

Subject – Secretarial Practices
Subject code- BBA603 / BCH603
Lecture 7

Dismissal of Company Secretary

A company secretary has a great role in every stage of company formation. But a company need to dismissal a secretary some time. They are mainly accountable for the professional management of a company, in relation to ensuring observance with constitutional and authoritarian requirements and ensuring that the Board decisions are efficiently implemented. We are going to describe those reasons for dismissal of a company secretary. He can be removed by giving the due notice in writing or compensation in lieu thereof.

A company secretary can be dismissed or removed by the board of directors in the following circumstance

a) On the ground of disqualification –

A company secretary is an employee of the company. He is generally appointed for a certain period. Employee-Employer affiliation exists between a company secretary and the company. Whenever a person is appointed as company secretary, an employer-employee relationship exists between him and the company. If the board of directors is not satisfied with the work of the secretary, they can terminate him subject to serving a written notice to the secretary as is mentioned in the contract of service. If the board of directors is not pleased with the performance of the company secretary, they can eliminate him giving prior written notice.

(b) On the charge with irregularities –

A company secretary may be dismissed without notice if he is charged with willful disobedience, misconduct, moral turpitude, negligence of duties, permanent disabilities, etc. A company secretary can be fired at any time without any prior written notice if he has been proved:

- As a fraud,
 - To break the code of conduct,
 - To have moral erosion,
 - To neglect duties intentionally,
 - To have permanent inability,
 - Lack of confidence and interpersonal skill.
- **(c) On the ground of winding up of the company –**

- At the time of winding up of the company, the company secretary will be discharged as like as other employees of the company. During winding up of a company, the company secretary is discharged like other employees. An employee-employer relationship exists between a company secretary and the company. If the board of directors is not satisfied with the performance of the company secretary, they can remove him from giving prior written notice. If winding up takes place before the termination of the fixed term, he can argue compensation for the break of contract.

(d) Convene Board Meeting –

After giving become aware of to all directors, a Board Meeting should be convened in order to take decisions of removing the accessible Company Secretary. If company secretaries are named in the Articles of Association it also needs to be altered.

e) Intimate the Secretary –

The Secretary to be removed shall be intimated concerning Board decisions & should be asked to give a demonstration to the Board within 15 days of intimation
3) Convene Board Meeting 2nd Time.

(f) End of the contract of the company secretary –

A company secretary is selected for a permanent term. If the board of directors does not renovate the agreement then his agreement ends up routinely.