
UNIT 1 NATURE AND SCOPE OF SECRETARIAL WORK

Structure

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Who is a Secretary?
- 1.3 Importance of a Secretary
- 1.4 Role of a Secretary
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 - 1.4.2 As a Liaison Officer
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- 1.7 Importance of Secretarial Work
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1.0 OBJECTIVES

After studying this unit, you should be able to:

- state the definition of secretary
- explain the importance of a secretary and secretarial work
- describe the roles and duties of a secretary
- discuss the qualifications of a secretary
- give the definition of private secretary
- explain the qualifications and duties of a private secretary.

1.1 INTRODUCTION

Every organisation needs an office through which all the secretarial work is performed. As this work pervades all types of activities connected with the organisation, it necessitates the existence of an officer or executive who should assist, overview and coordinate the whole work in an efficient manner and keep the integrity of the organisation in tact. In modern day common parlance such an executive is termed as Secretary. In this unit you will study the meaning, importance, duties and qualifications of a secretary in detail, and also learn about various types of secretaries.

1.2 WHO IS A SECRETARY?

The Oxford Dictionary gives the following meaning of the word 'Secretary':

"One whose office it is to write for another; especially one who is employed to conduct correspondence, to keep record and to transact various other businesses for another person or for a society, corporation or public body."

Actually the word 'secretary' is derived from the Latin term 'Secretarius' which means "the keeper of secrets" or "the confidential officer". Similarly, the Manual of Secretarial Practice also refers to the profession of a secretary as one of the oldest one, and that wherever "there was a man of action, there, too, was a man of the pen to record his deeds".

Thus, ordinarily speaking, the special features of a 'secretary' may be stated as follows:

- 1) The secretary is a person, male or female.
- 2) He/she should be able to perform the works of confidential nature.
- 3) He/she works for another person or an organisation.
- 4) He/she holds an official position.

In modern times, the secretary occupies a very important position in industry, commerce, social institutions, clubs, government offices and even in the case of individuals like statesmen, physicians, lawyers and Members of Parliament. His duties and functions include conducting of correspondence, keeping of records and accounts, writing of minutes and reports as well as acting as public relations officer and representative of the employer.

1.3 IMPORTANCE OF A SECRETARY

The nature and functions of a secretary differ with each individual institution to which he is attached. Mostly, he works behind the scene but in no way does it reduce the importance of his office. A secretary, nowadays, is an indispensable part of any organisation, be it commercial, social or political. In certain cases he enjoys a legal status as, for example, a company secretary, or a Secretary of a Government Department, while in other situations he is employed to assist the employer to perform certain routine duties leaving him free to concentrate on more important matters. But, in every situation, the secretary is the most trustworthy person of the institution or the employer whom he/she works for.

1.4 ROLE OF A SECRETARY

The nature of a secretary's role can be explained only by reference to his position in relation to his employer and the functions he is required to perform. Depending on the terms of his employment, the secretary may hold a very responsible position in the organisation he serves, or his role may be that of a confidential assistant or one engaged in performing only routine clerical work. Basically, it is the nature and importance of his function that determine the secretary's role. It depends in turn on such factors as the nature of the organisation, its size, the employer's willingness to delegate work carrying responsibility, as well as his own ability and willingness to undertake responsible work. The secretary's role may also be determined by the rights, duties and responsibilities under law, as in the case of a company.

However, in modern organisations, the secretary is generally required to perform the role of one or more of the following positions:

- 1) Office executive,
- 2) Liaison officer,
- 3) Adviser to management.

1.4.1 As an Office Executive

In this position the secretary is required to discharge the responsibility of organising and managing day to day work of the office. This involves planning, supervising, co-ordinating and controlling secretarial and routine clerical work, e.g. correspondence, record keeping, accounts, etc. The secretarial work to be supervised and co-ordinated may include convening meetings by issuing notice, making necessary arrangements for the meetings to be held, keeping record of the proceedings at the meeting, etc. Being the administrative head of the office, a secretary is required to attend to all matters relating to the office staff, involving

recruitment and selection, allocation of duties, monitoring performance and maintaining discipline in the office.

1.4.2 As a Liaison Officer

The secretary acts as a link between business executives and outside parties including clients, customers, and the public. He also acts as a link between higher level managers and the administrative staff. In this capacity, the secretary in a way shields his employer from the necessity of dealing directly with the staff and outsiders on day-to-day routine matters, and on subjects of general relevance. When required, he acts as the mouthpiece of management to communicate decisions concerning the staff or members of the public. The secretary may also have to play the role of Public Relations Officer (PRO) of the organisation, keeping the public informed about the activities of the concern and dealing with correspondence in that connection. Indeed the secretary is often found to be most capable of performing this role as he is thoroughly conversant with the objectives, plans and programmes of the organisation activities. Taken together, the secretary acting as liaison officer, enables busy executives and managers to concentrate on their primary responsibilities in the long-run interest of the organisation.

1.4.3 As an Adviser

One of the important role that the secretary may be called upon to perform is that of an **adviser to management**. This may arise out of necessity, for busy executives and managers are not always able to muster by themselves all informations pertaining to a decision-situation, particularly decisions on policy matters. The secretary can fill this gap provided he keeps himself abreast of latest developments in various fields and is regularly in touch with sources of information. Being informative and having intimate knowledge of the day-to-day activities of the organisation, the secretary is in an eminent position to give advice to management in the form of suggestions for making appropriate policy decisions. The advisory role of the secretary may be a part of his official status, or it may be a privilege that he earns by virtue of his integrity and efficiency. A secretary may be said to have reached an ideal position if the management invites suggestions from him or seeks his advice reflecting the trust and confidence reposed in him. Of course, the exact nature of the advisory role of a secretary depends on the nature and size of an organisation. Generally speaking, secretaries of trade associations, professional bodies, cultural organisations, company secretaries and secretaries of government departments are required to assume the advisory role in varying degrees.

1.5 DUTIES OF A SECRETARY

The duties of a Secretary may widely differ depending on the terms and conditions of his employment and the employer's activities, and his status in the organisation. Distinction may be made broadly between the duties of a 'Routine Secretary' and an 'Executive Secretary'. A 'Routine' secretary generally is the executive head of the office, managing day to day office work. His duties mainly consist of organising and controlling office activities, i.e. providing clerical services to the organisation, efficiently and economically. As regards the activities of the office related with general services like correspondence, maintenance of records, etc., concerning all the departments the duties of the secretary are like those of a line executive. These duties include: selection, training, placement and remuneration of office personnel; providing necessary forms, stationery, machines and equipment needed for office work; and providing congenial working environment to the office staff for efficient discharge of their responsibilities. Besides the above general services, there are some office activities which are performed in different functional departments by the departmental staff. With respect to these office activities, the secretary tenders advice to the departmental heads and his duties are those of a 'staff' officer.

The duties of an 'executive secretary' are wider in scope. The 'Executive Secretary' is entrusted with many administrative and managerial functions and granted executive powers accordingly. His duties may include: organisation and management of the secretarial department covering all personnel matters; conducting correspondence with other departments as well as outsiders; organisation and control of accounting

functions; representing management for negotiating contracts, settling legal disputes, etc.; maintaining liaison with clients, customers, and the public, as well as government departments, employees union, dealers and suppliers.

Check Your Progress A

1 Who is a secretary?

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2 List the main roles of a secretary.

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3 Which of the following statements are True and which are False?

- i) Anyone who deals with other's confidential letters is a secretary.
- ii) A secretary invariably works for another person or organisation.
- iii) A secretary may or may not be required to act as a stenographer.
- iv) As an office executive, the secretary is responsible for discipline in the office.
- v) As PRO the role of a secretary is that of a liaison officer.
- vi) The secretary cannot give advice to managers but only suggests ways and means of resolving problems.
- vii) An 'executive secretary' has the responsibility of ensuring that quality of goods produced is of the highest standard.
- viii) A 'Routine Secretary' is only concerned with the office services which are centralised in the general office.

1.6 QUALIFICATIONS OF A SECRETARY

What qualifications a secretary should possess to discharge his duties properly is a relevant question one may ask either to assess one's own eligibility for a secretary's position, or to recruit a secretary. Since he has to undertake a variety of task, a secretary must possess certain basic academic qualifications, intellectual qualities and personal attributes, besides specialised knowledge to suit the requirements of any particular type of organisation, which will enable him to perform his duties successfully. Some of the essential qualifications and attributes which a secretary should possess are briefly discussed below:

- 1) *General Education* : Irrespective of the type of organisation to be served, it is essential for all secretaries to possess educational qualification of a reasonably high standard. A Bachelor's degree in Arts, Commerce or Law is generally considered a desirable qualification.
- 2) *Proficiency in English Language* : Verbal and written communications through correspondence happen to be an important part of secretarial work. Hence proficiency in English language is essential for a secretary to be able to interpret communications received as well as draft letters, reports, precis, etc. efficiently. With an academic degree of high standard, one may have acquired good command over English language. But it may also be necessary for a secretary to have knowledge and training in specialised use of English for business correspondence, drafting of resolutions and minutes of meetings, press releases, etc.

- 3) *Knowledge of other languages* : In India, knowledge of Hindi and some of the regional languages may be quite useful for a secretary seeking employment in any national-level organisation. Likewise, a secretary employed in an organisation having world-wide operations or branch offices in several foreign countries, is likely to be found more useful if he has working knowledge of one or more foreign languages.
- 4) *General knowledge* : Intellectual curiosity and reading habit help one to acquire general knowledge. A person who is well read and mentally alert makes a valuable secretary as he may be able to perform his duties better in a complex situation requiring all-round general knowledge. Moreover, with sound general knowledge, a secretary is in a better position to provide information of general importance that management may need from time to time. He can also give better advice.
- 5) *Practical Knowledge of Office Management* : Since a secretary's job generally includes organisation and management of office activities, he should have practical knowledge of office methods and equipments, of modern methods of filing and indexing, use of personal computers, and operation of office inter-communication systems. He must also have knowledge of the methods of selection and training of employees, pay-fixation, and provision of pension and provident fund benefits, welfare amenities, etc.
- 6) *Personal qualities* : Besides the qualifications mentioned above, the following personal qualities are also likely to contribute to the success of a secretary in his job:
 - i) A good personality which will command respect and inspire confidence in his subordinates and colleagues.
 - ii) A healthy physical appearance, cheerful bearing and energetic disposition.
 - iii) Qualities of head and heart : good judgement and presence of mind, a strong sense of justice.
 - iv) Self-confidence and self-discipline.
 - v) Sincerity, integrity of character, and loyalty.
 - vi) Sense of responsibility, honour and dignity.
 - vii) Tact, discretion and good manners.
 - viii) A good memory of facts, faces and names.

1.7 IMPORTANCE OF SECRETARIAL WORK

The indispensable nature and importance of secretarial work can hardly be disputed in the modern world. As organised activities in the social and economic spheres have expanded and assumed greater complexity, there has been increasing need for secretarial services to assist persons in authority in their day-to-day administration. The significance of secretarial work has been particularly recognised in industry, trade and commerce characterised by vast expansion in size and complexity of the organisation following technological advances at a fast pace in manufacturing, transport and communication along with expanding markets for products.

The importance of secretarial work may be attributed to (a) the onerous nature of secretary's functions, and (b) the increasing dependence of management on secretarial assistance.

The job of a secretary generally carries onerous responsibilities. The private secretary of a doctor or lawyer, or that of a business executive, is often known to have become indispensable to the employer due to the nature of work handled by the secretary, which may include matters of a confidential nature as well as financial affairs. The secretary of any social organisation, educational institution, co-operative society or registered bodies has also to undertake work carrying heavy responsibility. A company secretary besides acting as executive head of the office, has several duties and responsibilities cast on him under law. He has also to bear administrative responsibilities like functional managers, besides having to perform the role of an advisor to the top management.

A significant part of the secretarial work is carried out through the office, of which the basic functions are: (i) receiving and collecting information, (ii) recording information or making records, (iii) processing information involving computation and statistical work, and (iv) communicating information. On the one hand, the office is required to supply information as collected, recorded and processed by it to the management as and when required; on the other hand, it has also the duty of communicating policies, directives and instructions issued by management to managers in different departments for their guidance.

It is on the basis of accurate information and factual data provided by the office that management can formulate plans and policies and assess the results of planned efforts. Again, it is with the system of communication provided by the office that management succeed in directing, guiding and co-ordinating various activities. Also effective control over business operations can only be possible if relevant factual information is provided by the office.

The facility of computerisation has made recording and processing of information as well as its storage much easier. But collecting information and receiving information from various sources continues to be a stupendous task. Besides, classifying information and data received, and preserving the same in proper form so as to be easily retrievable from computer memory require special care.

So voluminous and varied are the information and data and so dynamic is the nature of environment in which organisations function that management of all modern enterprises have come to depend heavily on the systems and procedures governing the flow of information, also known as the Management Information System (MIS), which the secretary has to organise and manage.

Another aspect of secretarial work which adds to its importance is related with meetings. Of all the secretarial services provided to the top management, those pertaining to meetings have vital importance, for decisions taken at meetings and the discussion that takes place in course of the meetings happen generally to be the basis of action. The responsibility of the secretary in this connection includes convening meetings, issuing valid notice with agenda and memoranda for consideration, securing adequate accommodation and seating arrangements, assisting the chairman in conducting the meeting, recording the proceedings and preparing the minutes of the meeting, and finally circulation and confirmation of the minutes. Follow up action involving communication of the decisions to the concerned parties is also required to be taken by the secretary. The management invariably depend on the secretary to ensure that rules and regulations as laid down in legal enactments or by the organisation are strictly complied with, so that the validity of meetings and proceedings/minutes are not disputed or challenged.

Check Your Progress B

Fill in the blanks selecting the correct words/phrases from those given within brackets:

- i) With a sound general knowledge, the secretary can provide accurate and better to management.
(guidance, advice, information, assistance)
- ii) For a secretary, knowledge of specialised use of English is necessary for
(precis writing, drafting resolutions, interpreting communication)
- iii) It is desirable for the secretary of a national level organisation in India to have knowledge of and some languages besides knowledge of English.
(Hindi, Gujarati, foreign, regional)
- iv) Secretarial work carried out through the office includes of policies, orders and instructions.
(formulation, communication, drafting, channelisation)
- v) Management can formulate plans and policies more objectively on the basis of the and provided by the office under the Secretary.
(statements, information, reports, data, evidence)

1.8 TYPES OF SECRETARIES

Keeping in view the varied type of functions and duties, which may be performed by secretaries, one may distinguish between the following types of secretaries:

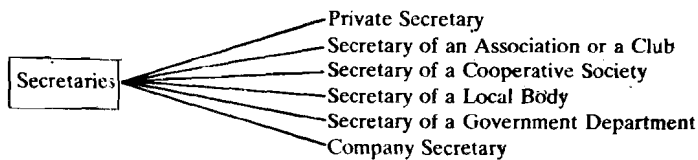


Figure 1.1 Types of Secretaries

In this unit we shall examine the nature of a private secretary's job, the qualification he/she should possess, and the duties generally assigned to him/her. The relevant aspect of the position of other types of secretaries will be discussed in the following units of this Block.

1.9 PRIVATE SECRETARY

Private secretary is a secretary to an individual official, administrator or chief executive of a business firm. The main object of employing a private secretary by an individual is to shift some of the burden of his responsibilities on to the secretary and thus relieve himself of certain routine matters, such as arranging meetings, fixing appointments, handling mails, drafting speeches, preparing notes, making travel arrangements, etc. The work of private secretary is very confidential and intimate in nature which demands complete loyalty to the employer.

A private secretary, usually employed by a prominent citizen or official in high position, is expected to sacrifice his personal interests and even accept the blame for mistakes of his employer in good grace. As he is employed for personal work, he must thoroughly understand his employer and know his likes and dislikes, habits, tastes, hobbies, matters of interest, and all other details concerning his life and background.

When an individual decides to have a private secretary, he looks for someone to whom he can delegate some of his own routine duties, who can take care of his responsibilities whenever required to do so in his absence, to whom he can confide private and confidential matters, and who will be sufficiently tactful so as to maintain cordial relations with every one he/she has to deal with.

Although the work of a private secretary is varied and interesting, it is often quite exacting too. Usually there is no fixed duty hours, and he/she has to bear with the changing mood and temperament of the employment.

1.9.1 Qualifications

The status and eminence of the person whom the private secretary has to serve generally indicate the qualifications and personal accomplishments that should be possessed by the secretary. In most cases, a private secretary is expected to have the following qualifications:

- 1) A reasonably high standard of general education with a Bachelor's degree;
- 2) Instruction and training in secretarial course run by a professional institution;
- 3) Skill in stenography and typing work;
- 4) Practical training in office practices and procedures including acquaintance with office equipments and machines;
- 5) Reasonably good general knowledge;
- 6) Knowledge of a foreign language if necessary;

7) Personal qualities may include

Sincerety	Cheerfulness
Resourcefulness	Loyalty
Discretion	Dependability
Tactfulness	Orderliness
Sense of proportion	Punctuality

Put together, a private secretary is supposed to be an all rounder. He is expected to be well versed in all relevant matters, keep good contacts, and work behind the scene unless it is desired otherwise. He should be well informed about the activities of his boss without being too inquisitive about his personal matters. He should not, unnecessarily, pry into the professional affairs of the boss but must always be ready to give advice based on facts. He should always look dignified and in no way do anything which might lower the image of his officer or the employer.

A private secretary should be healthy, alert, knowledgeable, willing to work for long hours, adjusting to changing environment, and above all should be a trust-worthy representative of his employer. He need not be highly educated but should be thorough and well-versed in matters relating to his duties.

1.9.2 Duties

The duties of the private secretary are bound to vary depending upon the employer's requirements. The duties of the private secretary of a Minister will naturally be different from those of a Member of Parliament, or of a Business Executive, or of a solicitor, or of a College Principal. A private secretary who has to attend to the needs of the employer both at the latter's residence and office may be entrusted with a wider variety of work as compared to one who attends to the employer's needs only during office hours.

Broadly speaking, the duties performed by a private secretary may be generalised and discussed under the following heads:

- i) Routine Office duties
- ii) Receptionist's duties
- iii) Literary duties
- iv) Financial duties
- v) Domestic and Social duties
- vi) Duties relating to meetings
- vii) Miscellaneous duties

Let us examine the nature of these duties.

- i) *Routine Office Duties* : They include taking shorthand dictation, drafting and typing of letters, handling incoming and outgoing mail, filing and indexing of letters, maintenance of records, maintenance of books and registers, and operation of office appliances such as telephone, duplicator, dictaphone, fax, etc.
- ii) *Receptionist's Duties* : These duties consist of handling inward and outward telephone calls and keeping a record of the same, attending to visitors and their enquiries, answering enquiries over the telephone, screening and fixing appointments and engagements, maintaining diary and memory aids for the boss and for himself/herself.
- iii) *Literary Duties* : These duties are drafting of routine letters, reports, speeches or statements on behalf of the employer, making precis and summaries of letters and reports, proof-reading and attending to printing of books, pamphlets and speeches, etc.
- iv) *Financial Duties* : These include handling of employer's bank transactions, payment of bills, taxes, staff salaries, subscriptions, donations, maintenance of records of the employer's investments and income therefrom, payment of insurance premiums, filing of insurance claims, renewal of policies, filing of Income Tax Returns, and Keeping expense records including travel expenses and preparing bills therefor.

- v) *Domestic and Social Duties* : They consist of looking after the household affairs of the employer, payment of wages and salaries of domestic staff, making arrangements for parties, luncheons, dinners and other entertainments, sending invitations, making arrangements for tours, travel reservations, attending to needs of house guests, acknowledging letters, and sending messages of condolences, congratulations, and greetings on special occasions.
- vi) *Duties Relating to Meetings* : They cover the work of preparing the agenda, issuing notices, making arrangements for holding the meetings, arranging documents and files to be needed in course of the meetings, making arrangements for voting, drafting minutes, preparing reports of the committees or sub-committees under the directions of the chairman, and following up the decisions taken in the meetings.
- vii) *Miscellaneous Duties* : May include all such acts that build up the image of the employer and develop better public relations subject to the professional objectives of boss.

Check Your Progress C

1 Define 'Private Secretary'.

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2 Which of the following statements are True and which are False?

- i) A private secretary must perform his duties keeping in view the likes and dislikes of the employer.
- ii) The private secretary of a lawyer must have a Bachelor's degree in law.
- iii) The private secretary does not have to attend to telephone calls if there is also a receptionist and telephone operator.
- iv) One of the social duties of a private secretary is to write letters regularly to the relatives of the employers on his onehalf.
- v) The private secretary is invariably expected to minimise the expenses of the employer.
- vi) Some of the literary duties of a private secretary are actually routine duties.
- vii) The private secretary has a right to attend and cast vote in the meetings chaired by his employer.
- viii) The private secretary should not ordinarily interfere with the professional affairs of the boss.

1.10 LET US SUM UP

A 'Secretary' is one whose office it is to write for another; especially one who is employed to conduct correspondence, to keep record and to transact various other businesses for another person or for a society, corporation or public body.

In modern times, the secretary occupies a very important position in industry, commerce, social institutions, clubs, government offices and even in the case of individuals like statesmen, physicians, lawyers and Members of Parliament. In certain cases, the secretary enjoys a legal status, while in other situations he is employed to assist the employer to perform certain routine duties leaving him free to concentrate on more important matters.

Basically, it is the nature and importance of his functions that determine the role of a secretary. In modern organisations, the secretary's role may be described in terms of his position as — (1) Office executive, (2) Liaison officer, and (3) Adviser to management. As office executive, the secretary is entrusted with the responsibility of organising and managing the day to day work of the office. As liaison officer, he acts as a link between business executives and outside parties including clients, customers,

and the public, as also between higher level managers and the administrative staff. He may also play the role of PRO. The secretary's role as adviser to management arises out of necessity to brief busy executives and managers who are not always a position to muster by themselves all information pertaining to a decision-situation particularly those relating to policy matters. The advisory role of a secretary may be part of his official status, or it may be a privilege that he earns by virtue of his qualities.

The duties of a Secretary may differ depending upon whether he is a 'Routine Secretary' or 'Executive Secretary'. A 'Routine Secretary' generally has the duties of the executive head of the office providing clerical services to all other departments. With respect to departmental offices, the secretary's duties are those of a staff officer. The duties of an 'Executive Secretary' include a wide range of administrative and managerial functions with corresponding executive powers.

The essential qualifications and attributes which a Secretary should possess are: General education of a reasonably high standard, proficiency in English language, knowledge of Hindi and regional languages, sound general knowledge, practical knowledge of office management, and an impressive personality.

The importance of secretarial work may be attributed to (a) the onerous nature of secretary's functions, and (b) the increasing dependence of management on secretarial assistance. As organised activities in the social and economic fields have expanded and assumed greater complexities, there has been increasing need for secretarial services to assist persons in authority in their day to day administration as well as decision-making.

Consistent with the variety of functions and duties which may be performed by secretaries, one may distinguish between several types of secretaries e.g. Private secretary; Secretary of an Association or a Club; Secretary of a Co-operative Society; Secretary of a local body; Secretary of a Government Department; Company Secretary.

Private Secretary is a secretary to an individual official, administrator or chief executive of a business firm. The main object of employing a private secretary is to shift some of the responsibilities of an individual to the secretary and thus relieve the individual of certain routine duties such as arranging meetings, fixing appointments, handling mail, drafting reports, etc.

A private secretary is generally expected to have the following qualifications: General education of a reasonably high standard; training in secretarial work; skill in stenography and typing; practical training in office procedures; good general knowledge; knowledge of foreign language if necessary; personal qualities of sincerity, resourcefulness, discretion, tact, sense of proportion, cheerfulness, loyalty, etc.

The duties of a private secretary may be generalised under several categories, e.g. Routine office duties; Receptionist's duties; Literary duties; Financial duties; Domestic and Social duties; Duties relating to meetings; and miscellaneous duties.

1.11 KEY WORDS

Executive Secretary : A secretary who is entrusted with a wide range of administrative and managerial functions.

Liaison Officer : One who acts as a link between executive and outside parties/lower level staff.

Office Executive : One who is entrusted with the responsibilities of organising and managing day-to-day office services.

Private Secretary : A secretary employed to perform the routine duties of an individual, or an administrative officer or a business executive.

Secretary : One whose office it is to write for another, conduct correspondence, keep record and transact various other businesses for another person or for a society, or corporation or public body.

Staff Officer : One who renders specialised advisory services.

1.12 ANSWERS TO CHECK YOUR PROGRESS

- A 3 i) False ii) True iii) True iv) True
v) True vi) True vii) False viii) False
- B i) information, advice ii) drafting resolutions
iii) Hindi, regional iv) communication
v) information, data
- C 2 i) True ii) False iii) False iv) False v) False
vi) True vii) False viii) True

1.13 TERMINAL QUESTIONS

- 1) Who is a Secretary? Point out the importance of secretaries in the business world. Outline the functions of a secretary as an office executive.
- 2) Discuss the role of a Secretary as (a) Executive head of the office, (b) Liaison officer, and (c) Adviser to management.
- 3) What qualifications should a Secretary possess? Give reasons to justify the essentiality of the qualifications.
- 4) Distinguish between the duties of a 'Routine Secretary' and those of an 'Executive Secretary'
- 5) Write an explanatory note on the duties of a Private Secretary.
- 6) Define the position of a Private Secretary. What qualifications should a Private Secretary possess?
- 7) Describe the nature of duties of the Secretary of a modern organisation and bring out the importance of secretarial work in that context.

Note : These questions will help you to understand this unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.

UNIT 2 SECRETARIAL FUNCTIONS IN ORGANISATIONS

Structure

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Secretary of an Association or a Club
- 2.3 Secretary of a Co-operative Society
- 2.4 Secretary of a Local Body
- 2.5 Secretary of a Government Department
 - 2.5.1 Appointment
 - 2.5.2 Administrative and Advisory Functions
- 2.6 Let Us Sum Up
- 2.7 Key Words
- 2.8 Answers to Check Your Progress
- 2.9 Terminal Questions

2.0 OBJECTIVES

After studying this Unit, you should be able to:

- explain the status and functions of a
 - secretary of an association or a club
 - secretary of a co-operative society
 - secretary of a local body
 - secretary of a government department.

2.1 INTRODUCTION

In the preceding unit you learnt about the nature, scope and importance of secretarial work, the role, qualifications and duties of a secretary; and the position of a private secretary. In this unit you will learn about the status, role and functions of secretaries of different types of organisations such as an association or a club, a co-operative society, a local body and a government department.

2.2 SECRETARY OF AN ASSOCIATION OR A CLUB

Trade and professional associations, trade unions, cultural institutions, charitable institutions, religious institutions, sports clubs, etc., usually appoint a whole-time paid secretary to conduct the day to day activities of the organisation. A secretary of such organisations acts as an agent and advisor of the managing committee. These associations may also appoint, nominate or elect an Honorary General Secretary from amongst their own members, subject to their respective bye-laws. The Honorary General Secretary does not draw any salary, but he is provided various perks and facilities so as to carry out his duties efficiently.

Role and Functions

Ordinarily, the secretary of an association or a club performs the following functions:

- 1) He plays the role of an executive officer, agent and adviser of the managing committee.
- 2) The secretary is the chief executive officer of the association. In this capacity he undertakes all administrative functions such as recruitment and supervision of the office staff, correspondence, receipts and payments of money, preparing statement of accounts and arranging their audit.

- 3) The secretary, as the chief officer of the association or club, supervises and conducts its activities according to the aims and objects. He looks after the registration of new members, collection of subscription and donations, purchase and maintenance of equipments, and arrangement of parties and social gatherings.
- 4) The secretary is the convenor of all meetings. He calls the meetings of the general body as well as the managing committee. In this connection, he issues notices and agenda, makes arrangements for the meetings, prepares documents to be placed before the meeting, records the proceedings and circulates the minutes. He also looks after the follow up action.
- 5) The secretary is an agent and mouthpiece of the managing committee of the association. He executes the decisions of the committee, acts as a public relations officer, and issues press statements and notifications.
- 6) The secretary is the main advisor of the managing committee. On all matters relating to framing of rules and their amendments, actions to be taken for infringement of rules by members, or on any other legal matter, he has to give his expert opinion to the best of his knowledge.
- 7) He is the custodian of properties and investments of the association or club. He should ensure that they are properly maintained and kept secured from any misuse.
- 8) As the PRO of his association, a secretary should cultivate the goodwill of outsiders by giving them the most cordial treatment on all occasions.

2.3 SECRETARY OF A CO-OPERATIVE SOCIETY

A co-operative society is a voluntary association of persons having common needs and interest, who come together for self-help and mutual aid, promoting their common interest. Co-operative credit society, consumers' co-operative society and co-operative housing society are some of the common types of co-operatives. These societies are governed by the Co-operative Societies Act, of 1912 (a Central Government legislation) and the Co-operative Societies Acts and Rules framed by different State Governments. The organisational structure of co-operative societies are more or less similar in all the States.

Generally, every co-operative society has three office bearers and managing committee as provided for in its Bye Laws. The office bearers are (i) The President, (ii) The Secretary, and (iii) The Treasurer. Usually, all these office bearers and the members of the managing committee work on honorary basis. But, if the society is a large one, it can employ a whole-time paid secretary. This secretary may be appointed from amongst the members or he can be an outsider.

Status and Functions

The secretary of a co-operative society is primarily an office executive but he also acts as an agent and adviser. He should be well acquainted with the Co-operative Societies Act, office organisation and procedures. He should be tactful and hardworking as he is expected to perform a variety of functions which are enumerated below:

- 1) He has to manage and supervise the routine office work including correspondence, maintenance of records, registers and accounts and preparation of statements and returns to be submitted to the Registrar of Co-operative Societies.
- 2) He issues notices regarding the meetings, makes arrangements for holding them, records the proceedings and drafts the minutes thereof. He also makes arrangements for the annual election of the managing committee. The secretary is generally present at all meetings, produces relevant papers required at the meetings, and signs the minutes of meetings along with the Chairman.
- 3) He acts as the agent and mouthpiece of the managing committee in its dealings with the staff, shareholders, and the general public. He is authorised to receive all money on behalf of the society and issue receipts therefor, to operate bank

accounts subject to the conditions laid down by the by-laws, and to pay all working expenses.

- 4) He also advises the managing committee on legal and other matters relating to the society.
- 5) He performs, all other duties concerning the society's work which may be assigned to him by the managing committee from time to time. For instance, the secretary may be required by the Managing Committee to conduct investigation on any matter and report on the findings thereof.

It should be noted that the secretary of a co-operative society is accountable for all his deeds to the managing committee and, therefore, he must convene the meetings of the managing committee after regular intervals so as to keep the members duly posted with the works of society.

Check Your Progress A

- 1 Which of the following statements are True and which are False?
 - i) The secretary of an association as the chief executive officer does not have to report to any other authority about his actions.
 - ii) The secretary of a club presides over the meeting of members.
 - iii) The secretary of a co-operative society should be well acquainted with office organisation and management.
 - iv) Only a member can be appointed as the secretary of a co-operative society, not an outsider.
 - v) The secretary of an association is the mouthpiece of the managing committee of the association.
- 2 Fill in the blanks selecting the appropriate words from those given within brackets:
 - i) The secretary of a club undertakes all and functions. (clerical, administrative, legal, supervisory).
 - ii) The secretary of an association is the of all properties of the association. (caretaker, custodian, protector, user).
 - iii) The secretary of a co-operative society advises the managing committee on matters. (operational, legal, administrative).
 - iv) The bank account of a co-operative society is generally operated by its subject to the bye-laws. (President, Secretary, Manager).

2.4 SECRETARY OF A LOCAL BODY

Panchayats, Municipal Boards, Municipal Corporations and District Boards are known as local bodies. They are established in accordance with legislations of State Governments with a view to provide educational, social, medical and other civic amenities to the citizens of their respective areas. Under the provision of the statutes, each local body appoints a secretary who is a whole-time paid employee. He is one of the most important officials of the local body. He enjoys extensive powers, though he acts under the guidance and direction of the chairman of the body.

The secretary of a local body is essentially an executive officer who coordinates and supervises all office activities such as correspondence, maintenance of records, control over staff and accounts. He acts as a link between the authorities (Chairman or President) and the staff and outsiders. He is responsible for the preparation of the annual budget estimates, statements of accounts and annual reports of the local body.

He also convenes the meetings and looks after all works connected with the meetings like issue of notice, preparation of agenda, recording the proceedings, drafting minutes, and helping the chairman in conducting the meetings. Later on, he oversees the implementation of decisions taken in such meetings.

He may also undertake special duties which may be entrusted to him by the local body as and when it thinks fit. Besides, he may have to tender advice on legal and

2.5 SECRETARY OF A GOVERNMENT DEPARTMENT

In India, under the administrative set up of government, the executive head of a department is known as Secretary. He is the top civil servant attached to a ministry of the government and is directly responsible to the minister in-charge, e.g. Secretary, Ministry of Home Affairs, Secretary to the Department of Expenditure, Ministry of Finance, etc. Depending upon the size of a Ministry or Department, besides the Secretary, there may be civil servants designated as Additional Secretary, Joint Secretary, Deputy Secretary, and Under Secretary, constituting the administrative hierarchy in the department or Ministry and carrying out various functions at different levels. In the organisation of Central or State Government, the Secretary is usually a senior civil servant of the L.A.S. cadre, who heads the secretariat of the Ministry, or department within a Ministry.

In some countries, the Minister is designated as Secretary. In the United States, for example, the political executives in the President's cabinet are known as Secretary of State, Secretary of the Treasury, and so on. They may be assisted by other political executives like Under-Secretaries, Assistant Secretaries, and Special Secretaries. Permanent executives attached to the political executives are the Bureau Chiefs who are civil servants. In U.K. Ministers are designated as Secretary of State, e.g. Secretary of State for Home Affairs, Secretary of State for Foreign Affairs, Secretary of State for Defence, and others who constitute the Cabinet under the Prime Minister. Members of the Cabinet are political executives who may be assisted by other political executives designated as Parliamentary Under-Secretary of State. The civil servants are permanent executives. They are designated as Under Secretary, Assistant Under-Secretary and Assistant Secretary.

2.5.1 Appointment

Secretaries of Government departments are generally appointed from among those who have been found qualified for such positions by the Union Public Service Commission and Public Service Commissions of different States. They have to successfully complete the requisite training and their postings are later based on seniority, service record and experience. Those who have been selected for All India Services are allotted to the Central and State Government Departments. They are also transferable from the Centre to the States and vice versa. Posting of secretaries in the Ministries and Departments of the Central Government are made by the Cabinet Secretary who heads the Cabinet Secretariat under the Prime Minister. Chief Secretary of the State Government, as head of the State Government Secretariat, makes the posting of secretaries in the State Government Ministries and Departments.

2.5.2 Administrative and Advisory Functions

The functions of the secretary of a government department can be described under two broad heads, viz.,

- a) Administrative and Executive Functions; and
- b) Advisory Functions.

a) Administrative and Executive Functions

- i) Overall control over day to day administration of the department with the assistance of subordinate officers.
- ii) Issue of directives, orders and circulars for the guidance of staff.
- iii) Execution of policies and decisions of the Minister or the Cabinet.
- iv) Attending meetings, conferences, and seminars concerning the department.
- v) Coordinating the activities of the department with those of allied departments.
- vi) Conducting and supervising investigation work relating to a proposal, scheme, or plan, and reporting on it to the Minister.

vii) Supervising the collection and collection of data for policy making and decisions.

b) Advisory Functions

- i) Keeping the Minister informed about the working of the department.
- ii) Advising the Minister on the suitability of new proposals, schemes, plans, and projects.
- iii) Supplying all documents and information to the Minister which may be required by him at the session of Parliament or Assembly.
- iv) Assisting the Minister to prepare the answers to the questions raised in the legislative body while in session.

Check Your Progress B

- 1 Fill in the blanks selecting appropriate words from those given within brackets:
 - i) The secretary of a local body is an executive officer who and all office activities. (performs, supervises, directs, co-ordinates).
 - ii) The secretary of a local body acts as a link between the chairman and and (members, outsiders, staff, government).
 - iii) The secretary of a Government department is directly responsible to the (Minister, Secretary of the legislative assembly, leader of the ruling party in the assembly).
 - iv) Co-ordinating the activities of one Government department with those of allied departments is a function of (The Secretary, Minister, Chief Minister).
 - v) Answers to questions raised in the legislature are drafted by the of the concerned department. (Secretary, Minister, Private Secretary to the Minister).
- 2 Which of the following statements are True and which are False?
 - i) The secretary of a Government department is appointed on the basis of seniority, service record and experience.
 - ii) It is the Accountant, not the Secretary of a local body, who prepares the annual budget estimates.
 - iii) Collection and collation of factual data for decision-making by the Minister are the responsibility of the chief of the statistical division, not that of the secretary of the department.
 - iv) The secretary of the department has to keep the Minister informed about the working of the department.

2.6 LET US SUM UP

Ordinarily the secretary of trade or professional association or club is appointed as a whole-time official to conduct the day to day activities of the organisation. Associations may appoint, nominate or elect an Honorary General Secretary from among the members. But a paid secretary is also appointed to undertake administrative functions. He performs the role of executive officer, agent and adviser of the managing committee. His functions include: recruitment and supervision of the office staff, correspondence, receipts and payments of money, maintaining accounts and arranging audit of accounts, registration of new members, collection of subscription and donations, purchase of equipments, arranging parties and social meets, convening meetings, executing the decisions of the managing committee, and advising the committee on all administrative or legal matters.

Every Co-operative Society must have a Secretary as one of its office bearers. The secretary may be appointed from among the members or he can be an outsider. If the co-operative society is a large one, a whole-time paid secretary is generally appointed. The secretary is primarily an office executive but he also acts as an agent

and adviser. He has to manage and supervise the routine office work as well as prepare statements and returns to be submitted to the Registrar of Co-operative Societies. He issues notices for meetings and makes all arrangements in that connection, records the proceedings and drafts the minutes. He acts as the agent and mouthpiece of the managing committee and is accountable for all his actions to the managing committee.

Local Bodies like Panchayats, Municipal Boards, Municipal Corporations and District Boards are established under State legislation, which provides for the appointment of a secretary. The secretary of a local body is a whole-time paid employee. He is the most important official and enjoys extensive powers though he acts under the guidance and direction of the chairman of the body. The secretary co-ordinates and supervises all office activities, prepares the annual budget estimates, statements of accounts and annual report of the local body. He also convenes all meetings, records the proceedings and drafts the minutes of meetings, besides undertaking special duties which may be entrusted to him by the local body.

The executive head of a Government department or Ministry in India is designated as Secretary. He is the top civil servant attached to a Ministry and is directly responsible to the Minister in-charge. Besides the Secretary, there may be other civil servants designated as Additional Secretary, Joint Secretary, Deputy Secretary and Under Secretary constituting the administrative hierarchy in the department or Ministry to carry out various functions at different levels. In some countries, the Minister is designated as Secretary. The civil servants who are permanent executives are designated differently.

In India, secretaries of government departments are appointed from among those who have been found qualified by the Union and State Public Service Commissions. Their postings are based on seniority, service record and experience. Posting of Secretaries of Central Government departments is made by the Cabinet Secretary, while the posting of Secretaries of State Government departments is made by the Chief Secretary of the State Government Secretariat.

The functions of the Secretary of a government department include administrative and executive functions as well as advisory functions. A Secretary is required to maintain overall control over day to day administration of the department, execute the policies of the Minister or the cabinet, attend meetings, conferences and seminars concerning his department, keep the Minister informed about the working of the department, advise the minister on the suitability of new schemes, plans and projects, supply all documents which may be required by the Minister at the session of the legislature, and assist him in preparing answers to questions raised in the legislative body while in session.

2.7 KEY WORDS

Civil Servant : Permanent executive serving in a government department or Ministry.

Club : Voluntary association of persons for social, political, athletic, sports, or recreational ends.

Co-operative Society : A voluntary association of persons having common needs and interest, who come together for self-help and mutual aid.

Local Body : Elected body for local government e.g. Panchayat, District Board, Municipal Board, Municipal Committee, etc.

Professional Association : Association of people engaged in professional activity, e.g. lawyers, accountants, medical practitioners, etc.

Secretariat : Office of the secretary/minister.

Trade Association : Association of traders and trading firms voluntarily established to protect and promote common interest of members.

2.8 ANSWERS TO CHECK YOUR PROGRESS

A 1 i) False ii) False iii) True iv) False v) True

- 2 i) administrative, supervisory ii) custodian iii) legal iv) secretary
- B 1 i) Supervises, co-ordinates ii) staff, outsiders iii) minister
iv) the secretary v) secretary
- 2 i) True ii) False iii) False iv) True

2.9 TERMINAL QUESTIONS

- 1) What is the status of the secretary of a trade or professional association? What functions does he perform?
- 2) Enumerate the functions and duties of the secretary of a co-operative society. Discuss with special reference to his functions relating to meetings.
- 3) The secretary of a local body is the most important official. Describe the role of the secretary of a local body as office executive.
- 4) Who are eligible to be appointed as secretary of a government department? Briefly explain the administrative and executive functions of the secretary of a government department.
- 5) How is the secretary of a government department appointed? Discuss his functions as an executive and an advisor.

Note : These questions will help you to understand this unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.

UNIT 3 COMPANY SECRETARY

Structure

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Who is a Company Secretary?
- 3.3 Position of a Company Secretary
 - 3.3.1 Legal Position
 - 3.3.2 Actual Position
- 3.4 Qualifications
 - 3.4.1 Statutory Qualifications
 - 3.4.2 General Qualifications
- 3.5 Appointment
- 3.6 Removal/Dismissal
- 3.7 Duties
 - 3.7.1 Statutory Duties
 - 3.7.2 General Duties
- 3.8 Rights and Liabilities
 - 3.8.1 Rights
 - 3.8.2 Liabilities
- 3.9 Practising Company Secretary
- 3.10 Let Us Sum Up
- 3.11 Key Words
- 3.12 Answers to Check Your Progress
- 3.13 Terminal Questions

3.0 OBJECTIVES

After studying this Unit, you should be able to:

- define company secretary
- describe the position of a company secretary
- state the qualifications of the company secretary
- explain how a secretary is appointed
- enumerate the statutory and general duties of the company secretary
- state his rights and liabilities
- describe the nature of services which secretaries in practice can offer.

3.1 INTRODUCTION

With the growing complexities of modern business, supervision of the day to day administration of company affairs has assumed great importance. Moreover, with increasing complications of the Companies Act regulating joint stock companies, it has become quite burdensome for top management to ensure compliance with various provisions of the Act. It is, therefore, necessary that an official who is well versed in Company law as well as administration should be appointed to take care of the legal requirements and day-to-day administration of company affairs. The office of the company secretary is expected to fulfil this need.

In this unit you will study the definition, status, qualifications, appointment, duties, rights and liabilities of a company secretary. It will also explain in detail about practicing company secretaries.

3.2 WHO IS A COMPANY SECRETARY?

A Company Secretary, as defined under section 2 (45) of the Companies Act 1956 (amended in 1988), means a company secretary within the meaning of Sec. 2(1)(c)

of the Company Secretaries Act 1980, and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under this Act and any other ministerial or administrative duties. Under Sec. 2(1)(c) of the Company Secretaries Act 1980, a company secretary is defined as "a person who is a member of the Institute of Company Secretaries of India."

Thus, a Company Secretary may be defined as an individual who possesses qualifications prescribed in law and is appointed to perform the duties of a secretary laid down in the Companies Act and any other ministerial or administrative duties.

Arising out of the above definition, the following points should be noted:

- 1) Only an individual can be appointed as company secretary; Neither a firm nor a body corporate can be so appointed.
- 2) A company secretary should be a whole-time officer of the company.
- 3) A company secretary should perform all duties which are laid down in the Companies Act.
- 4) The company secretary should also perform all other ministerial and administrative duties which may be assigned to him.
- 5) A company secretary must possess the qualifications prescribed by the Central Government from time to time.

3.3 POSITION OF A COMPANY SECRETARY

The position or status of Secretary in the administrative set up of a company may be discussed broadly under two heads, viz., legal position and actual position.

3.3.1 Legal Position

Although the legal position of the company secretary has not been defined separately in the Indian Companies Act, it is possible to infer what his position is from the observations of legal experts and various provisions of the Companies Act. It is stated in Palmer's Company Law that "secretary is the officer of the company, who is charged with the duty of ensuring that the affairs of the company are conducted in accordance with the provisions of the Act and the company's articles, and generally in accordance with the law." Thus, the status of a company secretary in the eyes of law is not merely that of an employee who is only to carry out the orders of the directors. He is an officer of the company with extensive duties and responsibilities. He makes representations on behalf of the company and also enters into contracts on its behalf which come within the day to day running of the company's business. This is the viewpoint of judicial authorities in England.

A similar position is reflected in the provisions of the Indian Companies Act and the Rules framed thereunder. Under sections 2(30) and 5, secretary is included in the definition of "officer" and "officer in default" and bracketed with managers, managing director and directors of the company. Similarly, as per Rules framed under the Companies Act, the secretary is referred to as a responsible officer for signing and filing various forms and returns and for maintaining statutory books. He is liable to penalties if he defaults in discharging his statutory obligations as a principal officer of the company. Also, in the Rules framed under the Monopolies and Restrictive Trade Practices Act, the secretary's position is bracketed with that of the manager and director as 'principal officer' in relation to an undertaking owned by a body corporate. Further, the secretary is recognised as the principal authority for administrative requirements under the Income Tax Act, Stamp Act, Shops and Establishments Act, Sales Tax Act and Factories Act.

3.3.2 Actual Position

The actual position of a company secretary may be stated to be simply that of an employee (servant), agent and mouthpiece of directors. If this view is accepted literally, a secretary should carry out the instructions given by the Board of Directors irrespective of the advisability of the same. He is to implement the policies and execute the decisions of the Board, having no authority to exercise any discretion. In

other words, the secretary as an agent or employee would seem to have no discretion of his own as regards the conduct of company affairs. However, in most companies, the actual position and role of the secretary is something more than that of an employee, agent or mouthpiece.

In actual practice, the Board of Directors of most companies depend on the secretary in different ways as outlined below:

- 1) Decisions on routine matters relating to day to day work is left to the discretion and judgement of the secretary, as directors cannot handle each and every matter requiring urgent action on the spot.
- 2) The task of dealing with the staff, shareholders and outsiders is also left to the discretion of the secretary. He acts as a link between the directors and the staff and outsiders, and communicates all policy decisions of the Board to the staff, shareholders and members of the public. For these purposes, authority is delegated to the secretary to act as PRO and liaison officer.
- 3) Directors often seek information and advice from the secretary while framing policies and taking important decisions, although legally speaking the secretary cannot assume any such role. Indeed, through his intimate knowledge of the day to day affairs of the company, and constant touch with the staff and shareholders, the secretary is best able to give advice and provide necessary information to the directors on appropriate policies and decisions to be made.
- 4) The secretary being conversant with legislative changes and responsible for complying with all legal requirements, is looked upon for legal advice by the directors whenever necessary. He is also treated as a trusted confidant by the directors.

Taken together, the actual position of the secretary is often described in the form of an analogy which likens the secretary to the ears, eyes and hands of a company, while the directors are likened to its brain. It is thus said that "while the directors are the brains of a company, the secretary is its ears, eyes and hands."

The directors formulate the general policies of the company and thus act as its brain. But while formulating and executing policies, they depend heavily on the secretary. On the basis of information at his disposal and his judgement, the secretary gives advice and assists the directors in taking decisions, while conducting the day to day affairs of the company. Thus, the secretary may be said to act as the ears and eyes of the company. As one who executes company policies, the secretary is said to act as the hands of the company.

Check Your Progress A

- 1 Which of the following statements are True and which are False?
 - i) A company secretary is defined in the Companies Act, 1956, as per the definition given in the Company Secretaries Act, 1980.
 - ii) The Company Secretary performs only the duties which are laid down in the Companies Act.
 - iii) The Company Secretary is an advisor of the Board of Directors.
 - iv) Law does not permit the company secretary to enter into contracts on behalf of the company.
 - v) The role of a Company Secretary is something more than that of an employee, agent or mouthpiece.
 - vi) The actual position of a company secretary in relation to the company is similar to that of ears, eyes and hands in relation to the brain.
- 2 Fill in the blanks.
 - i) Day to day matters are left to the and of the company secretary.
 - ii) Directors of a company may be likened to the of a human being.
 - iii) The secretary acts as a link between the and the staff.
 - iv) The secretary is a responsible officer for and various forms and returns of the company.

3.4 QUALIFICATIONS

The qualifications required by a person to become a company secretary may be divided into two categories: 1) statutory qualifications as laid down by the Companies Act, and 2) general qualifications. Let us briefly discuss about them.

3.4.1 Statutory Qualifications

Section 2(45) of the Companies Act has laid down that a company secretary must possess the qualifications prescribed by the Central Government from time to time. These may be regarded as statutory qualifications. As per the Rules framed in 1988, under the Act, the qualifications prescribed are as follows:

- 1) For companies having a paid-up share capital of Rs. 25 lakh or more there must be a whole-time secretary, and no one can be appointed as such unless he is a member of the Institute of Company Secretaries of India.
- 2) Companies having a paid-up share capital of less than Rs. 25 lakhs may not appoint a whole-time secretary, but in case a secretary is appointed, as is usually done, he must possess one or more of the following qualifications:
 - i) A member of the Institute of Company Secretaries of India;
 - ii) Any person who has passed the Intermediate examination conducted by the Institute of Company Secretaries of India;
 - iii) Post-graduate degree in Commerce or Corporate Secretaryship awarded by any University in India;
 - iv) Law graduate from any University;
 - v) A member of the Institute of Chartered Accountants of India;
 - vi) A person holding post-graduate degree or diploma in Management scie. granted by any University or the Institutes of Management, Ahmedabad, Calcutta, Bangalore or Lucknow;
 - vii) A member of the Institute of Cost and Works Accountants of India;
 - viii) Post-graduate diploma in company secretaryship granted by the Institute of Commercial Practice, Delhi, 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) A member of the Association of Secretaries and Managers, Calcutta.
- 3) Non-profit companies registered under Sec. 25 of the Companies Act are exempted from the above rules regarding the qualification of secretary.

3.4.2 General Qualifications

Besides the statutory qualifications discussed above, any person interested in a secretary's job should have certain other qualifications as well. They are as follows:

- i) He should be well versed in the modern office methods and procedures relating to filing, indexing etc.
- ii) He should have acquaintance with office machines, labour saving and time saving devices, and their usefulness in a modern organisation.
- iii) He should be a competent personnel manager conversant with the provisions of the Factories Act, the Industrial Disputes Act, the Workmen's Compensation Act, the Employees' Provident Fund Act, the Payment of Wages Act and other relevant laws.
- iv) He should have a thorough knowledge of banking operations and allied legislations connected with specific requirements of the organisation.
- v) He need not be a Chartered Accountant, but should be well versed in the principles of accountancy as well as in the technical aspects of business operations.
- vi) He should have personal qualities of imagination, initiative, organising ability, tact, intelligence, industriousness, self-discipline and a good personality so as to get on well with others and get full co-operation of his subordinates.

An efficient company secretary is not made in a day or month. He acquires the competence through diligence and hard work, honesty of purpose and integrity of character.

3.5 APPOINTMENT

Every company having a paid-up share capital of Rs. 25 lakhs or more must appoint a whole-time secretary. This is obligatory under the Companies Act. A director of such a company can also be appointed as secretary provided it has the approval of the company by a special resolution. But where the Board of Directors has only two directors, neither of them can be appointed secretary to that company. Besides, no individual can hold the office of secretary in more than one such company.

In the case of companies having paid-up capital of less than Rs. 25 lakhs, it is not obligatory to appoint a secretary. However, in practice every company usually appoints a secretary for which provision is made in the Articles of Association of the company.

The promoters usually appoint the first secretary who helps them to carry out all the preliminary work relating to the formation of the company. Sometimes his name is stated in the Articles of Association, and he is known as **pro-tem** secretary (i.e. secretary for the time being). As this appointment is made before the registration of the company, the secretary should get his appointment confirmed at the first meeting of the Board of Directors after the incorporation of the company, and enter into a fresh contract of service with the company.

Normally, the secretary is appointed by a resolution passed at the first meeting of the Board of Directors. The Board may also authorise the Managing Director to appoint a secretary. The terms and conditions of his service are laid down in an agreement executed between him and the company. The agreement clearly states the date of agreement, duration of appointment, nature of appointment, salary and grade, prerequisites, leave, period of notice required for resignation or termination of service, etc.

Under section 303 of the Companies Act, it is required that the particulars of appointment of a person as secretary must be recorded in the Register of Directors/Manager/Secretary, and the requisite particulars of appointment must be filed in duplicate in the prescribed form with the Registrar of Companies within 30 days of appointment.

3.6 REMOVAL/DISMISSAL

Since the company secretary is appointed by a resolution of the Board of Directors, he can be removed from service by the Board or by the Managing Director, if he is so authorised by the Board. The Articles of Association contain provisions empowering the Board of Directors to dismiss or remove the secretary from the services of the company. He may also be dismissed under general powers of the Board to terminate the services of any employee of the company. Usually there is a clause along with the terms and condition of service in the service agreement which specifies the manner in which the secretary may be removed from service or dismissed. The secretary being an employee of the company, his removal is governed by the common law which applies to the relationship between master and servant. To terminate his services, due notice must be given in accordance with the terms and conditions of his employment. If there is no mention of the period of notice in the service agreement, a reasonable notice should be given. Otherwise, the company may be held liable to pay compensation. Even if the secretary is appointed for a fixed term, he can be removed from service before the expiry of the term by giving him a reasonable notice.

However, the secretary may be dismissed without notice for wilful disobedience, misconduct, negligence, incompetence or permanent disability. Also in case of compulsory winding up of a company by order of the court, the court order is deemed to be the notice of discharge of the secretary along with other employees of the company.

On the termination of the services of secretary by the company, a notification in prescribed form has to be filed with the Registrar of Companies within 30 days from the date of such termination. Necessary change must also be made accordingly in the Register of Directors/Manager/Secretary, etc.

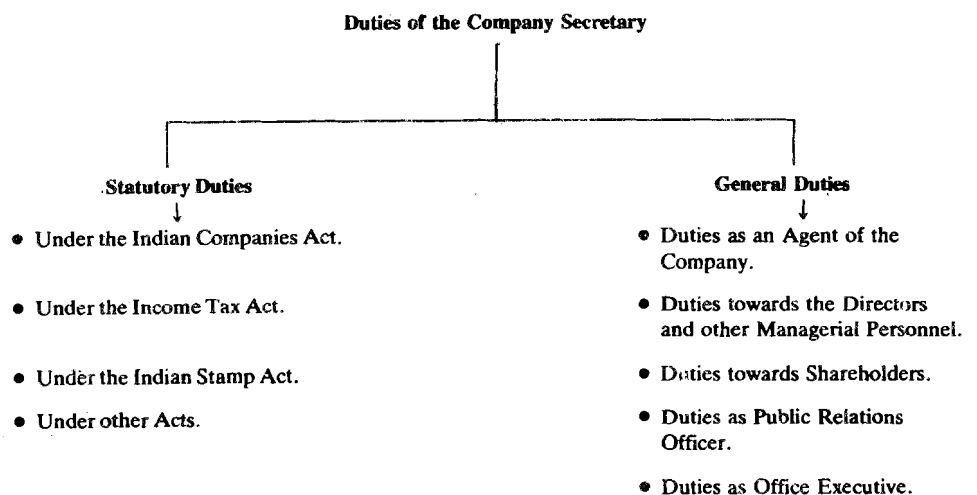
Check Your Progress B

- 1 Fill in the blanks with appropriate word(s) selected from those given within brackets:
 - i) No one can be appointed as secretary of a company having paid-up Share Capital of Rs. 25 lakh or more unless he is a of the Institute of Company Secretaries.
(fellow/associate/member).
 - ii) A company secretary must have knowledge of operations.
(machine/banking/computer)
 - iii) The company secretary should be a competent
(accountant/lawyer/personnel manager)
 - iv) A secretary appointed by the promoters before registration of the company is known secretary.
(acting/pro-tem/officiating)
 - v) Particulars of the appointment of a company secretary must be filled with the Registrar of Companies within 30 days of his
(registration/appointment/resolution)
 - vi) The company secretary can be removed from service by the Board of Directors or if authorised by the Board.
(chairman/managing director/senior most manager).

- 2 Which of the following statements are True and which are False?
 - i) A company secretary can be removed from service without notice if there is no mention of the period of notice in the service agreement.
 - ii) Non-profit companies can appoint any person as secretary on the basis of general qualifications only.
 - iii) Even a part-time secretary of any company having paid-up share capital of less than Rs. 25 lakhs must possess one or more of the qualifications prescribed under Sec. 2 (45) and Rules framed under the Companies Act.
 - iv) A pro-tem secretary automatically becomes the company secretary after the registration of the company.

3.7 DUTIES

The duties of the company secretary may be discussed under the following broad heads:



3.7.1 Statutory Duties

A secretary is the principal officer of the company. In this capacity he is required to comply with all legal formalities in respect of the provisions of various Acts which have a bearing on the activities of the company. Hence, relevant provisions of the Indian Companies Act, the Income Tax Act, the Indian Stamp Act, the Indian Sales Tax Act, etc. should be considered in this regard.

Under the Indian Companies Act

- 1) In the case of a public limited company, the secretary has to make the statutory declaration required before commencement of business by the company.
- 2) He should supervise the maintenance of books and registers of the company.
- 3) He is responsible for preparation and authentication of resolutions, returns, and documents, and their filing with the Registrar of Companies.
- 4) He should supervise the issue, allotment, transfer, and forfeiture of shares and debentures.
- 5) He is responsible for the issue of Share Certificates, Debenture Certificates, and any other certified documents on behalf of the company.
- 6) He is responsible for safe custody and proper use of Common Seal of the company.
- 7) In the case of winding up of the company by the Court, he is to verify the statements to be submitted to the Official Receiver or Liquidator.

Under the Income Tax Act

- 1) It is the duty of the company secretary to see that the income-tax is deducted at source from the dividends and interests payable and from salaries of employees.
- 2) He is to supervise the timely filing of tax returns with the Income Tax Authorities and issuing of certificates of income tax deducted to every shareholder receiving dividend or debenture holder receiving interest.

Under the Indian Stamp Act

- 1) It is the duty of the secretary to ensure that every legal document, Share Certificate, Transfer Forms, Share Warrants, Debenture Certificates, Mortgages and Charges, Hundis, Promissory Notes, etc. are affixed with stamps of requisite amounts.

Under Other Acts

- 1) Under the Sales Tax Act, he is to ensure timely submission of tax returns to the Sales Tax Authorities and payment of such taxes.
- 2) Under the Factories Act, Payment of Wages Act, Industrial Disputes Act, the Estate Duty Act, Monopolies and Restrictive Trade Practices Act, etc., he should comply with the relevant requirements.

3.7.2 General Duties

Besides the Statutory Duties, a company secretary has to perform many other duties covering different spheres of activities. They are known as general duties such as:

- Duties as an Agent of the Company.
- Duties towards the Directors and other Managerial Personnel.
- Duties towards Shareholders.
- Duties as Public Relations Officer.
- Duties as an Office Executive.

Duties as an Agent of the Company

As agent of the company, it is the duty of the secretary to interpret and implement the decisions of the Board of Directors of the company. He should communicate these decisions to the staff, shareholders and outsiders, and finally execute them accordingly.

He should convene meetings of the Board of Directors, issue notices and agenda of such meetings and record their proceedings. The secretary can bind the company by

his actions provided that he acts within the scope of his authority. Although he is the agent of the company, he cannot enter into contracts with third parties unless he is authorised to do so.

Duties towards the Directors and other Managerial Personnel

Beside execution of the orders, the company secretary should help the Board of Directors to formulate policies. He should collect, arrange, and communicate information regarding the company and its related affairs to advise and guide the Directors. Similarly, on all legal matters, the secretary should suggest the desired action along with suitable opinions. He should extend similar help and guidance to other managerial personnel as and when required.

Duties towards Shareholders

The shareholders who have subscribed to the share capital of the company are its owners. They have a right to safeguard their interest in the company. The company secretary, being the chief officer of the organisation, is expected to protect this interest. He is the link between the company, its directors and the shareholders.

The secretary should take care of all matters relating to issue of shares, their allotment, call notices, and forfeiture, if any, registering share transfers, supplying copies of documents under the rules, payment of dividends, and calling of shareholders' meetings and recording their proceeding. He should do his utmost to develop smooth relations between the directors and the shareholders and avoid all possible conflict between the two. In the process, he should not divulge any secrets of the company which can adversely affect the interest of the company or any of its shareholders.

Duties as Public Relations Officer

As the chief spokesman of the company, the company secretary projects, develops and nourishes the image of the company to the outside world. He informs the investors, creditors, customers, bankers, solicitors, government officials, and other sections of the public about the working and activities of the company through correspondence, circulars, press statements and other media. He should be a forceful advertiser as well as the liaison officer of the company without breaking the rules of secrecy. He should have a broad vision of the company's progress and future growth and communicate the same effectively to develop lasting public loyalty.

Duties as an Office Executive

The company secretary is the executive head of the office and discharges his duties with the assistance of his subordinates. It is the secretary's duty to organise, supervise and co-ordinate the office work for which he is directly responsible to the Managing Director and the Board. All important records and files are kept in the custody of the secretary. He keeps control over the internal communication system through which he issues orders to various departments and coordinates their activities at the office level.

The secretary should be able to appreciate the problems faced by different sections of office staff and try to handle them without prejudice to any of them. He should try to win the confidence of the staff for successful execution of the policies of the Board of Directors.

3.8 RIGHTS AND LIABILITIES

3.8.1 Rights

Primarily, the rights of a company secretary are provided in the contract between him and the company. However, he also enjoys various rights to enable him to be able to perform his statutory duties under the provisions of the Indian Companies Act. Thus the rights of a secretary include the following:

- 1) The secretary has the right to exercise control and supervision of the secretarial department.
- 2) He has the right to sign documents requiring authentication of the company.

- 3) He has the right to receive reasonable notice before his services can be terminated.
- 4) He can claim damages for wrongful dismissal.
- 5) He has the right to receive all his dues as a creditor in case of winding up of the company and 4 months' salary not exceeding Rs. 1,000 as a preferential creditor.

3.8.2 Liabilities

The company secretary, as the chief officer of the company, enjoys certain rights and powers. At the same time, he is deemed to be liable for various acts of omission and commission caused due to his negligence. His liabilities may be discussed under two categories:

- 1) Statutory Liabilities; and
- 2) Contractual Liabilities.

Statutory Liabilities

Statutory liabilities are those which are imposed under the Indian Companies Act or under any other Act of the land. They are both civil and criminal in nature. Failure to perform any of the statutory duties results in the liability of the secretary. For instance, failure to file returns, making false statements, unauthorised or illegal transfer of shares and all such matters will be covered under statutory liabilities. The secretary, however, is not responsible for fraud committed by his assistants unless his connivance is proved.

Contractual Liabilities

By virtue of the contract between the company and the secretary, the latter is held liable for breach of any provision of the agreement. The secretary enjoys a fiduciary relationship towards the company and, therefore, he should not indulge himself in making secret profits due to his special position. Similarly, any loss or damage caused due to his authoritative position, to the company or to any third party, will make him responsible to make it good. He is also liable for any wilful misconduct and negligence in the performance of his duties. Finally, he would be responsible for any disclosure of trade secrets of the company for which he may be restrained by an injunction taken from the court.

3.9 PRACTISING COMPANY SECRETARY

The term 'Company Secretary' has been defined in the Company Secretaries Act 1980 as "a person who is a member of the Institute of Company Secretaries of India." A company secretary, thus defined, can accept full-time employment as secretary of a company, or may practise independently as a company secretary, either individually or in partnership with one or more practising company secretaries. Thus, a practising company secretary is one who chooses to practice independently as a company secretary either individually or in partnership with one or more others.

According to Sec. 2(2) of the Company Secretaries Act 1980, a member of the Institute of Company Secretaries is deemed to be in practice when, individually or in partnership with one or more members of the Institute in practice or with members of other recognised professions (e.g. Chartered Accountant, Cost & Works Accountant) he engages himself in various activities specified in the Act, in consideration of a remuneration.

The following areas of practice have been specified in the Act for practising company secretaries:

- 1) to engage in the practice of the profession of company secretaries to, or in relation to, any company; or
- 2) to offer to perform or perform service in relation to the promotion, forming, incorporation, amalgamation, reconstruction, reorganisation or winding-up of companies; or
- 3) to offer to perform or perform such services as may be performed by : (i) an authorised representative of a company with respect to filing, registering

presenting, attesting or verifying any documents (including forms, applications and returns) by or on behalf of the company; (ii) a share transfer agent; (iii) an issue house; (iv) a share and stock broker; (v) a secretarial auditor or consultant; (vi) an adviser to a company on management, including any legal or procedural matter falling under any law or any of the rules and bye-laws made by any recognised stock exchange; (vii) issuing of certificates on behalf of, or for the purpose of, a company; or

- 4) to hold himself out to the public as a company secretary in practice; or
- 5) to render professional services or assistance with respect to matters of principle or details relating to the practice of the profession of company secretaries; or
- 6) to render such other services as, in the opinion of the Council of the Institute of Company Secretaries, are or may be rendered by a company secretary in practice.

The Companies (Amendment) Act, 1988 has also specified certain areas wherein certifications by Secretary in whole-time practice have been recognised, viz.,

- 1) Under Sec. 33(2) of the Act, a statutory declaration for compliance of legal formalities for incorporation of the company can now be given in the prescribed form by a company secretary in whole-time practice.
- 2) Under Sec. 149 of the Act, a company having a share capital which has issued a prospectus inviting public to subscribe for its shares, the company cannot commence business unless a duly verified declaration by a secretary in whole-time practice has been filed with the Registrar that all the required formalities have been complied with.
- 3) Under Sec. 161, annual return of a company whose shares are listed on a recognised stock exchange, in addition to being signed by a director and the manager or secretary is also required to be signed by a secretary in whole-time practice.
- 4) Under Sec. 269 read with Schedule XIII to the Companies Act, the statutory certificates of compliance with the requirements for appointment of managing director or whole-time director or manager can be given by secretary in whole-time practice.

Check Your Progress C

- 1 Which of the following statements are True and which are False?
 - i) A company secretary is responsible for the issue of all certified documents on behalf of the company.
 - ii) It is the duty of the secretary to ensure that the tax returns of the company are accurate.
 - iii) A secretary can convene meetings of the Board of Directors whenever he feels it is desirable.
 - iv) The secretary should advice only the Board of Directors on legal matter, not the managers.
 - v) In the event of the winding up of a company, the secretary has right to claim all arrear salaries due to him as preferential credit.
 - vi) The secretary is not liable under law for frauds committed by his subordinates.
 - vii) A company secretary can be held liable if there is illegal transfer of shares between two parties.
 - viii) The rights of a company secretary are those which correspond to his duties prescribed in the Companies Act as well as those provided in the Service Contract.
 - ix) Under the Stamp Act, the secretary may render service as an adviser to a company and also as stock broker of the company.
 - x) A company secretary in practice cannot offer to perform as a secretary to a company jointly with any other practising secretary.

3.10 LET US SUM UP

A company secretary means an individual who is a member of the Institute of Company Secretaries of India, possesses the qualifications prescribed in law, and is appointed to perform the duties laid down in the Companies Act and any other ministerial or administrative duties.

The legal position of a company secretary is not just that of an employee (or servant) of the company. He is an executive officer of the company and is bracketed with managers, managing director and directors under the provisions of the Companies Act and other laws. His actual position is like that of the ears, eyes and hands of the company while the directors are its brains.

Statutory qualifications of a company secretary are laid down in the Companies Act separately in respect of secretaries appointed by companies having a paid up share capital of Rs. 25 lakhs or more, and for those appointed by companies having paid up share capital of less than Rs. 25 lakhs. In addition, a company secretary should also possess certain general qualifications e.g. knowledge of trade, industry, banking and finance, accountancy, taxation, company law, and a good personality.

A secretary is generally appointed by the Board of Directors or by the Managing Director if so authorised by the Board. The terms and conditions of service are governed by the service contract. The secretary can be dismissed by the Board or the Managing Director after proper notice is given. However, no notice is required if there is wilful misconduct, negligence or permanent disability.

The company secretary has statutory duties under the Companies Act, Income Tax Act, Stamp Act and several other laws. His general duties include those as an agent of the company, duties towards the directors and managers, towards the shareholders, as public relations officer and as office executive. The rights of a company secretary are provided in his service contract. He also enjoys various rights corresponding to the statutory duties he has to perform. Being an officer of the company, the secretary is liable if he fails to comply with the provisions of the Companies Act and other laws. He may also be held liable for breach of any provision of the service agreement.

A practising company secretary is one who chooses to practice independently as a company secretary either individually or in partnership with one or more secretaries in practice, or with members of other recognised professions. The areas of practice of such a secretary are specified in the Company Secretaries Act 1980 as well the Companies (Amendment) Act 1988.

3.11 KEY WORDS

Company Secretary : A person who is a member of the Institute of Company Secretaries of India, and is appointed to perform the duties of a company secretary and any other ministerial or administrative duties.

Practising Company Secretary (Company Secretary in Practice) : A member of the Institute of Company Secretaries of India who chooses to practice independently as a company secretary.

Pro-tem Secretary : Secretary appointed by promoters before the registration of a company.

Statutory Liabilities : Liabilities imposed under the Companies Act or under any other Act.

Statutory Rights : Rights corresponding to the duties prescribed under the provisions of the Companies Act.

3.12 ANSWERS TO CHECK YOUR PROGRESS

- A 1 i) True ii) False iii) True iv) False v) True vi) True
 2 i) discretion, judgement ii) brain iii) directors iv) signing, filing

- B 1 i) member ii) banking iii) personnel manager iv) pro-tem
v) appointment vi) managing director
- 2 i) False ii) True iii) True iv) False
- C i) True ii) False iii) False iv) False v) False vi) False
vii) True viii) True ix) True x) False xi) True xii) False

3.13 TERMINAL QUESTIONS

- 1) Define 'Company Secretary'. Explain the position of a company secretary in the eyes of law and his actual position.
- 2) What are the statutory qualifications of a company secretary prescribed under the Companies Act? Describe the general qualifications which a company secretary should possess.
- 3) (a) Who can be appointed a Company Secretary? How can a Company Secretary be removed from service? Is it essential to serve a notice before dismissing a secretary? (b) State the circumstances in which a company secretary may be dismissed without notice.
- 4) Discuss briefly the statutory duties of a company secretary. What are his liabilities?
- 5) "While the directors are the brains of a company, the secretary is its ears, eyes and hands." Elucidate the statement.
- 6) State the qualifications which a company secretary should possess. Are all company secretaries required to possess the same qualifications?
- 7) Is it compulsory for a public company to appoint a secretary? State the legal provisions in this connection.
- 8) What are the rights and liabilities of a company secretary?
- 9) Who can be deemed to be a company secretary in practice? What can be the areas of his practice?
- 10) Discuss the nature of duties of a company secretary as (a) agent of the company, (b) public relations officer, and (c) office executive.
- 11) What are the duties of a company secretary prescribed under the Indian Companies Act, Income Tax Act and Stamp Act?
- 12) Enumerate the duties of a company secretary towards (i) the directors and managers, and (ii) shareholders.
- 13) State the contractual and statutory liabilities of the company secretary.

Note: These questions will help you to understand this unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.

SOME USEFUL BOOKS

- Acharya and Govekar, 1993. Company Secretarial Practice, Himalaya Publishing House, New Delhi
- Kuchhal, M.C., 1992. Secretarial Practice, Vikas Publishing House, New Delhi
- Prasad Kumar Ghosh and Prasanta Kumar Ghosh, 1989. Hand Book of Secretarial Practice and Office Procedure, Vidyalaya Library Pvt. Ltd., Calcutta.
- Rajendra Pal and J.S. Korlahalli, Essentials of Business Communication, Sultanchand & Sons, New Delhi.