

CHAPTER - II

---

ROLE OF THE SECRETARY

## CHAPTER - II

### ROLE OF THE SECRETARY

---

Role of the Secretary of PACS may be understood by dividing the subject matter into the following three aspects:

- (1) Role as the Chief Executive Officer;
- (2) Role as a "link" between the PACS and the DCC Bank and other cooperatives; and
- (3) Role as a "link" between the PACS and the Government Departments.

#### 1. Role as the Chief Executive Officer:

The Secretary of the PACS is its Chief Executive Officer (henceforth called 'CEO'). As the CEO, the Secretary has to perform the following functions:

- (a) ~~San~~ctioning of loans to the needy members;
- (b) Disbursing the loans sanctioned;
- (c) Supervising the utilization of loans disbursed;
- (d) Recovering the loans as and when they become due;
- (e) Maintaining accounts and other records as required by the law;
- (f) Calling and conducting meetings;
- (g) To keep custody of assets of the PACS.

A brief explanation of each of the functions mentioned above is given in the following paragraphs.

(a) Sanctioning Loans:

The secretary of the PACS must observe all formalities while sanctioning loans to the applicant-members. The formalities to be observed are as follows:

- (i) Loan can be sanctioned and disbursed to a member only. If a person applying for a loan is not a member of the PACS, he cannot get it. It becomes necessary for the secretary to ask the applicant to become a member of the PACS first. If the rules so prescribe, a defaulter-member may not also be eligible to get a loan from the PACS. The secretary has to see that the applicant or his guarantors are not defaulters of the PACS loans.
- (ii) Loan application must be properly filled in. Particularly important are the matters like purpose for which the loan is required, the area under cultivation of each of the crops for which the loan is required, irrigation facility, the intended use of fertilizers/manures, etc.
- (iii) The secretary has to prepare a statement of assets of individual applicants. This statement of assets is made with the help of documents like 7x12 extracts and 8A extracts once in a period of three years, so as to verify the applicant's land.

Further, Normal Credit (NC) statement is made by the Secretary and sent to the DCC Bank for sanction. In this Normal Credit (NC) statement, estimated demand of loan is mentioned. After that, the DCC Bank inspector

visits the PACS and scrutinizes the NC statement and the assets statement. If he finds them in order, he recommends to the DCC Bak for loan sanction.

(b) Disbursing the Loan Sanctioned:

After getting the intimation about sanctioning of the loan, the secretary is required to disburse the loan to the applicant. The secretary is required to inform the applicant about the loan and the compliances he is required to do for being eligible to get the loan sanctioned. The secretary is expected to help the applicant to complete all the formalities and execute the necessary documents. The applicant-member, after executing the documents, will get the loan amount in one or two instalments or in cash or in kind, as the case may be.

(c) Supervising the Utilization of Loan Disbursed:

Sanctioned loans are disbursed in two forms:

- (i) in the form of cash (called 'cash component'), and
- (ii) in the form of goods (like fertilizers, pesticides, manures and other inputs) (called 'kind component').

Cash and kind components of loan from PACS differ from crop to crop and from district to district.

The loan is disbursed in the above manner to ensure its proper utilization. The secretary is expected to visit the individual site for inspection and see that the loan

is properly utilized. He is supposed to initiate action against the members who misutilize the loan or do not utilize it properly.

(d) Recovering the Loan:

Recovery of loans, as and when they become due, is a major task to be performed by the secretary. In this respect, the secretary has to follow the following steps:

- (i) Issue notice to the members, indicating the amounts to be paid and the due dates;
- (ii) Sending the lists of members, alongwith the instalments due from them, to the sugar factories, the sale-purchase unions, to the cotton procurement centres, etc. This is recovery through the principle of 'linking of credit with marketing';
- (iii) Meeting the individual members whose instalments are not recovered through linking or who do not pay any heed to the written or oral notices;
- (iv) Initiating action against the defaulting members under Section 101 of the Maharashtra Cooperative Societies' Act, 1960, and the Rules made thereunder; and
- (v) Obtaining certificate under Section 101 of the cooperative law from the Assistant Registrar so as to enable the PACS to proceed against the defaulter for recovery with the help of Special Recovery Officer.

(e) Maintaining Accounts and other Records as required by the law:

The Secretary of PACS is required to keep and maintain the following books of accounts and other records as required by law:

- (i) Cash Book,
- (ii) Ledger,
- (iii) Member Register,
- (iv) Individual Loan Register,
- (v) Dead-stock Register,
- (vi) Minutes Books of the various Committees and Annual General Meeting.

(f) Calling and Conducting the Meetings:

Calling and conducting the Annual General Meeting, meetings of the managing committee and other meetings, as and when required, as per the directions of the Chairman, recording the minutes of such meetings and taking action on the decisions taken at such meetings.

(g) To Keep Custody of Assets of PACS:

The Secretary has to keep the custody of the assets of the PACS and acting in the best interest of the PACS and its members as per the directions from the managing committee.

**2. Role as a "Link" between the PACS and DCC Bank and other Cooperatives:**

The Secretary of PACS has to keep contacts with the following cooperative organizations:

- (i) The DCC Bank,
- (ii) The Cooperative Sugar Factories in the area;
- (iii) The Cooperative Sale-Purchase Union at Taluka level and district level.

The secretary acts as a "link" between the PACS and these cooperatives because he comes in contact with them for the work of the PACS. A brief explanation of the work connected with each of these organizations will highlight the role of the secretary in this behalf:

(i) The DCC Bank:

Disbursement of loans is done only after it is sanctioned by the DCC Bank. The PACS gives cheque to the members to be encashed at a branch of the DCC Bank. An inspector of the DCC Bank visits the PACS frequently, i.e. for verification of NC statement and assets statements, for keeping an eye on whether the PACS is keen on utilization and recovery of loans, etc. The secretary is required to submit certain statements periodically, e.g. tentative balance-sheet every month. Loan repayments of the DCC Bank must be made by the PACS in time out of the recoveries effected.

(ii) The Cooperative Sugar Factories:

The secretary comes into contact with the cooperative sugar factories mainly for the purpose of effecting recovery of loan instalments. He sends to the sugar factory a list of the members alongwith the loan instalments due from each of them, immediately after the beginning of the crushing season. The sugar factory, after making necessary deductions from the members' sugarcane bills, sends the amount to the PACS. At the time of loan sanctioning, a certificate of sugarcane plantation is obtained from the sugar factory.

(iii) The Cooperative Sale-Purchase Unions at Taluka and District Level:

The secretary is required to have good relations with the cooperative sale-purchase unions at taluka and district level for following reasons:

- (a) supply of fertilizers, pesticides and other inputs required by the members is made by such sale-purchase unions; and
- (b) the sale-purchase unions help the PACS in recovering the loan instalments of the members from out of the sale proceeds of the farm produce.

**3. Role as a "Link" between the PACS and the Government Departments:**

The Secretary of PACS is required to have contact with the following Government Departments/Agencies:



(i) Cooperative Department:

(a) District Deputy Registrar:

He is the ex-officio member of the cadre society.

(b) Assistant Registrar:

The Assistant Registrar conducts a meeting of secretaries twice in a month. Review of the work done is taken and plan for the next period is prepared in such meetings.

(c) District Special Auditor:

Audit of the PACS.

(d) District Cadre Office:

A secretary is under the direct administrative control of the District Cadre Office. He also gets his salary from this office.

(ii) Zilla Parishad and Taluka Panchayat Samiti:

Taluka Panchayat Samitis are concerned with various programmes (say, relating to raising a crop like soyabean) and schemes (like subsidy schemes).

(iii) Collector and Tahsil Office:

Fair Price Shop run by PACS. Talathi in connection with entries on 7x12 extracts of members.

(iv) Cotton & Foodgrain Procurement Centres:

A secretary has to keep contact with these centres for loan recovery.

In the All-India Rural Credit Survey Committee (1956), the role of the secretary has been considered to be important in the smooth functioning of the society and its usefulness to members in the timely disbursement of the agricultural loans and provision of inputs.

\* \* \*