

Companies (Appointment and Qualifications of Secretary) Rules, 1988

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Companies (Appointment and Qualifications of Secretary) Rules, 1988

Ministry of Industry (Department of Company Affairs), Noti. No. G.S.R. 1105(E), dated November 29, 1988, published in the Gazette of India, Extra., Part II, Section 3(i), dated 29th November, 1988, pp. 2-3 [File No. I/29/87-CL-V] [W] In exercise of the powers conferred by clauses (a) and (i) of Section 642 read with clause (45) of Section 2 and Section 383-A of the Companies Act, 1956 (I of 1956), and in supersession of the Companies (Secretary's Qualifications) Rules, 1975, the Central Government hereby makes the following rules namely :

1. Short title and commencement :-

- (1) These rules may be called The Companies (Appointment and Qualifications of Secretary) Rules, 1988
- (2) It shall come into force on the 1st day of December, 1988.

2. Appointment, etc. of whole-time secretary :-

- (1) Every company having a paid-up share capital of not less than rupees twenty-five lakhs shall have a whole-time secretary.
- (2) No person shall be appointed as whole-time secretary under sub-rule (1) unless he is a member of the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 (56 of 1980).
- (3) A company having a paid-up share capital of less than rupees twenty-five lakhs may appoint any individual as its whole-time secretary to perform the duties of a secretary under the Companies Act, 1956 and any other ministerial or administrative duties :

Provided that no individual shall be eligible to be so appointed unless he possesses one or more of the qualifications specified in sub-rule (4).

(4) No individual shall be appointed as secretary pursuant to sub-rule (3) unless he possesses any one or more of the following qualifications, namely,-

(i) membership of the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 (56 of 1980).

(ii) pass in the Intermediate examination conducted either by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 (No. 56 of 1980), or by the earlier Institute of Company Secretaries of India incorporated on 4th October, 1968 under the Companies Act, 1956 (1 of 1956), and licensed under Section 25 of that Act;

(iii) post graduate degree in commerce of corporate secretaryship granted by any University in India ;

(iv) degree in law granted by any university;

(v) membership of the Institute of Chartered Accountants of India constituted under the Chartered Accountants Act, 1949 (38 of 1949);

(vi) membership of the Institute of Cost and Works Accountants of India constituted under the Cost and Works Accountants Act, 1959 (23 of 1959) ;

(vii) post graduate degree or diploma in management sciences, granted by any University, or the Institutes of Management., Ahmedabad, Calcutta, Bangalore or Lucknow ;

(viii) post diploma in company secretaryship granted by the Institute of Commercial Practice under Delhi Administration or diploma in Corporate Laws and Management granted by the Indian Law Institute, New Delhi;

(ix) post graduate diploma in company law and secretarial practice granted by the University of Udaipur ; or

(x) membership of the Association of Secretaries and Managers, Calcutta, registered under the West Bengal Registration of Societies Act, 1961 (XXVI of 1961) : Provided that where the paid-up share capital of such company is increased to rupees twenty-five lakhs or

more, the company shall, within a period of one year from the date of such increase, comply with the provisions of sub-rules (1) and (2) of Rule 2.

3. Provisions relating to existing secretaries :-

Notwithstanding anything contained in sub rules (1) and (2) of Rule 2 the qualifications possessed by a person holding the office of whole-time secretary of a company immediately before 30th October, 1980, in terms of the second proviso to clause (a) of R.2 of the Companies (Secretaries Qualifications) Rules, 1975, shall be deemed to be the qualifications which he shall be required to possess in order to be eligible to continue as whole-time secretary in that company.