

Informatory note

Appointment of a Company Secretary

Who is a Company Secretary?

A Company Secretary means a person who is a member of the Institute of Company Secretaries of India (ICSI) (*Section 2(c) of The Company Secretaries Act, 1980*), who is appointed by a company to perform the functions of a company secretary.

Appointment of a Company Secretary

[Section 203 of the Companies Act, 2013 read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]:

- I. The following companies shall appoint a Company Secretary:
 - a) *Every listed company*
 - b) *Every public and private company having a paid-up share capital of Ten Crore Rupees or more.*

- II. If a Company does not fall in the aforementioned criteria, they may voluntarily appoint a Company Secretary.

III. Section 8 Companies incorporated under the Companies Act, 2013 may appoint any person as a Company Secretary.

Therefore, as soon as the paid-up capital of a private or an unlisted public company increases to Ten Crore Rupees, the Company must appoint a Company Secretary.

The appointment of a Company Secretary shall be made by means of a board resolution containing the terms and conditions of the appointment including the remuneration.

Penalty

In case of default, the company shall be liable to a penalty of Five Lakh Rupees and every director and key managerial personnel of the company who is in default shall be liable to a penalty of Fifty Thousand Rupees and where the default is a continuing one, with a further penalty of One Thousand Rupees for each day after the first during which such default continues but not exceeding Five Lakh Rupees.

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