

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:6431
ANSWERED ON:08.05.2000
APPOINTMENT OF COMPANY SECRETARY
A.P. JITHENDER REDDY

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) the number of companies registered with Registrar of Companies all over the country having paidup capital of Rs. 50 lacs and above;
- (b) the details of those companies who have appointed whole time company Secretary as per section 383A of the Companies Act, 1956;
- (c) the action taken/ proposed to be taken by the Government against defaulting companies for non-compliance of section 383A of Companies Act, 1956;
- (d) whether the Government propose to incorporate a new provision under the Companies Act, 1956 for obtaining a certificate from a Secretary for whole time practice compulsorily for such companies;
- (e) if so, the details thereof;
- (f) if not, the reasons therefor; and (g) the steps taken by the Government in this regard?

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS

(SHRI RAM JETHMALANI)

- (a) The number of companies with paidup capital of Rs. 50 lacs and above is estimated to be 30902.
- (b)&(c) Information regarding appointment of Company Secretary in the companies is not maintained. However, the number of prosecutions filed for non-compliance of Section 383A are 13, 10 and 18 in 1996-97, 1997-98 and 1998-99 respectively.
- (d) to (g) The Companies Bill, 1997 introduced in the Rajya Sabha on 14th August, 1997 and the Companies (Second Amendment) Bill, 1999 introduced in the Lok Sabha on 23rd December, 1999 provide that every company not required to employ a whole time secretary and having a paidup share capital of ten lakh rupees or more shall file with the Registrar of Companies a certificate from a secretary in whole time practice as to whether the company has complied with all provisions of the Act or not. The penalty for non-compliance of the provision of Section 383A of the Act has been proposed to be enhanced to Rs. 500 per day.