

## PART : 2

# Secretarial Practice

## 1

## Meaning and Types of Secretary

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### Introduction

Man is the most intelligent in of all living beings the world. He has always developed himself. In this development process, he has worked more and more. At one time he was not able to do all the work himself, at that time he required an assistant who could work on behalf of him. The development of Commerce started with the development of man. Initially development was slow but after industrial revolution and due to various inventions and discoveries, the new word of commerce arosed.

The Modern Commerce started with sole trader business. Then partnership firm, company, co-operative society, Joint sector units came into existence. The limitation of one form became responsible for the emergence of other forms of business. As time passed and due to wars, political boundries has changed. Different ideologes emerged. Due to different types of inventions exchange of information became faster. Due to all these the formation of commerce has changed to Multi National Company. Which has established its own position. These corporate institutions are directly or indirectly connected with human life it. If you are using a tooth paste, eating potato chips or using mobile phone, are the all product of these Companies.

In these Companies, Shareholders the investors are the real owners (i.e. share holder) which are

spread all over the country. So Share holders can't manage company. The Company is managed by Board of Directors, but to manage day-to-day affairs secretary is to be appointed. The company is not a living person yet it enters into contracts, formulates documents, take important decisions. Law has assigned an artificial personality to the company. The Secretary is involved in these functions. The secretary's position is important in the company. In India, after independence, Company Law was introduced in 1956. Under this law many amendments have been done from time to time, ultimately in 2013 new Company Law has been introduced. (The amendments in company low up to dt. 29-5-15 has included in this book)

## 1.1 Meaning and Definition of Secretary

**1.1.1 Meaning :** In Gujarati language the word ‘secretary’ has been derived from English. Generally we use Mantri word in Gujarati, which means personal assistant/secretary. In olden days Kings and other Royal Families used to keep secretary. Shri Sumant was a secretary of King Dasharath. Shri Vidur was secretary of Dhritirashtra. In Mughal Empire they were called ‘Vazir’. Birbal, Abul Fazal were well known. In the ancient Roman Empire those who performed the work of correspondence on behalf of the king were called **Scriba**. The word Secretary is derived from Latin word ‘secretarius’ which means one who keeps secret details and observes correspondence. Secretary works as personal assistant. He does correspondence on behalf of his Master and keeps personal secrets. He is not supposed to reveal his master’s secret to others.

**1.1.2 Definitions :** Secretary can be defined as follows :

In the general sense “Secretary means a person who performs the activities of maintaining secrecy, observes correspondence, documentations, keeps records of agreements and undertakes other activities as directed on behalf of another person, association, corporation or public institutions.”

As per Oxford Dictionary “A person who conduct correspondence on behalf of any person society corporation or any public institution keeps records and maintains any carry out different business transaction is appointed.”

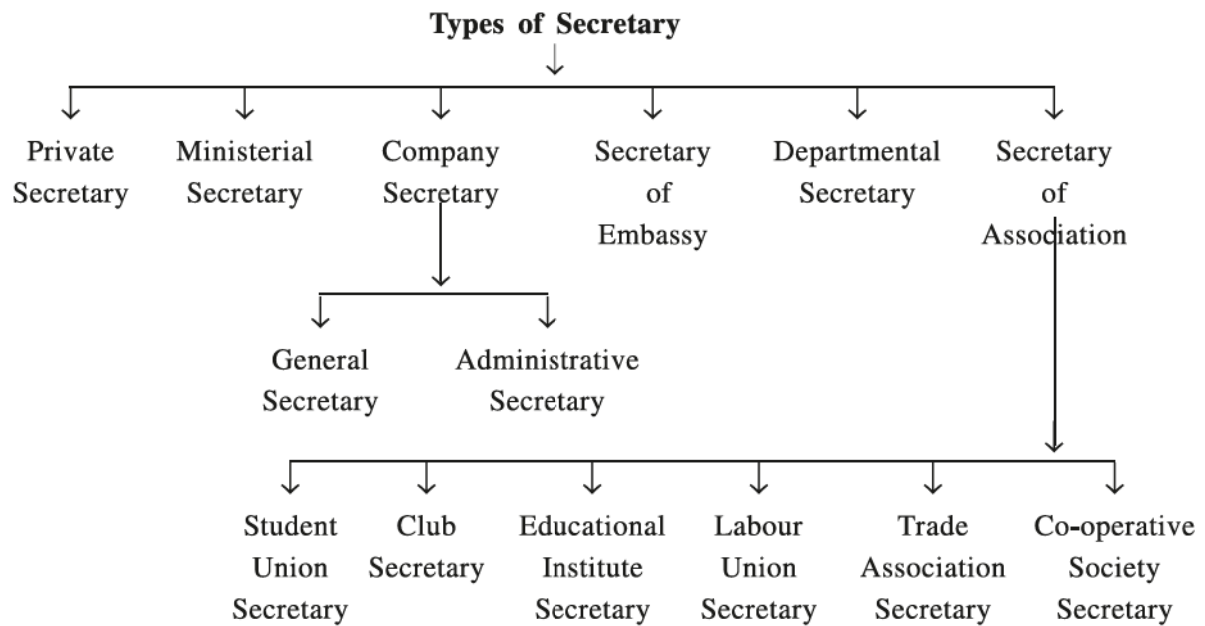
According to the Company act “**Secretary means constitutionally qualified person appointed to observe the responsibilities of the duties as assigned to the secretary according to the statute and performance of other administrative and ministerial duties.**”

From the above definitions the following points can be drawn. They may also be called as characteristics of secretary :

- (1) The Secretary must be properly qualified.
- (2) The secretary knows personal matters and secrets of his master and keeps it confidential.
- (3) He performs whatever duty is assigned to him.
- (4) He doesn’t have any of his own authority. Authority is assigned to him.
- (5) The secretary is helpful to constitute documents and contracts. He does correspondence on behalf of his master. He preserves documents, contracts properly.
- (6) Only a living person can be appointed as secretary.

## 1.2 Types of Secretary

We have seen earlier that **the word Secretary** was used for the persons who were corresponding on behalf of Rulers. As society developed commerce also developed and the significance of the word ‘secretary’ became wider. Now word ‘secretary’ is used in extensive meaning. In the present times Leaders, actors, ministers, business men etc. Keep secretary. In different institution like Co-operative society, Labour unions, Cricket Board , trade Association ,Government Corporation, Government Department the position of secretary is very important. These institutions probably would not be able to function without secretary. Generally in Hindi Prime Minister is known as ‘**Pradhan Mantri**’ and state chief minister is also known as **Mukhya Mantri**. From the above points secretary can be classified in the following types :



**1.2.1 Private Secretary :** Private Secretary is also known as P.A. or some time as confidential personal secretary. Such type of secretary attends phone/calls, observes correspondence on behalf of his Master. More over he looks after the administrative work makes arrangement of scheduled appointments and reminds to this busy master. In the present time film artists, industrialists, chief executives, Officers, Political leaders and business tycoons institutions appoint Private Secretary. Professional, like Doctors, solicitors, Chartered Accountants also appoint P.A. when their function becomes wider. Honest trustworthy persons are generally appointed as a Private Secretary.

**1.2.2 Ministerial Secretary :** In Western countries people elect President. Such elected President is responsible for the administration. The president nominates persons to look after different departments. They are called Department Secretary. In India also Ministerial Secretary is head of Department.

**1.2.3 Company Secretary :** As per new Company Act 2013 appointment of secretary is mandatory, where subscribed capital of a company is Rs 5 crore or more. In a company, position of secretary is very important because as per the Company Law, company possesses artificial personality. Here Shareholders (owner) and company are two separate identities. The management of the company is carried out by the Board of Directors. All the members of Board of Directors are not acquainted with all rules and regulations and all are not local. So, to administer Company as per the rules and regulations efficiently a competent officer is appointed. He is known as Company Secretary. Thus the secretary is appointed by Board of Directors. He is an employee of a Company. The secretary has to carry out the orders given by the Board of Directors. He does not have any power but he has to follow orders. The authority has been assigned by Board of Directors; he has to carry out functions as directed by the company law. Thus secretary works under the control of Board of Directors. The company secretary can be divided into two types from the view point of delegation of authority. (1) General Secretary (2) Administrative secretary.

**1.2.3.1 General Secretary :** The general secretary looks after the following day-to-day activities of the company according to the direction of the Board of Directors :

- (1) To carryout correspondence on behalf of the company,
- (2) Issue of shares and debentures as ordered by the Board of Directors,
- (3) To observe the functions of share allotments, transfer, calls on share, forfeitures of shares,
- (4) To issue notice for the General meeting of shareholders, to prepare its agenda and to maintain its minutes,.
- (5) To prepare statements, documents which are mandatory in Company Act, and file with company registrar,
- (6) To distributs dividend.



**1.2.3.2 Administrative Secretary :** The following are the main functions of Administrative secretary :

- (1) To select and appoint employees,
- (2) To negotiate and prepare the agreement on behalf of the company,
- (3) To observe the Accounts of company,
- (4) To provide reliable information to the Board of Directors in the matter of policy formulation and programming,
- (5) To look after the administration of various departments of the company,

Thus as an administrative officer, Secretary is a link between Board of Directors and company.

**1.2.4 Secretary of Embassy :** Now-a-days every country nominates its representative as an Ambassador in other country. Their main function is to protect interest of their own country and to convince over their country's ideology. Such secretary is known as the Secretary of Embassy.

**1.2.5 Departmental Secretary :** The people of country elect Members of Parliament or Member of Legislative Assembly. Whichever party has majority, form the Cabinet Ministry. The Minister takes care of particular Department. The minister becomes in charge of that particular Department. To manage that department a Gazetted Officer (IAS) is appointed who is known Departmental Secretary. The function of such secretary is to look after smooth administration of departments as per policy formulated. The Secretary has to work efficiently, honestly and lawfully. These secretaries are like Secretary of Education Department, Secretary of Home Ministry etc.

**1.2.6 Association/Union Secretary :** As human civilization advanced, the form, scope and range of cultured economy and society changed. So the economic, social, political and cultural institution and unions need secretary. The various types of Union Secretary are :

**1.2.6.1 Student Union Secretary :** In Schools and Colleges make the student understand democratic pattern, to utilize student rights, to represent their problems such student union are formulated. The students elect their secretary by election. Such elected person is known popularly as G.S. (General Secretary).

**1.2.6.2 Club Secretary :** Clubs are established to promote sports and, cultural activities e.g. The Sports Club of Gujarat ,B.C.C.I. (Board of control for Cricket in India) etc. The Secretary is elected or appointed as per constitution of club. The function of such secretary is to manage club according to the need and prevailing Law.

**1.2.6.3 Educational Institute Secretary :** In cities like Delhi, Kota and Ahmedabad big educational campus is established. To manage such big educational institutions secretary is appointed. In such place secretary is works as Chief Administrative Officer.

**1.2.6.4 Labour Union Secretary :** The workers who are working in different areas, formulate labour union. to represent their demands, problems before authority/ Government. As for example in India INTUC (Indian National Trade Union Congress) and ITUC (International Trade Union Confederation) unions are active. These unions appoint secretary to represent their demands before respective authority. In 1922 the Ex-President of India Shri V.V.Giri established 'Akhil Bhartiya Rail Karmchari Sangh'.

**1.2.6.5 Trade Association Secretary :** The Trade Association, The Producers Association, The Service Sector Association etc. establish their union to solve their problems which are raised in business e.g. Indian Chamber of Commerce, FICCI etc. are such associations. When such association is formulated their secretary is appointed. The secretary has to manage such associations as per their constitution.

- 1.2.6.6 Co-operative Society Secretary :** To promote economic empowerment of the people, to enhance social and cultural environment of the society co-operative society/ credit co-operative societies are established e.g. Housing Co-operative Society. In school, colleges and in other institutions also employees establish Staff Credit Co-operative society to obtain loan in easy terms and conditions. In such co-operative society secretary is appointed or elected. The secretary has to manage co-operative society as per its constitution/rules and regulations of society..

#### **What have you learned in this chapter ?**

As the wandering tribe started to live a settled life, commerce came into existence and gradually barter system – evolution of money- industrial revolution and modern inventions enhanced the development of commerce. The Sole trader business, partnership firm, company, cooperative society etc. came in to existence. Initially development rate of commerce was slow but communication made it speedy. The position of secretary becomes important in company formation.

**Meaning :** In Gujarati secretary is known as **Mantri**. In olden time rulers and royal families appointed secretary who observed communications and negotiations. The word Secretary is originally derived from Latin word ‘secretarius’ which means person who keeps secret details and observes correspondence

**Definitions :** In a general sense “**Secretary means a person, who performs the activities of maintaining secrecy, observes correspondence, documents, keeps records of agreements and undertakes other activities as directed on behalf of other persons, association and corporation or public institutions.**”

According to the company Act “Secretary means constitutionally qualified person appointed to observe the responsibilities of the duties as assigned to the secretary according to the statute and performs other administrative duties.”

#### **Types of secretary :**

(1) **Private Secretary :** Private Secretary is also known as P.A. or confidential secretary. Usually Leaders, Film stars, Executives Professional persons like doctors lawyers appoint such assistant for day to day functions.

(2) **Ministerial Secretary :** In Western Countries President nominates a person for the administration and to look after the different departments, known as secretary.

(3) **Company Secretary :** Company is an artificial person. It exists due to law and it is managed by Board of Directors. But for the day to day administration secretary is appointed by Board of Directors. The secretary is link between Board of Directors and Company. As per the assignment of authority by the Board of Directors secretary can be of two types :

(A) **General Secretary :** Who observes communication on behalf of the directors about issues shares and debentures, performs share allotment, share forfeiture, share transfer and issues notice to members for the meeting

(B) **Administrative Secretary :** Who selects and appoints employees, negotiate on behalf of the company, keeps a watch on different departments, keeps a track of accounts, provides reliable information to the Board of Directors.

(4) **Secretary of Embassy :** Each and every country nominates its representative in other country as Ambassador. Such secretary protects the interest of the nation and makes clear the ideology of the country.

(5) **Departmental Secretary :** The minister is in charge of department and gazzeted officer are appointed for administration. These officers are known as Departmental secretary. They administrate department as per policy framed.

(6) **Secretary of Association :** With the development of civilization, to promote economic, social and cultural activities different types of association came into existence Student union, clubs, educational institute, labour union, trade association, co-operative society. In such associations the secretary is appointed or elected to represent their problems, to develop association, to administrate properly and to follow present rules and regulation.

### Exercise

#### 1. Select suitable option from the given options :

- (1) As per the company Act appointment of secretary .....  
(A) is done when company is making loss.  
(B) is done when subscribed capital is 5 crore or more.  
(C) is not essential. (D) is done by shareholders.
- (2) As a departmental secretary .....  
(A) Secretary of Embassy is appointed. (B) Secretary of Association is appointed.  
(C) Secretary of club is appointed. (D) Gazzeted officer is appointed.
- (3) Company secretary .....  
(A) is link between company and Board of Directors.  
(B) is not essential in company.  
(C) is counseling shareholders. (D) is administrates Board of Directors
- (4) Full form of FICCI is .....  
(A) Firefox Institute of Cricket Club of India  
(B) Federation of Internal Control of Chamber of India.  
(C) Federation of Indian Chamber of Commerce & Industry  
(D) Federation of Indian Chamber of Commercial Institute
- (5) Distribution of dividend is done by .....  
(A) Company's general secretary. (B) Administrative secretary of company.  
(C) Student Union secretary. (D) secretary of labour union
- (6) Secretary of Cooperative Society is .....  
(A) Secretary of Staff credit cooperative society  
(B) Secretary of labor Union  
(C) Secretary of trade union (D) Secretary of Educational Institute

#### 2. Answer the Following Questions in One Sentence :

- (1) What do you mean by private secretary
- (2) What is the personality of company ?
- (3) In a company which secretary does selection and appointment of employees ?
- (4) Who appoints secretary in a company ?
- (5) Where was 'Scriba' famous ?
- (6) How many types of company secretary are there ?
- (7) Which company Law is in existence to day ?
- (8) When is the appointment of secretary mandatory according to new company act ?
- (9) Who was the secretary of King Dasharath ?

**3. Answer the Following questions briefly :**

- (1) Who appoints Personal Secretary ?
- (2) What are the causes of change in formation of commerce ?
- (3) Who is known as Ministerial Secretary ?
- (4) How are corporate institutions are connected with human life ?
- (5) What are the functions of Secretary of Embassy ?
- (6) What is the need of Secretary of Embassy ?

**4. Answer the Following Questions to the point :**

- (1) Who is the departmental secretary ? What are the functions of departmental secretary ?
- (2) Write down characteristics of secretary.
- (3) What is the importance of company secretary ?
- (4) Narrate the functions of General Secretary.
- (5) Write down the functions of Administrative secretary.
- (6) What are the functions of confidential secretary ?
- (7) Who are included in Association Secretary ?

**5. Answer the Following Questions in Detail :**

- (1) Narrate the types of secretary.
- (2) Give the meaning and definition of secretary.
- (3) How did the necessity of secretary arise ?
- (4) Why is the position of secretary important in company ?

**You may be Egger to Know**

INTUC	:	Indian National Trade Union Congress
ITUC	:	International Trade Union Confederation
P. A.	:	Personal Assistant
BCCI	:	Board of Control for Cricket in India
FICCI	:	Federation of Indian Chamber of Commerce & industry (established in 1927)
MNC	:	Multi National Company

