been a tendency by handful of non-compliant persons to criticise and blame the system. In the past few years, the MCA has proposed various amendments in view of Ease of Doing Business and kept only essential requirements which every corporate must follow.
8. That, out of total active companies, i.e. approximately, 11 lakh companies, only 39,805 companies are required to appoint a whole-time Company Secretary. We wish to submit that as on 1st July 2019, ICSI has 58,690 Company Secretaries on its register out of which only 10,644 are in practice. Accordingly, sufficient numbers of Company Secretaries are available to serve the Corporate India. Further, ICSI through its dedicated placement cell provides placement services to corporate to meet the demand and supply of the Company Secretaries across the country.

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9. That, in view of the aforesaid, keeping in mind the role of Company Secretaries in enhancing governance standards internally within the corporate, we wish to submit that the present parameters for appointment of Company Secretary which are framed by MCA after a lot of public debate and deliberations are absolutely aligned with the present requirements; and therefore, need to be kept intact. Needless to mention that the level of compliance as envisaged by the Government is rising day by day.

We shall be pleased to provide any further information or clarification in this regard on hearing from your good self.

Thanking you,

Yours faithfully,

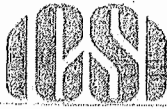
(CS Ashok Kumar Dixit)
Officiating Secretary
The Institute of Company Secretaries of India



Annexure A

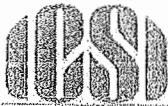
S. No.	Name of Company/ Stakeholder	Gist of Issues	ICSI remarks
1	Chartered Accountant, A. John Moris, Chennai (Letter dated 09.04.2019)	<ol style="list-style-type: none">1. MCA should consolidate various forms like DIR 3KYC, INC 22A, DPT-3 and other forms to be deployed.2. There exists sick companies having a paid up capital of Rs. Five crore or more.3. Affording salary of company secretary as per the market standards is difficult.4. Company Secretaries also do not prefer joining a company which is non-operational.5. Request to consider appointment of secretarial auditors for companies which have less turnover, no operations or for companies of	<ol style="list-style-type: none">1. Every form has a purpose for which the Companies are required to comply separately. Like Form DIR 3 KYC is meant for process of identifying and verifying the identity of Directors, Form DPT-3 is meant for regulating deposits. Therefore, the forms cannot be clubbed together. Form DIR-3 KYC is meant to be filed only by directors and Annual Return is to be filed by the Company, therefore, clubbing both the forms not feasible.2. The compliances of company law as well as other important laws FEMA, SEBI, Income tax, GST are equally applicable to all the companies including non-operational companies. It is advised that non-operational companies need to comply the law till the company goes into the striking off process.3. A fresher Company Secretary may be suitable to be appointed.4. ICSI has a dedicated placement cell which serves the corporate and members to match their demand and supply for appointment of Company Secretary.5. In view of the above, the present parameters are perfect, wherein the





		special nature instead of full time Company Secretaries to ensure compliances.	requirement of secretarial audit is already there.
2	<p>GVK Power & Infrastructure Limited</p> <p>(letter dated April 04, 2019)</p>	<p>1. The Group has 10 Company Secretaries in full time employment.</p> <p>Insufficient Company Secretaries available in the market.</p> <p>Number of Companies that are required to appoint the Company Secretaries in employment are more than 1,00,000.</p> <p>The actual company secretaries available for appointment were only around 34100.</p> <p>There are approx. 68200 number of Qualified Company Secretaries available in the country (website of ICSI).</p> <p>Out of which 25% are in whole time practice and atleast 25% have presumably opted for other professional fields like Chartered Accountants, Cost Accountants, Advocates, etc. thereby only 50% (around 34100) are available for full time appointment.</p>	<p>1. Before quoting the numbers of Company Secretaries and the companies, the company should have ensured the reliability of data from the ICSI and MCA who are the regulators of the profession of the Company Secretaries and the Companies respectively. We wish to state that 58, 690 Company Secretaries are registered in India and out of that only 10644 Company Secretaries are engaged in practice. Therefore, there are sufficient number of Company Secretaries available in the industry for the appointment and there is no scarcity.</p> <p>As per MCA data, GVK Power & Infrastructure Limited has appointed a company secretary since the year 2005.</p>
3	<p>Blue Berry Agro Products Pvt. Ltd</p>	<p>1. The undue harassment is being caused to small Family Owned – Private Limited Companies.</p> <p>Management has not drawn salary ourselves in 5 years;</p>	<p>1. As per MCA data Blue Berry Agro Products Pvt. Ltd. is not a small company under the Companies Act, 2013 as it has paid up share capital of Rs. 6.95 crores which more than Rs.50 lakh.</p> <p>In terms of vision of the Company in reaching at top position in the industry, compliance and respect of law is a foremost</p>





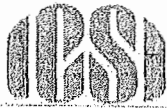
		<p>requirement. As per the company's website, the company is built in accordance with the standards of ISO 9001, ISO 22000 and the HACCP concept that identifies and monitors critical control points. It reflects that there are many laws applicable to the company, the compliance of which must be ensured by the Company Secretary, if the company aims to obtain a position in the competitive market.</p> <p>Further, the provision for the appointment of Company Secretary is not a new provision as stated by the company. It was mandated in law in the year 1975 and has been retained by the regulator since then to enable the companies to comply with the relevant laws.</p>
	<p>2. The reason why we have such high capital is because we have to show to our banks our credibility and capability. Businesses (Factories) like ours incur losses at start due to high finance costs. Therefore it was needed to infuse more capital to make Balance sheet look strong.</p>	<p>2. It is stated that the Company has a high capital because the company has to show to banks the credibility and capability which in our view is not an ethical practice as you aim to reach at the top position in industry.</p> <p>The compliances of company law as well as other important laws FEMA, SEBI, Income tax, GST are equally important for all companies including small companies. The Company Secretary can also discharge other functions such as taxation, Human Resource since he is equipped with the knowledge which can be judged by looking at the syllabus of Company Secretary course. If the Company wants to buy back the shares, the same can be</p>





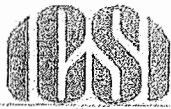
			done by complying with the provisions of 68 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.
4	Local Circles- Social media platform for start-up	<p>Not related to non-compliance of Company Secretary only</p> <p>1. Since startups already file many forms which validate their authenticity like tax returns, financial statements, ESI and other forms with ROC, they should be exempted from the compliance of Form INC - 22A (Active) and if that is not feasible, to extend the last date of filing to June 1, 2019.</p>	<p>1. With the notification for filing of INC-22A, the Ministry is hoping to achieve significantly high level of governance norm, compliance mechanism, by linking it to the company's ability to carry out several other essential corporate actions relating to changes to its capital structure, composition of board of directors, amalgamations/ demergers and so on. With this move, the Ministry has indicated that there is no place for dormant and inactive companies in the Registry of MCA. If companies are formed, there must be some minimum norms which a company has to follow. The initiative of MCA has been very well appreciated by Indian Inc. as it is an attempt to strengthen the existing governance mechanism.</p> <p>Since the last date of filing is expired, the startups can file the form by paying the additional fee of 10,000 rupees.</p>
5	AP Towers Limited, Andhra Pradesh and	<p>1. As a public sector undertaking, the Company is not able to attract candidates for appointment as Company Secretary (Key Managerial Personnel) in view of the scales of pay.</p>	<p>1. For the Companies with lesser paying capacity, fresher Company Secretary are suitable for appointment. The ICSI has a dedicated Placement Cell for the purpose of liaising between corporates intending to appoint Company Secretaries and the</p>





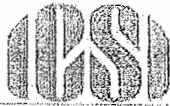
			<p>professionals seeking employment where you can send the requirement of Company Secretary for your company.</p> <p>Further, the company will not be able to manage the compliances of law without appointing a company secretary, as the company has not quoted CIN on the letter head of the company while making representation to MCA, which is also one of the non-compliance.</p> <p>The Form INC-22A (Active) has been introduced to ensure that the companies file their details so that proper check is maintained and also to prevent the creation of shell companies in future. It is expected that PSUs should set examples as good governed companies and help the Government in making the Corporate Compliant India.</p>
6	Andhra Pradesh State Fiber Net Limited	<p>1 Requested for exemption to government companies from filing of INC 22A (ACTIVE) on account of following problems being faced by you:</p> <p>(a) The directors of your company has not completed KYC</p> <p>(b) C&AG has not appointed auditors in the company.</p>	<p>1 (a) MCA has introduced Form DIR-3 KYC and has mandated the same for all the directors. The directors who are in charge of the management of the company's business; make the strategic and operational decisions of the company and are responsible for ensuring that the company meets its statutory obligations, cannot be expected to be non-compliant in filing Form DIR-3 KYC, which is the basic minimum compliance without which the company should not run.</p> <p>1(b) The request for appointment of auditor be made with the administrative ministry of State</p>





		<p>The company has not completed audit as there are not auditors</p> <p>(c) The company is not able to attract Company Secretaries in view of the low pay scale</p>	<p>Government governing your company.</p> <p>1(c) On PSUs, the number of laws are applicable such as Companies Act, 2013, FEMA, SEBI, Income Tax Act, GST, etc. To ensure the compliances of laws, the company secretary is mandatory to be appointed. It is understood that there is lesser paying capacity in such company and therefore, fresher company secretaries are suitable for appointment.</p> <p>Further, a Company Secretary, being equipped to handle multiple tasks as can be seen from the curriculum of company secretary course, can handle management, taxation, administration, legal department in the company.</p> <p>The ICSI has a dedicated Placement Cell in place for the purpose of coordinate between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p> <p>It is expected that PSUs/ Government companies should set examples as good governed companies and help the Government in making the Corporate Compliant India.</p>
7	Tamilnadu Spinning Mills Association, Dindigul, Chennai	1. Requested for exemption to private companies from the appointment of Company Secretary due to non-availability of Company Secretary for the purpose of filing of Form INC 22A (ACTIVE).	1. There are number of laws applicable such to a company like Companies Act, 2013, FEMA, SEBI, Income Tax Act, GST, etc. To ensure the compliances of laws, the Company Secretary



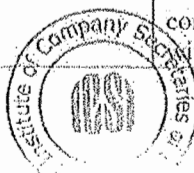


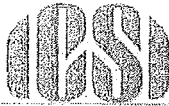
			<p>The association has not mentioned the name of specific company which is facing this problem so that the Institute can approach the companies in helping them appointing a Company Secretary.</p> <p>In view of the above, the request for exemption to private companies from the appointment of company secretary for the purpose of filing INC 22A (ACTIVE) may not be considered.</p>
9	P. Krishna & Associates, Chartered Accountant, Chennai	1. Ease of doing business is not followed in letter and spirit. It is further stated that the small private companies with paid up capital of 5 crores need to appoint Company Secretary. The contention is to exempt the requirement of appointment of Company Secretary in view of ease of doing business.	1. The World Bank released its latest Doing Business Report (DBR, 2019) 31st October, 2018, wherein India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77 th rank among 190 countries assessed by the World Bank.
			<p>If we closely look at the parameters on which the ranking is based, it aims at simplifying the procedure and time involved in carrying out the Compliance, whereas the appointment of Company Secretary is to ensure the compliances. Ease of doing business is never meant to exempt from the necessary compliances. As such the Company Secretaries play a significant role in ensuring for 'Compliant Corporate India'. Company Secretaries act as enablers for implementation of laws of land in any corporate and therefore promotes governance regime. Also the cost of non-compliances is far more than the cost of appointing a compliance officer i.e. company secretary.</p>



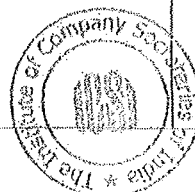


		<p>2. The need for full time company secretaries is not there. There is no full time work for them.</p> <p>3. Company Secretaries coming forward for work in such companies are very small.</p> <p>4. Paying salaries for a company secretary for these small companies is heavy burden.</p> <p>5. MCA insists for innumerable forms, all the requirements can be clubbed and asked through single annual return</p>	<p>2. As per its definition provided under the Companies Act, 2013, the companies with paid up capital of 5 crores are not small companies as in case of small companies, the paid up share capital should not exceed Rs. 50 lakhs.</p> <p>3. The ICSI has a dedicated Placement Cell in place for the purpose of liaising between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company. However, we have noticed that the letter is general in nature and does not specify the name of specific company so that the placement cell of the Institute can help in appointing the suitable company secretary.</p> <p>4. The companies with lesser paying capacity, the fresher company secretaries are suitable for appointment.</p> <p>5. The request for merging the forms may not be considered as every form has a specific purpose and relevance in the law.</p>
10	Manjunath, Chartered Accountant, Chennai	<p>1. Many private companies have no business, no turnover, some are into trading business with less than 10 or 20 employees, some are in liquidation mode, Some are dormant;</p>	<p>1. The compliance of the laws of the land should be respected by each company.</p> <p>Further few specific companies which are in a situation of being dormant may apply for getting exemption from various compliances which are provided in the laws. Companies Act itself provides for some of the relaxations to certain class of companies for example, for small companies there is a relaxation with regard to number of holding</p>





			<p>of board meetings, reduction of penalties, non providing cash flow statement etc. For the companies in liquidation, we wish to inform that they are not required to file the Form INC 22A (Active).</p> <p>2. Foreign subsidiaries in India are not very favourable to the compulsory appointment of whole time company secretaries.</p> <p>3. It is proposed for compulsory secretarial audit by practicing Company Secretary. Those companies which require company secretary will appoint where there is a need.</p>	<p>2. Foreign subsidiaries in India are not favourable for appointment of Company secretaries. However, the reality is that Foreign subsidiaries are even more compliance conscious, respect the law and willing to appoint a Company Secretary.</p> <p>3. The Companies Act, 2013 has already the provision of Secretarial Audit for bigger companies to be conducted by a Practising Company Secretary.</p>
11	Jainex Limited	Aamcol	<p>1. With limited work in Small Listed Companies, the whole time Company Secretary shall be sitting idle at a prohibitive cost.</p> <p>2. Such irrational provisions cause unwarranted financial stress, hurdles in Ease of Doing business and speed breaker in boosting make in India.</p>	<p>1. There is no connection of financials of the company and the appointment of company secretary. The role of Company Secretary is to ensure the compliance of laws in a company. Listed companies have to comply SEBI Regulations along with the company law. For companies with lesser paying capacity, the fresher Company Secretaries are suitable.</p> <p>2. The World Bank's report on ease of doing business. The World Bank released its latest Doing Business Report (DBR, 2019) 31st October, 2018, wherein India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77th rank among 190 countries assessed by the World Bank.</p>





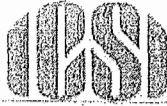
		<p>2. Companies are not able to find the suitable candidates possessing the requisite qualifications as Company Secretaries.</p>	<p>is mandatory to be appointed by prescribed class of companies. Further, whether a company is a private or public, each of the company is required to comply with the compliances.</p> <p>2. The ICSI has a dedicated Placement Cell in place for the purpose of coordinate between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company. It is found from the letter that the letter does not name any specific company which is facing this problem so that we can approach the companies in helping them appointing a Company Secretary.</p> <p>It is expected that companies should set examples as good governance and help the Government in making the Corporate Compliant India by filing Form INC 22A (Active).</p>
8	South India Importers Association, Chennai	<p>1. For exemption to private companies from the appointment of company secretary due to non-availability of CS for the purpose of filing of Form INC- 22A (ACTIVE).</p> <p>2. The reason for not appointing the Company Secretary is stated that most of the private companies are not able to find the suitable candidates possessing the requisite qualifications.</p>	<p>1. Whether a company is a private or public, each of the company is required to comply with the compliances.</p> <p>2. The ICSI has a dedicated Placement Cell in place for the purpose of coordinate between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p>





		<p>If we closely look at the parameters on which the ranking is based, it aims at simplifying the procedure and time involved in carrying out the Compliance, whereas the appointment of Company Secretary is to ensure the compliances. Ease of doing business is never meant to exempt from the necessary compliances. As such the Company Secretaries play a significant role in ensuring for 'Compliant Corporate India'. Company Secretaries act as enablers for implementation of laws of land in any corporate and therefore promotes governance regime. The cost of appointment of governance professionals is much lesser than the cost of non-compliances which the company and every officer in default have to bear.</p>
	<p>3. This is a typical case of destruction of Small Listed Companies, stiffening of Enterprises; creativity and entrepreneurial spirit.</p>	<p>3. The appointment of company secretary is linked with justifications to typical case of destruction of small listed companies.</p>
	<p>4 There is no rationale why a Listed Company having a paid-up share capital of less than Rs.10 crores should not be exempted from having a whole time Company Secretary in as much as a part time qualified Company Secretary can discharge all duties/obligations as required under law.</p>	<p>4 to 6</p> <p>For a company with lesser paying capacity, a fresher company secretary may be suitable for appointment.</p>
	<p>5. It is pertinent to note that the cost of a whole- time Company Secretary can be in the range of minimum Rs.1,50,000/- plus perks and upwards per month.</p>	<p>The companies with paid up capital of Rs. 10 crores or more are not small companies. Small companies as per the definition under the Companies Act are having the paid up capital of less than Rs. 50 lakhs.</p>
	<p>6. Therefore, a small Listed Company having paid up share capital of below Rs.10.crores and having a turnover of less than RS.25 crores as compared to listed companies having paid up</p>	<p>The functions of company secretaries are numerous and more widened in case more laws are applicable to the company.</p> <p>Keeping in view the regulatory requirements and role performed</p>



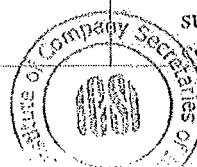


		share capital of Rs. 10 crores or more and having an annual turnover of Rs.100 crores or more is highly disproportionate, unreasonable, unfair, unjust, equity and fair play.	by company secretary, Jainex Aamcol Limited has already appointed company secretary on 30 th April, 2019.
12	Our Investments Enterprise Limited	<p>1. Despite releasing advertisements on multiple occasions in widely circulating newspapers, no response has been received number of qualified Company Secretaries is very low.</p> <p>There is shortfall of approx.. 20,000 company secretaries.</p> <p>Company Secretaries available for employment (as per annual report of ICSI as on 31.03.2018): 37, 003. Actual company secretaries available: 20,688</p> <p>Total requirement: 27,745 (number of companies as on 31.12.14)</p> <p>All compliances relating to Companies Act is handled by the senior management and a practicing Company Secretary, who is an expert in this field.</p> <p>Certification by practicing Company Secretaries of most of the documents submitted to stock exchanges, RBI, MCA are also mandatory albeit one has a Company Secretary employed in-house.</p> <p>Accounts of Companies are also important (if not more) to government, tax authorities business associates, shareholders, staff members and all other stakeholders. Nevertheless, a company need not appoint a CA mandatorily.</p> <p>Considering this reality, the MCA may be requested to waive this requirement.</p> <p>2. The paid-up capital being small it is generally subscribed by</p>	<p>1. There is no shortage of Company Secretaries who shall be willing to serve with the corporates and support in their compliances. The ICSI has a dedicated Placement Cell in place for the purpose of liaising between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p>





		<p>family and close friends, with hardly any external shareholders.</p> <p>Request:</p> <p>a. To allow Firms of Company Secretaries to handle all related matters in a Company similar to the system applied in case of Chartered Accountants.</p> <p>b. If suggestion in 01. above is not acceptable for any reason the limit of paid up capital may be raised from Rs.5 crore to at least Rs.50 crore beyond which it would be made mandatory to appoint a Company Secretary, Managing Director and Chief Financial Officer.</p>	<p>2. The Companies Act, 2013 has already the provision of Secretarial Audit for bigger companies to be conducted by a Practising Company Secretary.</p>
13	<p>Agasthiyar Muni Child care centre, Kanyakumari District, South India</p>	<p>1. Many of the compliances are not required for the company and the few services that can easily be outsourced at a reasonably low cost as compared to the cost of appointment of full time company secretary;</p> <p>2. Company Secretaries are not available in the market who are willing to join companies of our size and operations.</p>	<p>1. The functions of company secretary are not restricted to the specified functions. He has to ensure the compliance of all the laws which are applicable to the company.</p> <p>There are many laws which are applicable to the hospitals which includes The Public Liability Insurance Act – 1991/1992, Charitable and Religious Trust Act-1920, Contract Act – 1982, Income Tax ACT – 1961, Copyright Act – 1982, Insurance Act – 1938, Sales of Good Act – 1930, License for Possession and use of Rectified / denatured spirit, Retail Drug License, The Public Liability Insurance Rules, Pharmacy Act – 1948, Blood Bank Regulations under Drugs and Cosmetic (2nd amendment) rules – 1999</p> <p>2. There is no shortage of Company Secretaries who shall be willing to serve with the corporates and support in their compliances. The ICSI has</p>





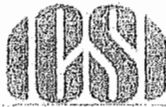
		<p>3. MCA to consider waiver of requirement of appointment of full time company secretary for section 8 companies irrespective of the capital structure. Instead of full time company secretary, MCA may consider secretarial audits for section 8 Companies and companies with less turnover</p>	<p>a dedicated Placement Cell in place for the purpose of liaising between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p> <p>3. We agree with the views that wherever, there is no requirement of full time company secretary, there should be certification/audit in such companies.</p>
14	PHD Chamber of commerce and industry	<p>The problem faced by it is as under:</p> <p>"MCA Portal is showing error that the SRN of MGT-14 filed for the appointment of Directors in case of more than 15 is not entered in the form"</p>	<p>This is a technical issue which may be addressed by MCA.</p>
15	Kaytee Corporation Private Limited	<p>1. Over the past couple of months, the company has advertised in newspapers for a qualified Company Secretary.</p> <p>The response has been poor, Few Company Secretary who contacted wanted to work for big companies where there are greater opportunity for growth.</p> <p>2. A small company like ours is not appealing, as there is no full time work for Company Secretary.</p> <p>3. Moreover, even currently all statutory obligations are being certified by professional CS. Therefore, we do not understand the need to have full time CS for small companies.</p>	<p>1. Being unable to identify a suitable candidate cannot be stated as the reason for asking for exemption for appointment of company secretary. Placement cell of ICSI may be approached which ensures to balance the supply and demand of the corporates and members.</p> <p>2. Keeping in view the role and responsibilities of a company secretary, company law has provided for appointment of full time company secretary in the company. Wisdom of the legislature should be respected.</p> <p>3. The company is not a small company. Further, a small company is not required to mandatorily appoint a company secretary as in such case, the paid up capital should not exceed 50 lakh rupees.</p>





		<p>4. There are no sufficient number of company secretaries to meet the demand of companies.</p>	<p>Request for extension of time for searching the company secretary may not be attended as the last date has already expired.</p> <p>Being the parent organisation of Company Secretaries, the Institute of Company Secretaries of India intends to clarify that there is no shortage of Company Secretaries who shall be willing to serve with the corporates and support in their compliances. The ICSI has a dedicated Placement Cell in place for the purpose of liaising between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p>
16	Southern India Mills Association	In spite of sincere attempts, few members having paid up share capital of Rs. 5 crores or more are unable to identify a full time company secretary as mandated	<p>It is understood that 'the Southern India Mills' Association' is the single largest organization representing the entire textile value chain and plays a lead role in all policy making committees at state and central level pertaining to textile industry. It is also understood that all the mills in your association are compliant with all the commercial laws including the company law which are to be followed by companies engaged in manufacturing by engaging the company secretaries who are not in full time employment.</p> <p>Being unable to identify a suitable candidate cannot be stated as the reason for asking exemption for appointment of Company Secretary. A dedicated placement cell of ICSI may be approached which ensures to balance the supply and demand of the corporates and members.</p> <p>Southern India Mills Association, being in policy making, is most expected</p>





			<p>to have respect for compliance of legal provisions. The mills which are referred in the letter are in in manufacturing, so multiple laws are applicable. Therefore, in such cases, the need to engage a full time company secretary is quite apparent.</p>
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THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

MCA/PD: 2019

25th July, 2019

Shri Injeti Srinivas, IAS
Secretary
Ministry of Corporate Affairs
Government of India
Shastri Bhawan
Dr. Rajendra Prasad Road,
New Delhi – 110 001

प्रति एवं सेवा अनुभाग/IR & I Section
भारत सरकार/GOVT. of India
सचिव, मंत्रालय, भारत सरकार
शस्त्री भवन, नई दिल्ली
दि. 25/07/2019

Ref: Letter No. 17/33/2019- CL-V dated 8th July, 2019, received on 9th July, 2019

Sir,

We wish to inform that the comments of the Institute of Company Secretaries of India (ICSI) on the matter referred to in MCA letter dated 17th June, 2019 were submitted on 9th July, 2019. The copy of the said letter is at **Annexure A** for your kind reference, please.

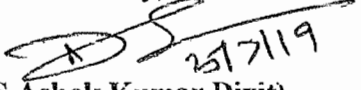
Further, after examination of 18 further more representations, the comments of the ICSI on those are given at **Annexure B**.

We, once again, reiterate that the present parameters for appointment of Company Secretary which are framed by MCA after a lot of public debate and deliberations are absolutely aligned with the present requirements; and therefore, need to be kept intact. Needless to mention that the level of compliance as envisaged by the Government is rising day by day.

We shall be pleased to provide any further information or clarification in this regard on hearing from your good self.

Thanking you,

Yours faithfully,


(CS Ashok Kumar Dixit)
Officiating Secretary
The Institute of Company Secretaries of India

Vision

"To be a global leader in promoting
good corporate governance"

Motto

सत्यं वद। धर्मं चर। इष्टकारं कुरु। तृप्तये ब्रजेतु। इष्टं कुरु।

Mission

"To develop high calibre professionals
facilitating good corporate governance"

Annexure A

S. No.	Name of Company/Stakeholder	Gist of Issues	ICSI remarks
1	Rosemary Joseph Director Sunsea Traders Limited (Letter dated 14.06.19)	Requested for extension of 3 calendar months for filing of Form INC-22A without penalty. Reason: MD and Mr. Savio Mario Menino Da Silva Furtado (incharge of corporate affairs and Administration incharge) met with an accident and hospitalised at St. Isabelaa Hospital in Chennai for last few months with serious body injuries.	The company has stated wrong facts in its letter to MCA that Mr. Savio Mario Menino Da Silva Furtado is a Managing Director, whereas as per MCA records he is not MD. He ceased to be a director of the Company w.e.f. 16 th November, 2018. The plea of non-filing of Form 22A (ACTIVE) cannot be accepted. As per MCA records, the company has 6 directors. The responsibility of carrying out the compliances under the Companies Act, 2013 rest with the Board of Directors and all the compliances under Form 22A (ACTIVE) be carried out accordingly.
2	Rosemary Joseph Director Sunsea Cruise Lines Limited (Letter dated 14.06.19)	Requested for extension of 3 calendar months for filing of Form INC-22A without penalty. Reason: MD and Mr. Savio Mario Menino Da Silva Furtado (incharge of corporate affairs and Administration incharge) met with an accident and hospitalised at St. Isabelaa Hospital in Chennai for last few months with serious body injuries.	The company has stated wrong facts in its letter to MCA that Mr. Savio Mario Menino Da Silva Furtado is a Managing Director, whereas as per MCA records he is not MD but only a Director. The plea of non-filing of Form 22A (ACTIVE) cannot be accepted, as per MCA records, There are 6 more directors other than Mr. Savio Mario Menino Da Silva Furtado, who can carry out the necessary compliances for filing the Form. The company should have a system in place for ensuring compliance of all the law provisions, which should not be effected by any individual.
3	Rosemary Joseph Director	Request for extension of 3 calendar months for filing of Form INC-22A	The company has stated wrong facts in its letter to MCA that

	<p>Sunsea Euro Ventures Limited</p> <p>(Letter dated 14.06.19)</p>	<p>without penalty.</p> <p>Reason: MD and Mr. Savio Mario Menino Da Silva Furtado (incharge of corporate affairs and Administration incharge)met with an accident and hospitalied at St. Isabelaa Hospital in Chennai for last few months with serious body injuries.</p>	<p>Mr. Savio Mario Menino Da Silva Furtado is a Managing Director, whereas as per MCA records he is not MD but only a Director.</p> <p>The plea of non-filing of Form 22A (ACTIVE) cannot be accepted, as per MCA records, There are 9 more directors other than Mr. Savio Mario Menino Da Silva Furtado, who can carry out the necessary compliances for filing the Form.</p> <p>The company should have a system in place for ensuring compliance of all the law provisions, which should not be effected by any individual</p>
4	<p>Rosemary Joseph Director Seaways Maritime India Limited</p> <p>(Letter dated 14.06.19)</p>	<p>Request for extension of 3 calender months for filing of Form INC-22A without penalty.</p> <p>Reason: MD and Mr. Savio Mario Menino Da Silva Furtado (incharge of corporate affairs and Administration incharge)met with an accident and hospitalied at St. Isabelaa Hospital in Chennai for last few months with serious body injuries.</p>	<p>The company has stated wrong facts in its letter to MCA that Mr. Savio Mario Menino Da Silva Furtado is a Managing Director, whereas as per MCA records he is not MD but only a Director.</p> <p>The plea of non-filing of Form 22A (ACTIVE) cannot be accepted, as per MCA records, There are 6 more directors other than Mr. Savio Mario Menino Da Silva Furtado, who can carry out the necessary compliances for filing the Form.</p> <p>The company should have a system in place for ensuring compliance of all the law provisions, which should not be effected by any individual</p>
5	<p>Rosemary Joseph Director SunSea Travels (India) Limited</p> <p>(Letter dated 14.06.19)</p>	<p>Request for extension of 3 calender months for filing of Form INC-22A without penalty.</p> <p>Reason: MD and Mr. Savio Mario Menino Da Silva Furtado (incharge of corporate affairs and Administration incharge)met with an accident and hospitalied at St. Isabelaa Hospital in Chennai for last few months with serious body injuries.</p>	<p>The company has stated wrong facts in its letter to MCA that Mr. Savio Mario Menino Da Silva Furtado is a Managing Director, whereas as per MCA records he is not MD but only a Director.</p> <p>The plea of non-filing of Form 22A (ACTIVE) cannot be accepted, as per MCA records, There are 6 more directors other than Mr. Savio Mario Menino</p>

			<p>Da Silva Furtado, who can carry out the necessary compliances for filing the Form.</p> <p>The company should have a system in place for ensuring compliance of all the law provisions, which should not be effected by any individual</p>
6	<p>Rosemary Joseph Director Tradehall Markets Limited (Letter dated 14.06.19)</p>	<p>Request for extension of 3 calender months for filing of Form INC-22A without penalty.</p> <p>Reason: MD and Mr. Savio Mario Menino Da Silva Furtado (incharge of corporate affairs and Administration incharge)met with an accident and hospitalied at St. Isabelaa Hospital in Chennai for last few months with serious body injuries.</p>	<p>The company has stated wrong facts in its letter to MCA that Mr. Savio Mario Menino Da Silva Furtado is a Managing Director, whereas as per MCA records he is not MD but only a Director.</p> <p>The plea of non-filing of Form 22A (ACTIVE) cannot be accepted, as per MCA records, There are 6 more directors other than Mr. Savio Mario Menino Da Silva Furtado, who can carry out the necessary compliances for filing the Form.</p> <p>The company should have a system in place for ensuring compliance of all the law provisions, which should not be effected by any individual</p>
7	<p>Aditya Garg (email dated 14/06/19)</p>	<p>1. There are lot of issues pertaining to make ease of doing business for SME and small Entrepreneurs, the fines of various types set up in MCA Corporate affairs in ur country for SME arenot proportionate and are to be revised - if any. SME will have to face the fine of Rs 1 to 5 - Rs 10 Lakhs then their whole capital would be eroded. the penalty structures are being laid down in accordance with the large Corporates if those structures are not reformed and changed as per the Capital Base then mostly 90 percent SME and small - tiny entrepreneurs will be finished.</p> <p>2. Requested to please extend all the requisite fillings of compliances to ROC- MCA viz. Form Active INC-22A etc. till</p>	<p>1. Ministry of Corporate Affairs vide notification dated 13th June 2017, exempted startups companies from various compliances of the Companies Act, 2013. Also the Companies Act, 2013 provides for some of the relaxations to certain class of companies.</p> <p>2. Name of the company is not mentioned. Also, any specific difficulty in filing Form 22A (ACTIVE) is not stated.</p>

		July/August, 2018 so that the appropriate structure could be framed within the benefit of SME.	
8	RSC International Limited (Letter dated 8 th June, 2019)	<p>1. The Company has made serious attempts to find out a Company Secretary who is ready and willing to work with our small organization. The companies have attempted through the offices of the Institute of Company Secretaries of India, personal contacts through professionals and finally by a newspaper advertisement and not able to find CS.</p> <p>2. In order to fulfil the work responsibilities of a Company Secretary/ Compliance Officer by conducting the secretarial work as enumerated under the Act and a Compliance Officer, under the SEBI (LODR) Regulations, the company has appointed professional consultancy firm, Dear Advisory Services Pvt. Ltd. All the compliances related work is handled by such firm.</p> <p>3. We made enquiries from various sources and found that as on the date the ICSI has total 54, 385 members registered with them. Out of the above, 10, 246 are having certificate of practice. Only 37,003 company secretaries are available for employment. According to MCA data and data available at website of NSE and BSE, there are more than 7500 listed companies, out of which 600-700 are big corporate houses with large number of subsidiaries. These big corporate houses retain 5-10 company secretaries and offer them hefty remuneration which directly</p>	<p>1. The Company has provided incorrect information, as it has not approached the placement cell of the Institute for providing company secretary.</p> <p>A dedicated placement cell of ICSI may be approached which ensures to balance the supply and demand of the corporates and members.</p> <p>2. In terms of section 203 of Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015, a full time company secretary is required to be appointed.</p> <p>3. We wish to state that 39,805 companies are required to appoint a whole-time Company Secretary. As on 1st July 2019, ICSI has 58,690 Company Secretaries on its register out of which only 10,644 are in practice. Therefore, sufficient numbers of Company Secretaries are available to serve the Corporate India.</p>

		<p>impacts the availability of CS for small and medium sized companies. Also there are more than 35,000 companies having paid up capital of more than Rs. 5 crores which require a company secretary.</p> <p>With this analysis, it is clear that the number of company secretaries available in the country are lesser in number than the requirement of company secretaries in accordance with section 203 of CA, 2013 and SEBI (LODR) regulations, 2015.</p> <p>4. The provisions of Section 135 are not applicable to companies having net worth of less than Rs. 500 crores or turnover of less than Rs. 1000 crores or net profit of less than Rs. 5 crores. Similar kind of criteria is required to be inserted by an amendment to the provisions of Section 203 of the Act and under Regulation 6 of the SEBI (LODR) Regulations</p> <p>5. The companies be permitted to engage outside professionals on retainer basis.</p>	<p>4. & 5.</p> <p>The criteria provided in Section 203 is provided by Regulator after lot of public debate and deliberation, are absolutely aligned with the present requirements.</p> <p>Sufficient numbers of Company Secretaries are available to serve the Corporate India.</p>
9	<p>IMC Chambers of Commerce and Industry</p> <p>(letter dated 17 June, 2019)</p>	<p>1. Even a private company which has paid up capital of Rupees 5 crore or more and which is holding company not having much activities except for receipt of dividend, interest or rent, will also need to have a full time CS. Such company would not have much secretarial work and finding a full time company for such a company is practically found to be difficult. Also in terms of costs, it is quite disproportionate to the work involved.</p>	<p>1. The functions of company secretaries are numerous and more widened in case more laws are applicable to the company.</p> <p>For a company with lesser paying capacity, a fresher company secretary may be suitable for appointment.</p> <p>The criteria provided in Section 203 is provided by Regulator after lot of public debate and deliberation, are absolutely aligned with the present requirements.</p> <p>Sufficient numbers of</p>

		<p>2. Following alternatives are suggested:</p> <p>a. Do away with the requirement of full time company secretary for private companies. Every company, including private limited company is required to file annual secretarial audit report. That contains report on the compliances which are required from company law compliance perspective. The scope of such audit report may be reviewed and expanded, if need be though, we believe that the scope of secretarial audit report is quite comprehensive at present.</p> <p>b. Additional criterion of turnover as also number of members be added besides the criteria of paid up capital for determining requirement for full time company secretary. The level of turnover and also the number of shareholders will determine the level of activities and the need for engaging services of company secretary on full time basis.</p> <p>c. Engagement of company secretary on part-time basis be permitted. Companies will determine the time involvement based on the quantum of work /compliances required.</p> <p>d. Reference to paid up share capital be changed to paid up equity share capital for the purpose.</p>	<p>Company Secretaries are available to serve the Corporate India.</p> <p>2. (a)The statement is wrong that secretarial audit is applicable to private companies. The requirement of secretarial audit in terms of Section 204 of the Companies Act, 2013 is for the listed companies and public companies having more than 50 crores of paid up share capital or Rs. 250 crores or more of turnover.</p> <p>2(b) & (c) Since the compliances under company law are significant and many of them are recurring in nature which need day to day attention and involvement, the appointment of part time company secretary would not serve the intent of law.</p> <p>2(d) The suggestion will not serve the purpose as many a times compulsorily convertible preference shares are issued.</p>
10	<p>IMC Chambers of Commerce and Industry</p> <p>(letter dated 18 June, 2019)</p>	<p>A clarification is sought on buy-back under section 68 of Companies Act, 2013.</p>	<p>Clarification may be provided by the MCA.</p>

11	Narayan jain, patron Legal Relief Society (email dated 18/06/2019)	Kindly consider and increase the monetary limit of paid up share capital to Rs. 20 crores for mandatory appointment of full time company secretaries.	The criteria provided in The criteria provided in Section 203 is provided by Regulator after lot of public debate and deliberation, are absolutely aligned with the present requirements.
12	Southern India Mills Association (letter dated 13 June, 2019)	Inspite of sincere attempts, few members having paid up share capital of Rs. 5 crores or more are unable to identify a full time company secretary as mandated	<p>It is understood that 'the Southern India Mills' Association' is the single largest organization representing the entire textile value chain and plays a lead role in all policy making committees at state and central level pertaining to textile Industry. It is also understood that all the mills in your association are compliant with all the commercial laws including the company law which are to be followed by companies engaged in manufacturing by engaging the company secretaries who are not in full time employment.</p> <p>Being unable to identify a suitable candidate cannot be stated as the reason for asking exemption for appointment of Company Secretary. A dedicated placement cell of ICSI may be approached which ensures to balance the supply and demand of the corporates and members.</p> <p>Your Association, being in policy making, is most expected to have respect for compliance of legal provisions. The mills which are referred in the letter are in manufacturing, so multiple laws are applicable. Therefore, in such cases, the need to engage a full time company secretary is quite apparent.</p>
13	S Sundar Raman	1. Though at the time of enactment of the Companies	1. Before quoting the numbers of Company

	(Email dated 13/06/2019)	<p>Bill, the limit was only Rs. 10 crores that too only for public companies, subsequent to the representation from ICSI, the said limit was reduced to Rs. 5 crores including private companies.</p> <p>The total number of Active Companies as on 30th April, 2019 is 11,49,580.</p> <p>6,895 listed companies mandatory required to appoint CS without any limit.</p> <p>56,876 (having more than Rs. 10 crores paid up capital) mandatory required to appoint CS</p> <p>10,85,809 (having more than 5 crores paid up capital) mandatory required to appoint CS</p> <p>In aggregate, 89,623 companies are required to appoint CS.</p> <p>As per extract from Annul report of ICSI for the year 2017-18, total number of CS members is 54385 all over India. Every year appr.3000 to 4000 new CS member are enrolled. Thus, in total 58,000 (approx..) CS are available all over India both from employment and in practice.</p> <p>Approx. 20,000 CS are available for employment. As against 89500 number of companies which is required to mandatorily appoint CS. The same is almost 1/4th of the total requirement.</p> <p>In case the form is not filed, because of non-appointment of CS the companies and directors will be treated as defaulting companies and directors.</p> <p>2. The trade also finds it difficult to engage full time CS because of cost and location issues.</p> <p>3. Though the company has a full</p>	<p>Secretaries and the companies, the company should have ensured the reliability of data from the ICSI and MCA who are the regulators of the profession of the Company Secretaries and the Companies respectively.</p> <p>We wish to state that 39,805 companies are required to appoint a whole-time Company Secretary.</p> <p>As on 1st July 2019, ICSI has 58,690 Company Secretaries on its register out of which only 10,644 are in practice Therefore, there are sufficient number of Company Secretaries available in the industry for the appointment and there is no scarcity.</p> <p>2. For a company with lesser paying capacity, a fresher company secretary may be suitable for appointment.</p>
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		<p>time finance professional, who also takes care of the corporate law requirements with the help of practicing CS, the appointment of whole time CS is not just within their business requirement.</p> <p>4. The ministry can implement the spirit of compliance by making these companies to obtain a Compliance certificate from the PCS.</p>	<p>3. In terms of section 203 read with section 2(24) only the member of the ICSI can be appointed as CS to perform the functions of company secretary in a company. Section 205 of the Companies Act, 2013 lays down numerous functions of Company Secretary. A finance professional who is a qualified company secretary can be appointed as a company secretary and entitled to discharge the functions under Sec 205 of the Companies Act, 2013</p> <p>4. Section 92(2) of the Companies Act, 2013 provides for a certification which is similar to compliance certificate required under Companies Act, 1956 wherein the annual return, filed by prescribed class of companies, shall be certified by a company secretary in practice in the prescribed form, stating that the annual return discloses the facts correctly and adequately and that the company has complied with all the provisions of this Act.</p>
14	Ketan H Deshmukh (email dated 18 June, 2019)	<p>I somehow failed to file annual return of my company and it was struck off. I did not get notice in this regard.</p> <p>I m ready to pay penalty as per law but in order to revive the company have to approach NCLT. Lawyer has stated fee of Rs. 50000/-. There are many companies, which inadvertently failed to comply with annual return filings. Please come with some relief</p>	<p>The concern raised does not pertain to INC-22A. The company may approach NCLT for restoration of the company.</p> <p>MCA may consider the case based on its merits.</p>

		<p>measures in forth coming Budget 2019.</p> <p>Can there be one comprehensive return which will include data required for the Income Tax department and ROC. This will further strengthen Ease of doing business in India.</p>	
15	<p>Andhra Pradesh Airports Development Corporation Limited (Letter date 14 June 2019)</p>	<p>Kind attention is invited to this office letter cited (copy enclosed), wherein it was brought to your kind notice that for filing form eACTIVE Form INC-22A, as a government company we are facing following problems and requested the GOI to consider exempting the Company from filing Form INC-22A.</p> <p>1) KYC of the directors: Some of the directors appointed by the state government have not completed their KYC which is hindering the process of filing their cessation from the board of the company, and</p> <p>2) Audit of Accounts: The audit of the accounts by the statutory auditors appointed by CAG and also supplementary audit by CAG are getting delayed which is also hindering the process of filing Form INC-22A (eACTIVE form).</p>	<p>1 The MCA has introduced Form DIR-3 KYC and has mandated the same for all the directors. The directors who are in charge of the management of the company's business; make the strategic and operational decisions of the company and are responsible for ensuring that the company meets its statutory obligations, cannot be expected to be non-compliant in filing Form DIR-3 KYC, which is the basic minimum compliance without which the company should not run.</p> <p>2. The request for appointment of auditor be made with the administrative ministry of State Government governing your company.</p>
16	<p>Andhra Pradesh Airports Development Corporation Limited (Letter dated 8th April, 2019)</p>	<p>For filing form eACTIVE Form INC-22A, as a government company we are facing following problems and requested the GOL to consider exempting the Company from filing Form INC-22A.</p> <p>1) KYC of the directors: Some of the directors appointed by the state government have not completed their KYC which is hindering the process of filing their cessation from the board of the company, and</p> <p>2) Audit of Accounts: The audit of the accounts by the statutory auditors appointed by CAG and also supplementary audit by CAG are getting delayed which is also hindering the process of filing Form</p>	<p>1 MCA has introduced Form DIR-3 KYC and has mandated the same for all the directors. The directors who are in charge of the management of the company's business; make the strategic and operational decisions of the company and are responsible for ensuring that the company meets its statutory obligations, cannot be expected to be non-compliant in filing Form DIR-3 KYC, which is the basic minimum compliance without which the company should not run.</p>

		INC-22A (e-ACTIVEform).	2.The request for appointment of auditor be made with the administrative ministry of State Government governing your company.
17	CA K Gopala Krishna (Letter dated 11.06.2019)	Request to simplify different acts in existence now by reducing the number of compliances and removing the hurdles;	<p>The concern raised does not pertain to INC-22A.</p> <p>Every compliance prescribed in the law has a purpose and objective.</p> <p>The Companies Act, 2013 already provides various relaxations for section 8 companies, small companies and startups.</p> <p>However, specific suggestion with respect to clubbing of specific provision (s)/ deleting the compliances alongwith the justification, may be provided.</p>
18	Liquors India Limited (letter dated 26.06.19)	<p>1. The company was not able to file Form INC 22A due to non-availability of Company Secretary.</p> <p>2. The company had given advertisement in the newspaper and also on social networking sit for the vacancy of company secretary in Liquors India Limited but as on date company was not able to find the suitable company secretary in India.</p>	<p>1. The plea taken by the Company for non-appointment of company secretary is not justified. The requirement to appoint a company secretary is not a new requirement. It is provided since 2013 in the Companies Act, 2013 and much before that in Companies Act, 1956. Through INC-22A (Active), such significant requirements are being monitored. The monitoring of appointment of Company Secretary is an attempt to further strengthen the existing governance framework in the Indian corporate scenario.</p> <p>2. The ICSI has a dedicated Placement Cell for the purpose of liaising between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can</p>

			<p>send the requirement of Company Secretary for your company.</p>
		<p>3. This is because there are no sufficient amount of company secretary available against the number of companies required to appoint company secretaries. This would be practically not possible for the companies to appoint company secretary and comply regulations.</p>	<p>3. We wish to state that 39,805 companies are required to appoint a whole-time Company Secretary. As on 1st July 2019, ICSI has 58,690 Company Secretaries on its register out of which only 10,644 are in practice Therefore, there are sufficient number of Company Secretaries available in the industry for the appointment and there is no scarcity.</p>

Annexure B.



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

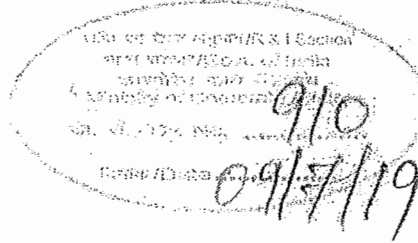
IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

MCA/PD:2019

8th July, 2019

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



Sir,

Ref: Letter No. 17/33/2019- CL-V dated 17th June, 2019, received on 19th June, 2019

With reference to the above captioned letter, the Institute of Company Secretaries of India (ICSI) respectfully submits as under:

1. The ICSI welcomes the initiatives of Ministry of Corporate Affairs (MCA) to weed out inactive companies & disqualified directors, protect the public money, overcome the financial irregularities and increase the effectiveness of the governance mechanism. India is perhaps the only country where a form like INC-22A (ACTIVE) is introduced. Clearly, the Ministry of Corporate Affairs (MCA) is expecting to achieve significantly high level of governance norms and compliance mechanism. With this move, MCA has indicated that there is no room for inactive companies in the Registry of MCA.
2. That, upon receipt of the above mentioned letter dated 17th June 2019 from MCA alongwith representation of stakeholders, a Special Meeting of the Council of ICSI was convened on 27th June, 2019 to have detailed deliberations on the matter. Each of the said representations that were annexed to the said letter were deliberated threadbare. The individual responses to each representation are separately enclosed herewith and marked as 'Annexure A'. Further, the views of the Council of ICSI are submitted in the paragraphs herein below for your kind consideration. The concerns raised in the representations primarily relate to various issues like providing exemption to private companies, small companies, government companies, sick companies and dormant companies from filing Form INC-22A (ACTIVE). In some of the cases, it is noted that non-appointment of Company Secretary has been cited as an impediment in filing the Form INC- 22A (ACTIVE).
3. That in all the said letters, there is criticism of various initiatives of the Government, citing one difficulty or the other, whereas such initiatives viz. DIR-3 KYC, INC-22A (ACTIVE), DPT-3, SBO provisions etc., are focused to promote governance and transparency in corporate India. There was a recent drive by the MCA to carry out director's KYC and the MCA has taken a firm stand whereby non-compliant directors were disqualified and non-compliant companies were struck off from the registry of MCA. Similarly, to make a compliant corporate India, Company KYC drive by way of Form INC-22A (ACTIVE) has been initiated by the MCA, which every Company is

Vision

"To be a global leader in promoting
good corporate governance"

Motto

सत्यं वद। धर्मं चर। इत्येते ते त्वष्टेः श्रेष्ठे ह्यु ते जनाः

Mission

"To develop high calibre professionals
facilitating good corporate governance"



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required to comply. In case any of the Company could not comply with such initiatives of the government, such non-compliant Company should get marked as inactive.

4. That, such defiant attitude was witnessed at the time of launch of MCA-21 e-governance programme and also the history repeated itself when the Companies Act, 2013 was introduced. But the MCA has been constantly strengthening the compliance and governance framework. It can be observed that the persons who have made representations are all approaching with a negative mindset, and pleading ignorance of law as an excuse.
5. That those companies which are citing paid up capital as an issue have an option of reduction of paid up capital but they have not chosen to reduce their paid up capital in last 5 years, since introduction of the Companies Act, 2013. The companies having paid up share capital of Rs. 5 crore or more, there is a requirement of appointment of a whole-time Company Secretary, as the very idea of the Government is to graduate such companies to a compliance driven and a far more governed platform, so that such companies could be benchmarked vis-à-vis best governed companies, globally. By doing so, the government seeks to have better corporate governance standards for such companies.
6. That, these companies have also requested the MCA to drop all the new forms introduced by MCA in view of ease of doing business. As you are already aware that the World Bank has released its latest Doing Business Report (DBR, 2019) on 31st October, 2018, wherein India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77th rank among 190 countries assessed by the World Bank. This itself proves that the compliances introduced by the MCA have not been a hurdle in the Ease of Doing Business but has been an enabler for the same. That, if we closely look at the parameters on which the ranking is based, it aims at simplifying the procedure and time involved in carrying out the compliances, whereas the appointment of Company Secretary is to ensure the compliances as an 'Officer in Default' and also a 'Key Managerial Personnel' under the Companies Act, 2013 and the Rules made thereunder.
7. That, MCA has been initiating the Ease of Doing Business by making events online and reducing the overall time taken and by making e-forms dynamic to the extent that various forms have even been categorised in STP mode and now the stakeholders get approval at the click of the button. But, despite such initiatives, there has been a tendency by handful of non-compliant persons to criticise and blame the system. In the past few years, the MCA has proposed various amendments in view of Ease of Doing Business and kept only essential requirements which every corporate must follow.
8. That, out of total active companies, i.e. approximately, 11 lakh companies, only 39,805 companies are required to appoint a whole-time Company Secretary. We wish to submit that as on 1st July 2019, ICSI has 58,690 Company Secretaries on its register out of which only 10,644 are in practice. Accordingly, sufficient numbers of Company Secretaries are available to serve the Corporate India. Further, ICSI through its dedicated placement cell provides placement services to corporate to meet the demand and supply of the Company Secretaries across the country.



9. That, in view of the aforesaid, keeping in mind the role of Company Secretaries in enhancing governance standards internally within the corporate, we wish to submit that the present parameters for appointment of Company Secretary which are framed by MCA after a lot of public debate and deliberations are absolutely aligned with the present requirements; and therefore, need to be kept intact. Needless to mention that the level of compliance as envisaged by the Government is rising day by day.

We shall be pleased to provide any further information or clarification in this regard on hearing from your good self.

Thanking you,

Yours faithfully,

(CS Ashok Kumar Dixit)
Officiating Secretary
The Institute of Company Secretaries of India



Annexure A

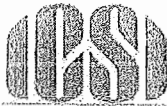
S. No.	Name of Company/ Stakeholder	Gist of Issues	ICSI remarks
1	Chartered Accountant, A. John Moris, Chennai (Letter dated 09.04.2019)	<ol style="list-style-type: none">1. MCA should consolidate various forms like DIR 3KYC, INC 22A, DPT-3 and other forms to be deployed.2. There exists sick companies having a paid up capital of Rs. Five crore or more.3. Affording salary of company secretary as per the market standards is difficult.4. Company Secretaries also do not prefer joining a company which is non-operational.5. Request to consider appointment of secretarial auditors for companies which have less turnover, no operations or for companies of	<ol style="list-style-type: none">1. Every form has a purpose for which the Companies are required to comply separately. Like Form DIR 3 KYC is meant for process of identifying and verifying the identity of Directors, Form DPT-3 is meant for regulating deposits. Therefore, the forms cannot be clubbed together. Form DIR-3 KYC is meant to be filed only by directors and Annual Return is to be filed by the Company, therefore, clubbing both the forms not feasible.2. The compliances of company law as well as other important laws FEMA, SEBI, Income tax, GST are equally applicable to all the companies including non-operational companies. It is advised that non-operational companies need to comply the law till the company goes into the striking off process.3. A fresher Company Secretary may be suitable to be appointed.4. ICSI has a dedicated placement cell which serves the corporate and members to match their demand and supply for appointment of Company Secretary.5. In view of the above, the present parameters are perfect, wherein the





		special nature instead of full time Company Secretaries to ensure compliances.	requirement of secretarial audit is already there.
2	GVK Power & Infrastructure Limited (letter dated April 04, 2019)	<p>1. The Group has 10 Company Secretaries in full time employment.</p> <p>Insufficient Company Secretaries available in the market.</p> <p>Number of Companies that are required to appoint the Company Secretaries in employment are more than 1,00,000.</p> <p>The actual company secretaries available for appointment were only around 34100.</p> <p>There are approx. 68200 number of Qualified Company Secretaries available in the country (website of ICSI).</p> <p>Out of which 25% are in whole time practice and atleast 25% have presumably opted for other professional fields like Chartered Accountants, Cost Accountants, Advocates, etc. thereby only 50% (around 34100) are available for full time appointment.</p>	<p>1. Before quoting the numbers of Company Secretaries and the companies, the company should have ensured the reliability of data from the ICSI and MCA who are the regulators of the profession of the Company Secretaries and the Companies respectively. We wish to state that 58, 690 Company Secretaries are registered in India and out of that only 10644 Company Secretaries are engaged in practice. Therefore, there are sufficient number of Company Secretaries available in the industry for the appointment and there is no scarcity.</p> <p>As per MCA data, GVK Power & Infrastructure Limited has appointed a company secretary since the year 2005.</p>
3	Blue Berry Agro Products Pvt. Ltd	<p>1. The undue harassment is being caused to small Family Owned – Private Limited Companies.</p> <p>Management has not drawn salary ourselves in 5 years;</p>	<p>1. As per MCA data Blue Berry Agro Products Pvt. Ltd. is not a small company under the Companies Act, 2013 as it has paid up share capital of Rs. 6.95 crores which more than Rs.50 lakh.</p> <p>In terms of vision of the Company in reaching at top position in the industry, compliance and respect of law is a foremost</p>





		<p>2. The reason why we have such high capital is because we have to show to our banks our credibility and capability. Businesses (Factories) like ours incur losses at start due to high finance costs. Therefore it was needed to infuse more capital to make Balance sheet look strong.</p>	<p>requirement. As per the company's website, the company is built in accordance with the standards of ISO 9001, ISO 22000 and the HACCP concept that identifies and monitors critical control points. It reflects that there are many laws applicable to the company, the compliance of which must be ensured by the Company Secretary, if the company aims to obtain a position in the competitive market.</p> <p>Further, the provision for the appointment of Company Secretary is not a new provision as stated by the company. It was mandated in law in the year 1975 and has been retained by the regulator since then to enable the companies to comply with the relevant laws.</p> <p>2. It is stated that the Company has a high capital because the company has to show to banks the credibility and capability which in our view is not an ethical practice as you aim to reach at the top position in industry.</p> <p>The compliances of company law as well as other important laws FEMA, SEBI, Income tax, GST are equally important for all companies including small companies. The Company Secretary can also discharge other functions such as taxation, Human Resource since he is equipped with the knowledge which can be judged by looking at the syllabus of Company Secretary course. If the Company wants to buy back the shares, the same can be</p>
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			done by complying with the provisions of 68 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.
4	Local Circles- Social media platform for start-up	<p>Not related to non-compliance of Company Secretary only</p> <p>1. Since startups already file many forms which validate their authenticity like tax returns, financial statements, ESI and other forms with ROC, they should be exempted from the compliance of Form INC - 22A (Active) and if that is not feasible, to extend the last date of filing to June 1, 2019.</p>	<p>1. With the notification for filing of INC-22A, the Ministry is hoping to achieve significantly high level of governance norm, compliance mechanism, by linking it to the company's ability to carry out several other essential corporate actions relating to changes to its capital structure, composition of board of directors, amalgamations/ demergers and so on. With this move, the Ministry has indicated that there is no place for dormant and inactive companies in the Registry of MCA. If companies are formed, there must be some minimum norms which a company has to follow. The initiative of MCA has been very well appreciated by Indian Inc. as it is an attempt to strengthen the existing governance mechanism.</p> <p>Since the last date of filing is expired, the startups can file the form by paying the additional fee of 10,000 rupees.</p>
5	AP Towers Limited, Andhra Pradesh and	<p>1. As a public sector undertaking, the Company is not able to attract candidates for appointment as Company Secretary (Key Managerial Personal) in view of the scales of pay.</p>	<p>1. For the Companies with lesser paying capacity, fresher Company Secretary are suitable for appointment. The ICSI has a dedicated Placement Cell for the purpose of liaising between corporates intending to appoint Company Secretaries and the</p>





			<p>professionals seeking employment where you can send the requirement of Company Secretary for your company.</p> <p>Further, the company will not be able to manage the compliances of law without appointing a company secretary, as the company has not quoted CIN on the letter head of the company while making representation to MCA, which is also one of the non-compliance.</p> <p>The Form INC-22A (Active) has been introduced to ensure that the companies file their details so that proper check is maintained and also to prevent the creation of shell companies in future. It is expected that PSUs should set examples as good governed companies and help the Government in making the Corporate Compliant India.</p>
6	Andhra Pradesh State Fiber Net Limited	<p>1 Requested for exemption to government companies from filing of INC 22A (ACTIVE) on account of following problems being faced by you:</p> <p>(a) The directors of your company has not completed KYC</p> <p>(b) C&AG has not appointed auditors in the company.</p>	<p>1 (a) MCA has introduced Form DIR-3 KYC and has mandated the same for all the directors. The directors who are in charge of the management of the company's business; make the strategic and operational decisions of the company and are responsible for ensuring that the company meets its statutory obligations, cannot be expected to be non-compliant in filing Form DIR-3 KYC, which is the basic minimum compliance without which the company should not run.</p> <p>1(b) The request for appointment of auditor be made with the administrative ministry of State</p>





		<p>The company has not completed audit as there are not auditors</p> <p>(c) The company is not able to attract Company Secretaries in view of the low pay scale</p>	<p>Government governing your company.</p> <p>1(c) On PSUs, the number of laws are applicable such as Companies Act, 2013, FEMA, SEBI, Income Tax Act, GST, etc. To ensure the compliances of laws, the company secretary is mandatory to be appointed. It is understood that there is lesser paying capacity in such company and therefore, fresher company secretaries are suitable for appointment.</p> <p>Further, a Company Secretary, being equipped to handle multiple tasks as can be seen from the curriculum of company secretary course, can handle management, taxation, administration, legal department in the company.</p> <p>The ICSI has a dedicated Placement Cell in place for the purpose of coordinate between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p> <p>It is expected that PSUs/ Government companies should set examples as good governed companies and help the Government in making the Corporate Compliant India.</p>
7	Tamilnadu Spinning Mills Association, Dindigul, Chennai	1. Requested for exemption to private companies from the appointment of Company Secretary due to non-availability of Company Secretary for the purpose of filing of Form INC 22A (ACTIVE).	1. There are number of laws applicable such to a company like Companies Act, 2013, FEMA, SEBI, Income Tax Act, GST, etc. To ensure the compliances of laws, the Company Secretary



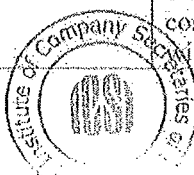


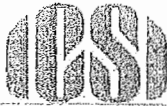
			<p>The association has not mentioned the name of specific company which is facing this problem so that the Institute can approach the companies in helping them appointing a Company Secretary.</p> <p>In view of the above, the request for exemption to private companies from the appointment of company secretary for the purpose of filing INC 22A (ACTIVE) may not be considered.</p>
9	P. Krishna & Associates, Chartered Accountant, Chennai	<p>1. Ease of doing business is not followed in letter and spirit. It is further stated that the small private companies with paid up capital of 5 crores need to appoint Company Secretary. The contention is to exempt the requirement of appointment of Company Secretary in view of ease of doing business.</p>	<p>1. The World Bank released its latest Doing Business Report (DBR, 2019) 31st October, 2018, wherein India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77th rank among 190 countries assessed by the World Bank.</p> <p>If we closely look at the parameters on which the ranking is based, it aims at simplifying the procedure and time involved in carrying out the Compliance, whereas the appointment of Company Secretary is to ensure the compliances. Ease of doing business is never meant to exempt from the necessary compliances. As such the Company Secretaries play a significant role in ensuring for 'Compliant Corporate India'. Company Secretaries act as enablers for implementation of laws of land in any corporate and therefore promotes governance regime. Also the cost of non-compliances is far more than the cost of appointing a compliance officer i.e. company secretary.</p>



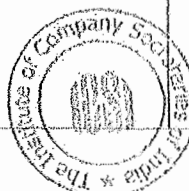


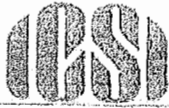
		<p>2. The need for full time company secretaries is not there. There is no full time work for them.</p> <p>3. Company Secretaries coming forward for work in such companies are very small.</p> <p>4. Paying salaries for a company secretary for these small companies is heavy burden.</p> <p>5. MCA insists for innumerable forms, all the requirements can be clubbed and asked through single annual return</p>	<p>2. As per its definition provided under the Companies Act, 2013, the companies with paid up capital of 5 crores are not small companies as in case of small companies, the paid up share capital should not exceed Rs. 50 lakhs.</p> <p>3. The ICSI has a dedicated Placement Cell in place for the purpose of liaising between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company. However, we have noticed that the letter is general in nature and does not specify the name of specific company so that the placement cell of the Institute can help in appointing the suitable company secretary.</p> <p>4. The companies with lesser paying capacity, the fresher company secretaries are suitable for appointment.</p> <p>5. The request for merging the forms may not be considered as every form has a specific purpose and relevance in the law.</p>
10	Manjunath, Chartered Accountant, Chennai	<p>1. Many private companies have no business, no turnover, some are into trading business with less than 10 or 20 employees, some are in liquidation mode, Some are dormant;</p>	<p>1. The compliance of the laws of the land should be respected by each company.</p> <p>Further few specific companies which are in a situation of being dormant may apply for getting exemption from various compliances which are provided in the laws. Companies Act itself provides for some of the relaxations to certain class of companies for example, for small companies there is a relaxation with regard to number of holding.</p>





			<p>of board meetings, reduction of penalties, non providing cash flow statement etc. For the companies in liquidation, we wish to inform that they are not required to file the Form INC 22A (Active).</p> <p>2. Foreign subsidiaries in India are not very favourable to the compulsory appointment of whole time company secretaries.</p> <p>3. It is proposed for compulsory secretarial audit by practicing Company Secretary. Those companies which require company secretary will appoint where there is a need.</p>	<p>2. Foreign subsidiaries in India are not favourable for appointment of Company secretaries. However, the reality is that Foreign subsidiaries are even more compliance conscious, respect the law and willing to appoint a Company Secretary.</p> <p>3. The Companies Act, 2013 has already the provision of Secretarial Audit for bigger companies to be conducted by a Practising Company Secretary.</p>
11	Jainex Limited	Aamcol	<p>1. With limited work in Small Listed Companies, the whole time Company Secretary shall be sitting idle at a prohibitive cost.</p> <p>2. Such irrational provisions cause unwarranted financial stress, hurdles in Ease of Doing business and speed breaker in boosting make in India.</p>	<p>1. There is no connection of financials of the company and the appointment of company secretary. The role of Company Secretary is to ensure the compliance of laws in a company. Listed companies have to comply SEBI Regulations along with the company law. For companies with lesser paying capacity, the fresher Company Secretaries are suitable.</p> <p>2. The World Bank's report on ease of doing business. The World Bank released its latest Doing Business Report (DBR, 2019) 31st October, 2018, wherein India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77th rank among 190 countries assessed by the World Bank.</p>



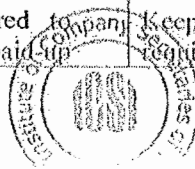


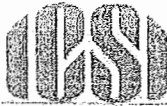
		<p>2. Companies are not able to find the suitable candidates possessing the requisite qualifications as Company Secretaries.</p>	<p>is mandatory to be appointed by prescribed class of companies. Further, whether a company is a private or public, each of the company is required to comply with the compliances.</p> <p>2. The ICSI has a dedicated Placement Cell in place for the purpose of coordinate between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company. It is found from the letter that the letter does not name any specific company which is facing this problem so that we can approach the companies in helping them appointing a Company Secretary.</p> <p>It is expected that companies should set examples as good governance and help the Government in making the Corporate Compliant India by filing Form INC 22A (Active).</p>
8	South India Importers Association, Chennai	<p>1. For exemption to private companies from the appointment of company secretary due to non-availability of CS for the purpose of filing of Form INC- 22A (ACTIVE).</p> <p>2. The reason for not appointing the Company Secretary is stated that most of the private companies are not able to find the suitable candidates possessing the requisite qualifications.</p>	<p>1. Whether a company is a private or public, each of the company is required to comply with the compliances.</p> <p>2. The ICSI has a dedicated Placement Cell in place for the purpose of coordinate between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p>





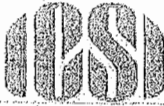
		<p>If we closely look at the parameters on which the ranking is based, it aims at simplifying the procedure and time involved in carrying out the Compliance, whereas the appointment of Company Secretary is to ensure the compliances. Ease of doing business is never meant to exempt from the necessary compliances. As such the Company Secretaries play a significant role in ensuring for 'Compliant Corporate India'. Company Secretaries act as enablers for implementation of laws of land in any corporate and therefore promotes governance regime. The cost of appointment of governance professionals is much lesser than the cost of non-compliances which the company and every officer in default have to bear.</p>
	<p>3. This is a typical case of destruction of Small Listed Companies, stiffening of Enterprises; creativity and entrepreneurial spirit.</p> <p>4 There is no rationale why a Listed Company having a paid-up share capital of less than Rs.10 crores should not be exempted from having a whole time Company Secretary in as much as a part time qualified Company Secretary can discharge all duties/obligations as required under law.</p> <p>5. It is pertinent to note that the cost of a whole- time Company Secretary can be in the range of minimum Rs.1,50,000/- plus perks and upwards per month.</p> <p>6. Therefore, a small Listed Company having paid up share capital of below Rs.10.crores and having a turnover of less than RS.25 crores as compared to company listed companies having paid-up</p>	<p>3. The appointment of company secretary is linked with justifications to typical case of destruction of small listed companies.</p> <p>4 to 6</p> <p>For a company with lesser paying capacity, a fresher company secretary may be suitable for appointment.</p> <p>The companies with paid up capital of Rs. 10 crores or more are not small companies. Small companies as per the definition under the Companies Act are having the paid up capital of less than Rs. 50 lakhs.</p> <p>The functions of company secretaries are numerous and more widened in case more laws are applicable to the company.</p> <p>Keeping in view the regulatory requirements and role performed</p>





		share capital of Rs. 10 crores or more and having an annual turnover of Rs.100 crores or more is highly disproportionate, unreasonable, unfair, unjust, equity and fair play.	by company secretary. Jainex Aamcol Limited has already appointed company secretary on 30 th April, 2019.
12	Our Investments Enterprise Limited	<p>1. Despite releasing advertisements on multiple occasions in widely circulating newspapers, no response has been received number of qualified Company Secretaries is very low.</p> <p>There is shortfall of approx.. 20,000 company secretaries.</p> <p>Company Secretaries available for employment (as per annual report of ICSI as on 31.03.2018): 37, 003. Actual company secretaries available: 20,688</p> <p>Total requirement: 27,745 (number of companies as on 31.12.14)</p> <p>All compliances relating to Companies Act is handled by the senior management and a practicing Company Secretary, who is an expert in this field.</p> <p>Certification by practicing Company Secretaries of most of the documents submitted to stock exchanges, RBI, MCA are also mandatory albeit one has a Company Secretary employed in-house.</p> <p>Accounts of Companies are also important (if not more) to government, tax authorities business associates, shareholders, staff members and all other stakeholders. Nevertheless, a company need not appoint a CA mandatorily.</p> <p>Considering this reality, the MCA may be requested to waive this requirement.</p> <p>2. The paid-up capital being small it is generally subscribed by</p>	<p>1. There is no shortage of Company Secretaries who shall be willing to serve with the corporates and support in their compliances. The ICSI has a dedicated Placement Cell in place for the purpose of liaising between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p>





		<p>family and close friends, with hardly any external shareholders.</p> <p>Request:</p> <p>a. To allow Firms of Company Secretaries to handle all related matters in a Company similar to the system applied in case of Chartered Accountants.</p> <p>b. If suggestion in 01. above is not acceptable for any reason the limit of paid up capital may be raised from Rs.5 crore to at least Rs.50 crore beyond which it would be made mandatory to appoint a Company Secretary, Managing Director and Chief Financial Officer.</p>	<p>2. The Companies Act, 2013 has already the provision of Secretarial Audit for bigger companies to be conducted by a Practising Company Secretary.</p>
13	<p>Agasthiyar Muni Child care centre, Kanyakumari District, South India</p>	<p>1. Many of the compliances are not required for the company and the few services that can easily be outsourced at a reasonably low cost as compared to the cost of appointment of full time company secretary;</p> <p>2. Company Secretaries are not available in the market who are willing to join companies of our size and operations.</p>	<p>1. The functions of company secretary are not restricted to the specified functions. He has to ensure the compliance of all the laws which are applicable to the company.</p> <p>There are many laws which are applicable to the hospitals which includes The Public Liability Insurance Act – 1991/1992, Charitable and Religious Trust Act-1920, Contract Act – 1982, Income Tax ACT – 1961, Copyright Act – 1982, Insurance Act – 1938, Sales of Good Act – 1930, License for Possession and use of Rectified / denatured spirit, Retail Drug License, The Public Liability Insurance Rules, Pharmacy Act – 1948, Blood Bank Regulations under Drugs and Cosmetic (2nd amendment) rules – 1999</p> <p>2. There is no shortage of Company Secretaries who shall be willing to serve with the corporates and support in their compliances. The ICSI has</p>





		<p>3. MCA to consider waiver of requirement of appointment of full time company secretary for section 8 companies irrespective of the capital structure. Instead of full time company secretary, MCA may consider secretarial audits for section 8 Companies and companies with less turnover</p>	<p>a dedicated Placement Cell in place for the purpose of liaising between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p> <p>3. We agree with the views that wherever, there is no requirement of full time company secretary, there should be certification/ audit in such companies.</p>
14	PHD Chamber of commerce and industry	<p>The problem faced by it is as under:</p> <p>"MCA Portal is showing error that the SRN of MGT-14 filed for the appointment of Directors in case of more than 15 is not entered in the form"</p>	<p>This is a technical issue which may be addressed by MCA.</p>
15	Kaytee Corporation Private Limited	<p>1. Over the past couple of months, the company has advertised in newspapers for a qualified Company Secretary.</p> <p>The response has been poor, Few Company Secretary who contacted wanted to work for big companies where there are greater opportunity for growth.</p> <p>2. A small company like ours is not appealing, as there is no full time work for Company Secretary.</p> <p>3. Moreover, even currently all statutory obligations are being certified by professional CS. Therefore, we do not understand the need to have full time CS for small companies.</p>	<p>1. Being unable to identify a suitable candidate cannot be stated as the reason for asking for exemption for appointment of company secretary. Placement cell of ICSI may be approached which ensures to balance the supply and demand of the corporates and members.</p> <p>2. Keeping in view the role and responsibilities of a company secretary, company law has provided for appointment of full time company secretary in the company. Wisdom of the legislature should be respected.</p> <p>3. The company is not a small company. Further, a small company is not required to mandatorily appoint a company secretary as in such case, the paid up capital should not exceed 50 lakh rupees.</p>





		<p>4. There are no sufficient number of company secretaries to meet the demand of companies</p>	<p>Request for extension of time for searching the company secretary may not be attended as the last date has already expired.</p> <p>Being the parent organisation of Company Secretaries, the Institute of Company Secretaries of India intends to clarify that there is no shortage of Company Secretaries who shall be willing to serve with the corporates and support in their compliances. The ICSI has a dedicated Placement Cell in place for the purpose of liaising between corporates intending to appoint Company Secretaries and the professionals seeking employment where you can send the requirement of Company Secretary for your company.</p>
16	Southern India Mills Association	Inspite of sincere attempts, few members having paid up share capital of Rs. 5 crores or more are unable to identify a full time company secretary as mandated	<p>It is understood that 'the Southern India Mills' Association' is the single largest organization representing the entire textile value chain and plays a lead role in all policy making committees at state and central level pertaining to textile Industry. It is also understood that all the mills in your association are compliant with all the commercial laws including the company law which are to be followed by companies engaged in manufacturing by engaging the company secretaries who are not in full time employment.</p> <p>Being unable to identify a suitable candidate cannot be stated as the reason for asking exemption for appointment of Company Secretary. A dedicated placement cell of ICSI may be approached which ensures to balance the supply and demand of the corporates and members.</p> <p>Association, being in policy making, is most expected</p>





			<p>to have respect for compliance of legal provisions. The mills which are referred in the letter are in in manufacturing, so multiple laws are applicable. Therefore, in such cases, the need to engage a full time company secretary is quite apparent.</p>
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