



Secretary



LEARNING OBJECTIVES

Through this chapter the students can learn about the following:

- To Study & Understand Evolution and Definition of Secretary.
- To Study about the nature of work carried out by Private Secretary.
- To understand about the appointment of Company Secretary.
- To know the rights enjoyed by the Company Secretary.

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10.1 Introduction

The word 'Secretary' has been derived from ancient Latin Word 'Secretarius' which means confidential writer or officer or a person who is

entrusted with secrets of his Master/ Employer. In the Old Roman Empire, the officer looking after secretarial duties or doing secretarial practices or job was called as a 'Scribae' which means professional letter writer or the one who

maintains confidential records. Secretary has a reference even in the Ancient Indian History during the Mughal and Maratha Empire. They were known as 'Amatya', 'Sachiva', or 'Chitnis'. The profession of a secretary is considered as one of the oldest professions. It is known to be as old as the human civilizations.

The secretary has been defined as "A person who assists the management in achieving the objectives of the organization. He is entrusted with secrets and confidential matters of his master/ employer. He records all the relevant informations for future reference and vital decision making purposes. The secretary is entrusted with work such as administering the office, and related office work, conducting periodical meetings, co-ordinating departmental work, to have cordial relationship with public in connection with related official work, to develop company image in the society, to write suitable correspondence to various offices/authorities etc.,".

DO YOU KNOW? In Rome the scribes worked out of the *aerarium*, the state treasury and government archive. They received a good salary, but could earn additional commissions for collecting and recording state revenues, and making official copies of government documents and decrees. The roman posting was such a lucrative assignment that the scribes worked in rotations, serving one year in Rome and two in the provinces.

The secretary is an important officer of the company who is appointed to perform the ministerial or administrative duties. In modern times, the secretary has become almost an obliged person in trade, industry and other social institutions. Every organisation thinks it is necessary to appoint a secretary for conducting its affairs properly. The reason for the same

is that the secretary helps in conducting all correspondence, keeping all records and accounts, writing of minutes and acts as public relation officer of the employer between the management, staff and the outsiders. The importance of a secretary is specially felt in the business world since the business organisations have to abide by certain legal requirements. Moreover, the secretary ensures that the affairs of the organisation are conducted in accordance with law.

10.2 Meaning of Office Secretary or Personal Secretary

A person who is employed to take care of records, letters and routine work for an another person. An officer of a business corporation or society who is in charge of the letters and records and who keeps minutes of meetings. A secretary has been defined otherwise, as a person who is employed to do office work, such as typing letters, answering phone calls and arranging meetings. The secretary of a company is the person who has the legal duty of keeping the company's records.

An Office Secretary maintains the smooth running of an office through a variety of administrative and clerical duties. They handle office schedules, coordinate meetings and visits, organize files, answer phones and perform a huge array of other essential tasks. Office Secretaries generally work directly for organization and depending on their experience they may also supervise other clerical staffs. Office Secretaries are employed virtually in every industry, particularly business, law, medicine and education. Job growth for Office Secretaries is slow but steady.

Different Meanings have been provided for the term “Secretary”. They are as follows :

According to **The Oxford Dictionary**, a secretary is, “a person whose work is to write for others, especially one who is employed to conduct correspondence, keep records and to transact various other businesses for another person or for a society, corporation or public body”.

According to **Webster’s Dictionary** defines Secretary as, “one who is entrusted with private or secret matters and a confidential clerk, one who attends to correspondence, records of a private and confidential nature”.

According to **Penguin Dictionary of Commerce** defines Secretary as, “the person who deals with the general administration of an organization, particularly with clerical work such as correspondence, taking minutes at meetings and keeping records”.

According to **English Dictionary**, the word secretary has been defined as “a person who handles correspondence, keeps records, and does general clerical work for an individual, organization, etc.”



FIGURE 10.1 Secretary having informal chat with his Official Collegue Member

10.3 Private Secretary

A private secretary is a person employed by a busy and an eminent person to assist him in all possible works including taking decisions from him. He has to represent his employer to do his private and confidential work. In many cases, the employer might not have good knowledge of English and has no idea about writing letters correctly. In such cases the private secretary must be a conscientious worker capable of understanding the full implications of any correspondence and sometimes he may have to alter, improve, rectify or completely rewrite the dictation given by his employer and place it before the employer for his signature.

Of course he will have to do it very tactfully so that his employer would not be offended owing to his lack of knowledge or education. In many occasions, he has to draft letters, reports or speeches himself on behalf of his employer. A private secretary must be a good short-hand typist but at the same time he must have other qualities.

10.4 Types of Secretary

1. Personal or private secretary
2. Secretary of a club
3. Secretary of a co-operative society



FIGURE 10.2 A Personal Secretary, while discharging her official duty at Office.

4. Secretary of an Embassy
5. Secretary of a trade union
6. Secretary of a self-governing body
7. Ministerial secretary
8. Secretary of a political organization
9. Company secretary

Already We have discussed the Qualifications, functions, and types of secretaries in general. Now let us discuss company secretary because it may help you to become a company secretary in future.

In case of companies, the secretaries are appointed to maintain several records and registers, filing several statutory and non-statutory returns, and to have contact with public and statutory authorities. The public are interested to know about company's progress, development and the profit earned by the company, so he have to inform about it. A company secretary will have a senior position in private or public company.



CS Preeti Malhotra: the first female president of the ICSI and now the ED of spice group.

CS Shyam Agarwal: Starting from a small district of Sikar, he has now reached the managing levels of NIRC of ICSI. He is Chief Compliance Officer, Vice President, Treasurer, Secretary of TCS Ltd. He is a First Class B.Com. Graduate from St. Xavier's College, Kolkata. He is a Chartered Accountant, Cost Accountant and is a qualified Company Secretary. He is a rank holder in the Intermediate and Final examinations of the Institute of Cost and Works Accountants of India. He has been with the Tata Group for over nineteen years and has experience in Corporate Finance, Treasury and Company Secretarial functions.

10.5 Definition

According to sec 2(45) of the companies Act 1956, "Secretary means any individual possessing the prescribed qualifications, appointed to perform the duties which may be performed by the secretary under this Act and any other ministerial or administrative duties".

According to sec 2(1)(c) of Company Secretaries Act 1980, "Secretary is a person who is member of the institute of Company Secretaries of India".

10.6 Qualification of Company Secretary

An Individual to become a company secretary must possess the qualifications prescribed by the central Government from time to time.

- A.** In case of companies having a paid up share capital of Rs. 5 crores or more must have whole time secretary. He must be a member of Institute of company Secretaries of India.
- B.** Companies having less than Rs.5 Crores paid up capital can appoint any individual as its whole time secretary if he possess one or more qualifications mentioned below.
 1. Membership of the Institute of company Secretaries of India.
 2. Pass the intermediate Examination conducted by the Institute of Company Secretaries of India.
 3. Post graduate degree in commerce or corporate Secretaryship.
 4. Degree in law by any University.
 5. Membership of Institute of Chartered Accountants Of India.
 6. Membership of Institute of COST AND WORKS Accountants of India.

7. A Post graduate degree or diploma in management by any university or from Indian Institute of Management.
8. A diploma in company law granted by any Indian Law Institute.

Who is required to have company Secretary?

All listed company and all other company having paid-up capital of rs. 5 crore or more shall have whole-time Company secretary.

10.7 Process for appointment of Company Secretary

1. Arrange for board meeting after giving notice to the directors.
2. Discussion must be made in the meeting regarding the terms and conditions at which the company secretary is proposed to be appointed.
3. Obtain a written consent from the person who is going to be appointed as company secretary.
4. Inform the Stock Exchange within 15 days of the Board meeting about the outcome of the meeting by letter or fax.
5. File the relevant form within 30 days from the date of appointment to the Registrar of companies.
6. Make necessary entries in the Register of Directors and Secretary.

10.8 Draft format of Board Resolution: Appointment of Company Secretary

“Resolved that Pursuant to provisions of section 203 of Companies Act 2013 and Rule 8 and Rule 8A of companies appointment and remuneration of Managerial personnel Rules 2014”

Mr. _____ company secretary (ACS| FCS no _____) be

and is hereby appointed as the whole time company secretary of the company with effect from (date) on such terms and conditions as decided and agreed by and between the Board and Company Secretary.

FURTHER RESOLVED THAT Mr. _____ director of the company and is hereby authorized to file necessary eforms and documents with Registrar of the company and to do all other such acts, deeds and things which are necessary to give effect to above resolution”

10.9 Duties of the Company Secretary

Duties of the company secretary may be of two kinds a, Statutory duties b, General duties

A. Some of the statutory duties of a company secretary are

- 1 Under the Companies Act:
 - i. To sign any documents requiring authentication by the company.
 - ii. To give notice to Registrar regarding increase in share capital.
 - iii. To deliver share certificate of allotment within two months after transfer.
 - iv. To send notice of general meeting.
 - v. To sign the annual return.
 - vi. To sign every balance sheet and profit and loss account in case of non-banking financial company
 - vii. To prepare minutes of every meeting (Board meeting, General meeting)
2. According to Income tax Act:
 - i. He has to ensure whether proper Income Tax is deducted from employees salary.

- ii. To see that the Certificate of Tax Deducted at Source (TDS) is issued.
- iii. To confirm the tax deducted is deposited to government treasury.
- iv. To submit and verify various forms and returns.

3. Under Indian Stamp Act: To see that the documents like letter of allotment and share certificate etc are properly stamped.

4. Under other Acts: To comply with other acts such as: The Factories Act, The Industrial dispute Act, The Minimum wages Act, The provident Fund Act etc.

B. General Duties

1. Duties to the directors:

- i. To draft directors report.
- ii. To work as per the instruction given by the directors.
- iii. To issue notice, prepare agenda and arrange board meeting or directors.
- iv. To file and record all Correspondence for the perusal of directors.
- v. To draft directors report (i.e) giving explanation for profit and loss Appropriation Account.

2. Duties towards Shareholders:

- i. To prepare notice for the meeting of shareholders.
- ii. To arrange for the meeting of share holders.
- iii. To send notice for meeting.
- iv. To get the certificate of incorporation and commencement of business.
- v. To issue Prospectus.
- vi. To issue Share Certificates.
- vii. To attend the meeting of shareholders.

3. Duties towards Public:

- i. To deal with all Correspondence between Company and Public and look into their Complaints.
- ii. He can permit any person to verify the documents.
- iii. He has the right to issue testimonials to the outsiders on behalf of the company.

10.10 Rights enjoyed by the Company Secretary

1. Company Secretary is the head of Secretarial functions. He have to maintain all documents, registers, records and to preserve all in the company.
2. He has the right to permit any person to verify the documents, records and registers.
3. He has the right to control, supervise the work at registered office.
4. He has the right to do the work as per the instruction of the Board of directors.
5. He has the right to explain the procedures of the company to employees.
6. He has right to make use of Common Seal as per directions of the directors.
7. He has the right to sign the proceedings of the Company meetings and documents which do not require Common Seal.

10.11 Liabilities of the Company Secretary

Liabilities of a Company Secretary can be classified into two Categories -Statutory Liabilities and Contractual Liabilities.

If the Company Secretary fails to perform his Statutory duties he can be punished or he pay the penalty as prescribed under the Act.

1. He will be liable for damages or any loss caused to the company due to his negligence, fraud or changes in terms of contract.
2. If the Secretary acts beyond his power he is liable.

10.12 Restrictions of Company Secretary

1. Unless authorized by directors of the Company he cannot enter into contract on behalf of the company.
2. He cannot borrow money on behalf of the Company.
3. He cannot acknowledge a debt.
4. He cannot allot or transfer shares without authority of Board of Directors.

10.13 Dismissal of Company Secretary

A Company Secretary has a great role in the formation of the company and he may be dismissed due to the following reasons.

1. Not satisfied with performance: Company Secretary is appointed by the Board of Director, So he is considered as employee of the company. If the directors are not satisfied with the performance they can dismiss with prior written notice.
2. Dismissal due to irregularities: A company Secretary may be fired any time without any prior written notice if he is proved.
 - a. as fraud
 - b. neglect his duties intentionally
 - c. have permanent inability etc.
3. Due to lapse of time: Company Secretary is appointed for a fixed period. If Board of Directors does not renew the Contract then his contract comes to an end.
4. Winding up of the Company: Winding up of a company would result in the termination of service of the Secretary like all other employees.

Points to Remember

- The word 'secretary' has been derived from ancient Latin word 'Secretarius' which means confidential writer or officer.
- The secretary is an important officer of the company who is appointed to perform the ministerial or administrative duties.
- Company secretary means a company secretary within the meaning of clause (c) of sub-section (1) of section 2 of the company secretaries Act, 1980, who is appointed by a company to perform the functions of a company secretary under this Act".
- A person who is employed to take care of records, letters and routine work for another person.
- Nature of work carried out by Private Secretary.
- Types of Secretary.
- Company Secretary and his qualification
- Duties of Company Secretary.
 - a. Statutory duties
 - b. General duties
- Rights enjoyed by Company Secretary.
- Liabilities of Company Secretary.
- Restrictions of Company Secretary.
- Dismissal of Company Secretary.

A-Z GLOSSARY

“Secretarius”	Latin word Secretary.
“Scribae”	In the Old Roman Empire, the officer looking after secretarial duties.
Office Secretary	A person who is employed to do office work, such as typing letters, answering phone calls and arranging meetings.
Household and social duties	The private secretary holds a residential post.
Financial duties	Handling cash/bank accounts, payment of bills, taxes, salaries etc., Employers investments, income-tax returns, making payments for insurance policies.
Personal Assistant	He is merely a routine worker and has to follow the dictation of his employer.
Non-trading organisation	Non-business entity, not for profit organisation, or non-profit institution.
Co-operative society	an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs.
Embassy	the official residence or offices of an ambassador.
Trade union	an organized association of workers in a trade group of trades.

QUESTIONS

PART- A

Objective type Questions (1 Mark)

Choose the correct answer:

- The word ‘Secretary’ has been derived from ancient Latin Word ‘Secretarius’ which means _____.
a. Creator
b. Destroyer
c. Confidential writer
d. New person
- In Ancient History during Mughal and Maratha Empire, Secretary was called as _____.
a. Amatya
b. Sachiva
c. Chitnis
d. All of the above.
- The secretary, who assists the management and also does his/her routine work such as _____.
a. administering office
b. office related work
c. conducting periodical meetings
d. All of the above
- “A person who handles correspondence, keeps records and does general clerical work for an individual, organisation etc.,” _____.
a. Oxford Dictionary
b. Webster’s Dictionary
c. English Dictionary
d. Penguin Dictionary



5. Education Qualification of the Private Secretary is _____.
- Any PG Degree
 - Economics or Commerce, with Degree in Law
 - Any UG Degree
 - Engineering Graduation.
6. The person to become a Company Secretary must possess qualification prescribed by _____.
- State Government
 - Central Government
 - both State and Central Government
 - none of the above
7. Company Secretary is appointed by _____.
- Board of Directors
 - Public
 - Government
 - all the above



PART –B

Very Short Answer (3 Marks)

Answer in Five lines:

- What do you mean by 'Amatya'?
- Define 'Secretary'.
- Write the meaning of Secretary as per The Oxford Dictionary.
- Write the nature of work carried out by Private Secretary.
- Define Company Secretary.
- Write any two rights of Company Secretary.
- Write the liabilities of Company Secretary.
- Write the duty of Company Secretary under India Stamp Act.
- Mention any two types of Secretary.

PART- C

Short Answer (5 Marks)

Answer in one page:

- Explain the rights enjoyed by the Company Secretary.
- Write the restrictions imposed on Company Secretary.
- Write the liabilities of Company Secretary.
- Write the rules regarding dismissal of Company Secretary.

PART- D

Essay type Questions (10 Marks)

Answer within three pages:

- Write the duties of Company Secretary.
- Explain the qualifications of Company Secretary.
- Write the rules regarding appointment and dismissal of Company Secretary.

Activity

Teachers' Activity:

- Teacher can arrange a Seminar by qualified Company Secretary. So that students can get in depth Knowledge about Company Secretary.
- Teacher can prepare a chart regarding the duties of Company Secretary.
- Can have a class room discussion and motivate the students to become Company Secretary.

Students Activity:

- Ask the students to write an Assignment on qualification of the Company Secretary.
- Ask the students to write about some of the famous Company Secretaries in India.



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