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## **A Critical Examination of the Company Secretary's Role from an Indian Perspective**

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### **ABSTRACT –**

This Article examines the position and challenges of corporate secretaries in India. The significance of the company's structures and the secretary's involvement as a leading officer in the company's management is essential in order to determine the reasons and skills required for the advancement of positions through semi-structured interviews with the various Company Secretaries. This analysis' theoretical structure is based on an amalgamation of previous research on corporate secretaries and discusses various important aspects of the position of corporate secretary. With respect to the same, the guidelines in the essay will provide an overall overview of how this should be achieved. The function is not a static definition; it is constantly evolving in a changing regulatory environment and the dynamics of the company's internal operations. According to the preliminary evidence, corporate secretaries are considering the expansion of duties and the transition of positions from planner to strategic advisor.

Keywords: Company Secretary, Role, Appointment, Duties, Rights, and skills.

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### **INTRODUCTION –**

The CS shows a major character in the management of the company. Even though he has developed from being a lower level clerk to a higher level of the company, he is not only liable to the company but also to its owners, shareholders, workers, customers, community, and governments. The Companies Act, 2013 describes 'company secretary' or 'secretary' as a corporate secretary as specified in sec 2 (1) (c) of the Companies Secretaries Act 1980, i.e. named to serve as a corporate secretary under that act. The complicated position of the corporate secretary depends on the size and function of the company. The secretary shall be appointed to perform the responsibility that can be handled by the secretary in accordance with this act and any other ministerial and administrative duties. Both the private sector company and the public sector companies can have a corporate secretary in their administration unit. Globally the officer of the business is also known as the secretary of public relation or director. The secretary of the company generally needs to work with the general management, but in certain it has to assure that the legislative and legal provision of the business and the judgement of the board of directors must have been imposed. The current article will further prove and explain the role, features, appointment, and the rights of a company secretary.

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### **OBJECTIVES OF THE COMPANY-**

1. To aware the role of a CS in an Indian company.
2. To understand the method of appointment and duties of a company secretary.
3. To identify various rights and functions of a CS.
4. To analyze the skills required for CS in current trends.

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### **SIGNIFICANCE OF THE STUDY-**

The current research study examines and explores many aspects of the company secretary's work in detail in order to highlight its importance in both the private and public sector companies. It also looks at different aspects of a practicing company secretary's duties, rights, and key characteristics, which will help readers understand the obligations and responsibilities he has in a company as well as in the legal world. Although, the company secretary has a number of rights under company law, as well as a number of other rights. Which have been suo-motu provided to a company secretary which has been discussed in a pre-eminent manner. The current Article As a result, the overall focus of this article is on each aspect of a company secretary's operation that would emancipate the readers to not just Recognize the significance of his position, but also be aware of his authority's responsibilities in a corporation.

## RESEARCH METHODOLOGY-

This analyzing article employs current data by conducting interviews with various Company Secretaries in order to fulfill the various qualities of a company secretary as an administrative dignitary and his importance in the functioning of companies; and by collecting various scripts written by company secretaries about their roles in an Indian company. Quantitative data is also used in the article to better comprehend the pay issues for a company secretary. As the article comprises both existing legal ideas, judgments, legislative provisions, and settled research determined by many researchers and publications, it includes both doctrinal and non-doctrinal study. In addition, the author employed both primary and secondary data, conducting interviews with several business secretaries and referring to numerous researched articles and papers.

### DEFINITION OF COMPANY SECRETARY-

“A Company Secretary means “a person who is a member of the Institute of Company Secretaries of India” as given under Sec. 2 (1) (c) of the Company Secretaries Act, 1980. Also, according to Section 2(45) of the Companies Act, 1956, a Secretary means “any individual possessing the prescribed qualifications, appointed to perform the duties which may be performed by a secretary under this Act and any other ministerial or administrative duties”.

### APPOINTMENT OF A COMPANY SECRETARY-

A corporation's First Secretary is normally chosen by the founders and may be named in the Articles of Association. If the First Secretariat is given a name, the Board of Directors might accept it by approving a motion during the meeting. The position's terms and conditions should be determined by the Board of Directors' opinion. The Secretary of State may alternatively be named as the Administrator. Section 203, read in accordance with Rule 8 of the Companies (Appointment and Remuneration of Management Personnel) Law, 2014 (as amended), mandates the appointment of a full-time key managerial person, which includes a Company Secretary, for every company with a paid-up share capital of 10 crore rupees or more. The prescribed amount of capital for compulsory employment of Company Secretary is established at 5 crores for unlisted public companies. Even private companies with a paid-up capital of 5 crores or more are required to maintain a continuous CS. As a result, all publicly traded companies, unlisted companies, and private companies must have CS depending on their paid-up capital. A company's full-time Company Secretary is a crucial managerial figure who is appointed by the Board of Directors by a resolution that specifies the rules and conditions of his employment, including a fixed compensation. Although it is not necessary for a CS to be appointed as a director, it is not impossible. A full-time Company Secretary is only permitted to hold the position of Secretary in one of the firms. If someone works for more than one company, he must choose which one he wishes to work as a CS for. Any vacancy in the position of full-time Company Secretary must be filled by the board of directors within six months of the vacancy date. If any company violates Sec. 203, it will be punished with a fine of not less than 1 lakh rupees, and the company's key managerial person and director (including the full-time company Secretary) who is in default shall be punished with a fine of not less than 50,000 rupees, and where the offence is continuing, an additional fine of rupees 1000 for each day after the first day during which the breach occurred.

### FUNCTIONS OF COMPANY SECRETARY-

The Secretary of the Company's responsibilities, according to sub section (1) of section 205 of the Company Act, 2013, include: reporting to the Board of Directors in accordance with the regulations of this Act, the rules thereunder, and other laws relevant to the Company to ensure that the Business complies with the appropriate secretarial standards; the discharge of such duties. further responsibilities as may be assigned.

### DUTIES OF COMPANY SECRETARY-

- GENERAL DUTIES-

The secretary's tasks vary depending on the size and purpose of the organization, as well as the terms of the contract. He shall be present at all meetings of the corporation and all meetings of the directors in the ordinary course of business and shall keep proper minutes of the proceedings. It will send all necessary notifications to Members and others under the direction of the Board. He is in charge of the corporation's Saks, as well as others relevant to the company's internal business, such as the Registry of Investors, the Shareholders, the Transaction Record, the Register of Debt Holders, and the Registration of Transfers, and performs other administrative functions. It's also responsible for filing the necessary reports with the Registrar of Companies.

- STATUTORY DUTIES-

The Secretary of the Company shall also perform the following functions, according to Rule 10 of the Company's Rules of Procedure (Designation and Remuneration of Managerial Personnel) of 2014: to provide the Company's Directors, collectively and individually, with any guidance they may require regarding their roles, obligations, and responsibilities; to promote the convening of meetings To represent various regulators and other authorities; to support the Board of Directors in the conduct of the company's business; to assist and advise the Board in ensuring strong corporate governance and compliance with corporate governance, i.e. regulations and best practices; and to carry out any responsibilities as specified in the Act or rules; and to carry out any other duties that may be assigned.

### RIGHTS OF COMPANY SECRETARY-

The secretary is granted rights by the Companies Act, the Board of Directors, and the general body of shareholders. He also has some rights as a result of his service contract with the company. A secretary has the following responsibilities:

- He has the authority to direct and supervise the operations of his department.
- As the company's principal officer, he has the authority to sign any document or proceeding that requires authentication by the company.
- He has a right to be compensated by the company for any losses he sustains while performing his duties.

However, a company secretary does not have the authority or consent of the Board of Directors to borrow money in the name of the company, allot shares, or register share transfers. He has no authority to call a meeting of the company unless directed by the Board, or to remove a name from the members' register, or to make policy decisions.

### ROLE OF COMPANY SECRETARY-

- INTERNAL ROLE AS A COORDINATOR.

In terms of the Board of Directors, chairman, and managing director- the CS is in charge of holding meetings of the Board of Directors and loan bosses.

This will keep the Board informed about the business's activities and the additions made in many areas, as well as console them about the specific administrative responsibilities placed on them and alert them to the most recent advancements and patterns in the professional workplace. He'll have to deal with the Boss Council. It allows the Board to make diverse decisions. That is why it is said that when administrators are the brain of the organization, the secretary is the head, eyes, and hands. Identifying with the workers - As an organizer of the firm's employee approach, the company secretary plays a critical role. The secretary must also ensure that the arrangements of various work government support laws are thoroughly consented to. Identifying with the evaluators - Each company is expected to have its records examined by a certified auditor and to present the annually audited accounts to a general gathering of financial experts at the annual wide meeting. The secretary must ensure that all books, reports, objectives, and other materials requested by assessors for audit work are made available to them on a timely basis.

- **EXTERNAL ROLE AS A COORDINATOR.**

Concerning shareholders - The organization secretary must maintain proper connection or interaction between the Board and the speculators in order to maintain pleasant ties with them. Speculators have the option of receiving share presentations, meeting notices, benefit warrants, and other services under the Companies Act. The secretary shall guarantee that financial experts' rights are recognized on time, and that the concentrates of registers mentioned by speculators are delivered to them within the stipulated time frames. The Secretary will ensure that the Companies Act's and other national laws' rules are followed to the letter. The Secretary shall ensure that all reports and perceptions submitted to the Committee are accurate, precise, and consistent with the rules. In terms of society- it has long been assumed that a firm owes something to the general population. We have seen that dynamic businesses are making considerable investments in expanding job opportunities, providing specialized training, and establishing schools, universities, and clinics. The secretary should alert the Board of Directors to areas where the company can make a significant investment.

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## **SKILLS REQUIRED FOR CS IN CURRENT TRENDS-**

A Company Secretary is primarily responsible for looking after company laws and compliance of filing necessary returns. He has to interact and be a point of contact for personnel, thereby making his task a difficult one, which requires him to stay vigilant at every point of time.

Section 203 of Companies Act, 2013; defines Company Secretary', as one of the 'Key Managerial Personnel'; and lays down the circumstances under which mandatory appointment of a Company Secretary is necessitated. He is the backbone in matters of legal compliance and corporate governance.

Following attributes are much needed and suitable for the role of a Company Secretary.

- **EXPERTISE OF COMPANY LAW**

A Company Secretary (CS) needs to possess expertise in company law. As an in-house legal expert; he has to ensure that corporate governance is also looked after.

- **COMMUNICATION SKILL**

A CS has to continuously update himself with latest changes and interact with board of directors to take decisions regarding board meetings, corporate governance, etc. Hence, it is necessary that he should possess effective written as well as oral communication skills that can be useful for

- **COMPLIANCE**

As a company secretary, you're bound to ensure that the Board of Directors follow rules and regulations as per Companies Act and ensure other regulatory compliance, which require him to be constantly on the radar for managing all activities.

- **TIME MANAGEMENT AND MULTI TASKING**

Timely compliance is extremely necessary for company law matters to avoid penalties. A CS has to be vigilant about compliance issues, for which it is quite necessary for him to multi-task and have.

- **ATTENTION TO DETAIL**

You need to give attention to detail, and be able to track minutest of details to ensure timely compliance, ensure proper flow of information, track irregularities, taking into account grievances of shareholders, negotiate with stakeholders, etc.

- **MERTICULOS**

Sound and meticulous planning is quite necessary in case a company secretary needs to ensure that all the departments are abiding by law and complying with terms and conditions.

PLANING

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## **CONCLUSION-**

According to the findings of the above research study, adherence to stringent corporate governance principles and tougher transparency requirements will undoubtedly make the Indian corporate sector more open, and the corporate secretary plays a critical role in achieving this. In addition to complying with the terms of company law, the Secretary of the Corporate must appreciate and have an ever-increasing knowledge of the laws governing the administration and operation of a business. In this case, the corporate secretary arrives to act as a "Proxy" to fill any information gaps that may arise during the board meeting.

It has also been suggested that, in addition to the usual efforts to ensure good governance, a good corporate secretary should ensure that his client recognizes the human face of corporate governance. In doing so, he should consider the following issues. This will include alerting the Board to the

ability to learn about the workings of corporate governance, alerting them to best practices in client interactions, and alerting the Chairman to the emergence of suspicious or potentially harmful practices.

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