

# PROCEEDINGS

OF THE

## Third Conference of Registrars of Co-Operative Credit Societies

Held at Simla on the  
5th October 1908 and  
 following days

WITH APPENDICES



CALCUTTA  
SUPERINTENDENT GOVERNMENT PRINTING, INDIA

1908

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# PROCEEDINGS

OF THE

## Third Conference of Registrars of Co-operative Credit Societies,

October 1908.

*Present :*

- MR. R. W. CARLYLE, C.I.E., I.C.S., SECRETARY TO THE GOVERNMENT OF INDIA, DEPARTMENT OF REVENUE AND AGRICULTURE (*President*).
- MR. W. R. GOURLAY, I.C.S., *Director of Agriculture and Co-operative Credit Societies, Bengal (Secretary)*.
- MR. R. RAMACHANDRA RAO, *Registrar, Co-operative Credit Societies in the Madras Presidency.*
- MR. GANESH VENKATESH JOGLEKAR, *Registrar, Co-operative Credit Societies in the Bombay Presidency.*
- MR. W. H. BUCHAN, I.C.S., *Registrar, Co-operative Credit Societies, Bengal.*
- MR. S. H. FREMANTLE, I.C.S., *Registrar, Co-operative Credit Societies, United Provinces.*
- MR. S. WILBERFORCE, I.C.S., *Registrar, Co-operative Credit Societies, Punjab.*
- MR. A. E. ENGLISH, I.C.S., *Registrar, Co-operative Credit Societies, Burma.*
- MR. K. C. DE, I.C.S., *Registrar, Co-operative Credit Societies, Eastern Bengal and Assam.*
- MR. B. P. STANDEN, C.I.E., I.C.S., *Registrar, Co-operative Credit Societies, Central Provinces.*
- MR. G. HALLER, *Registrar, Co-operative Credit Societies, Coorg.*
- RAI SAHIB MUNSHI GOPI NATH, *Registrar, Co-operative Credit Societies, Ajmer-Merwara.*
- MR. M. SHAMA RAO, *Registrar, Co-operative Credit Societies in Mysore.*
- MR. LALUBHAI SAMALDAS (*Bombay*).
- KUNWAR MAHARAJ SINGH (*Assistant Registrar, Co-operative Credit Societies, United Provinces*).
- MR. MISBAHUL USMAN (*Assistant Registrar, Co-operative Credit Societies, Central Provinces*).
- MR. ABDUL MAJID KHAN (*Punjab*).
- MR. JAMINI MOHAN MITRA, *Personal Assistant to the Registrar, Co-operative Credit Societies, Bengal.*
- MR. C. A. INNES, I.C.S., UNDER SECRETARY TO THE GOVERNMENT OF INDIA, DEPARTMENT OF REVENUE AND AGRICULTURE.

Programme of the Third Conference of Registrars of Co-operative Credit Societies held at Simla in October 1908.

I. General progress made.

II. Cash Banks.

(A) Village Banks.

- (i) Number of members, area of Bank's operations, class of members, class or tribal Banks, limited or unlimited liability, entrance fees, deposits by members, loans by non-members, loans by Government, rates of interest usually charged by village money-lenders on agricultural loans to ordinary cultivators, rate of interest paid by Village Banks on members' deposits and on loans raised from outsiders, rate of interest charged by Village Banks on loans made to members, penal interest, punctuality of repayment, extent and reasons for default, action taken to enforce punctuality, expulsion of unsatisfactory members, objects for which loans are made to members, cause of failure of societies which have been closed, growth, investment and employment of Reserve Fund. The best means of dissemination of information on the principles of co-operation and the results so far achieved. Concession of Remittance Transfer Receipts at par.
- (ii) The managing body. The Manager. The Accountant. Supervisors. Accountants. Disputes.
- (iii) Assistance received from (a) leading landowners, (b) money-lenders, (c) others. Honorary Organizers. Opposition and how to overcome it. Litigations and how to avoid it.

SPECIAL SUBJECTS PROPOSED FOR DISCUSSION.

1. How can rural societies avoid leaving part of their working capital unemployed during part of year? (Mr. Standen.)
2. Should interest on profit side in profit and loss account include interest due as well as interest paid? (Mr. Standen.)
3. The employment of Government Schoolmasters or Postmasters at account centres in backward districts (Mr. Campbell).

(B) Urban Societies.

Same heads as in A (i), (ii) and (iii).

(C) How to Finance Cash Societies.

Co-operative Unions, Central Banks, District Banks, Land Mortgage Banks.

SPECIAL SUBJECTS.

(1) Extract of paragraph 23 of Proceedings of Second Conference.

*"The Financing of Cash Societies.*—It was agreed that if possible the best method would be to build up a Central Bank from below, but it was recognized that this would take many years. The Bengal Registrar stated that he hoped in the next year to make a commencement in forming the societies into local unions for purposes of finance and control, but that nothing had been done up to the present. The United Provinces Registrar hopes to solve the same problem by the institution of district banks where there are sufficient societies formed or a demand for their formation exists. It was agreed that this subject should come up for special consideration at the next Conference, as the solution of the problem of finance and control is vital to the success of the movement."

(2) The desirability or otherwise of district or central banks formed to finance Co-operative Credit Societies taking up land mortgage business also (Mr. Fremantle).

- (3) The following Resolution passed by the third Indian Industrial Conference held at Surat on the 30th December 1907 :—

#### IV.—AGRICULTURAL BANKS.

*Resolved.*—That this Conference begs to call the attention of Government to the urgent need of promoting the establishment of Agricultural Banks to help Co-operative Credit Societies and to advance loans directly to agriculturists at reasonable rates of interest, and further begs to suggest that the advice and co-operation of representative members of the Indian Community may be enlisted in devising a suitable scheme to secure this object.

- (D) Inspection, audit and control.  
 (E) How to finance rural banks in the event of a famine with special reference to the experience gained last year in the United Provinces.  
 (F) What is the best type of a Central Bank with branches for rural areas.

III.—Grain Banks—Dharmagolas.

IV.—Co-operative village and Central Seed Societies.

V.—Other Forms of Co-operation—

- (a) Weaving Societies.  
 (b) Sugar Industries.  
 (c) Societies for other purposes.

VI.—The Co-operative Credit Societies Act.

- (1) Rules and bye-laws under the Act.

#### SPECIAL SUBJECT.

Are rules framed under section 27 (2) (d) of the Act allowing a member to nominate an heir legal? (Mr. Wilberforce.)

- (2) Suggested amendments of the Act.

#### SPECIAL SUBJECTS.

- (a) Amendment of sections 4 (b), 7 (c) and 10 (1) of the Act so as to make legal provision for the safeguarding of a minor's interest (Mr. Wilberforce).  
 (b) Amendment of section 3 of the Act so as to permit persons not residing but holding lands in a village to become members of a rural society the area of operations of which includes the village in which the lands are held (Mr. Ramachandra Rao).  
 (c) Amendment of section 29 of the Act so as to make provision for a co-operative credit society the members of which are themselves co-operative credit societies (Mr. Fremantle).  
 (d) Abolition of the distinction between rural and urban societies or in the alternative the amendment of section 10 (1) of the Act so as to enable small urban societies to borrow from Central Societies (Mr. Fremantle).  
 (3) Privileges granted by Government.

#### SPECIAL SUBJECTS.

- (a) A clear declaration of the meaning of exemption notification so as to include bonds executed to a Society by a member as well as by his co-parceners (Mr. Ramachandra Rao).  
 (b) The question of registration fees and whether the registration of documents is necessary (Mr. Campbell).  
 (c) The reduction of money-order rate of commission on remittances to and from co-operative credit societies from Re. 1 per cent. to annas 4 per cent. (Mr. English).

(4) Enforcement of decisions and awards by arbitrators under section 27 (2) (p) of the Act.

(5) Summary procedure for the recovery of Co-operative Credit Societies' dues.

VII.—*The Conference*.—Should it be held annually or should the rule be that it should be held at least once in every three years and oftener if sufficient material for discussion is forthcoming.

VIII.—The following special subjects are also to be brought forward for discussion by the members noted against each :—

- (1) The consideration of an Agriculturists' Insolvency Act (Mr. Gourlay).
- (2) To what extent is Government assistance necessary and justifiable for the purpose of providing capital for societies (Mr. Standen).
- (3) The part which Government is prepared to take in the future development of co-operation (Mr. Buchan).
- (4) The part which the State means to take in further extending propaganda and in dealing with spontaneous expansion (Mr. English).
- (5) The preparation of a Manual (Mr. Campbell).
- (6) A Co-operative Journal for Madras (Mr. Ramachandra Rao).
- (7) Accounts. Statement IV. Should not a fresh column be added to the "Assets" for "Value of Investments" (Mr. Fremantle).
- (8) The financial year (Mr. Buchan).
- (9) The regulation of the borrowing power of societies (Mr. Ramachandra Rao).
- (10) Co-operative wholesale purchase of commodities (Mr. Ramachandra Rao).

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NOTE.—It was thought advisable to adopt practically the whole of last year's programme in the list of subjects for consideration, but only those heads were discussed as to which fresh experience had been gained or on which individual Registrars wanted advice.

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Minutes of the Third Meeting of Registrars of Co-operative Credit Societies held at Simla on the 5th October 1908 and following days.

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Mr. R. W. Carlyle, C.I.E., President of the Conference, welcomed the Registrars and expressed his satisfaction that Burma was represented for the first time on the Conference. He said that the past year had been one of very great interest in which, in spite of scarcity and distress in many provinces, the movement had continued to make rapid and satisfactory progress. The apparent decrease in the number of Central Banks was due to a change in classification in the United Provinces. Their capital had risen from Rs. 1,64,000 to Rs. 2,32,000. The number of Urban Banks had risen from 89 to 149, their members from 33,600 to 55,500 and their capital from Rs. 11,36,000 to Rs. 20,09,000. There were now 1,201 Rural Banks against 740 at the end of the preceding year. Their members had increased from 54,500 to 93,200, and their working capital from Rs. 10,72,000 to Rs. 21,60,000. The grand total of the working capital of Co-operative Institutions in India was now 44 lakhs of rupees, or nearly double the total of the preceding year. It was true of course that little impression had been made on the enormous burden of agricultural indebtedness in India, but a stage had been reached at which serious work was being done and satisfactory progress being made. In this progress every province of importance had shared, but each province had some special feature to show, and the movement was not proceeding on identical lines in every part of India. In the United Provinces a powerful union had proved itself capable of attracting capital and supervising the work of its component societies. In Bengal, perhaps more than anywhere else, strenuous efforts had been made, and with a very large measure of success, to teach perhaps the humblest and smallest collections of humanity that had formed themselves into Co-operative Societies in any part of the world the true principles of co-operation and proper methods of management. In the Punjab great success had been achieved in attracting the confidence and savings of the genuine agriculturist. In Madras the confidence of non-members had been shown by their readiness to make deposits on business terms, and in many districts the influence of the Societies had compelled the money-lender to reduce his rate of interest. The experience of the past year had many lessons to teach. Perhaps the two that had impressed him most deeply on reading the reports of the various Registrars were (1) the necessity for proper instruction before starting a society and while the society was in its infancy, and (2) the necessity for great care in the selection of members. The essential points in the membership of a Co-operative Society would appear to be community of interest and the exercise by the whole of control over each individual member. Experience in each province had shown that the inclusion of the money-lender and the debtor or members of opposite factions in a village in a single society must often court disaster. Then again experience in the United Provinces had shown how important it was to make even the smallest unit which forms part of a larger society understand and do its own work. The need for sufficient capital to supply all the needs of the members was another point which had been very clearly brought out in many of the reports, and unless this problem was solved, and unless a society could obtain this it was bound to end in ultimate failure. If the societies were to succeed they must attract outside capital on business terms, and this could not be done if the interest paid were too low. It appears to be very important in fixing the rate at which members could borrow from any given society that regard should be had to the current rates of interest in the neighbourhood notwithstanding the risk pointed out by the Registrar of the Punjab that the money-lender might try to break up the society by giving out loans at a rate of interest with which the society could not compete. It was perhaps not always remembered that the gain to the member of the society was not merely that he borrowed at a lower rate of interest than he would have to pay in the open market but also that he dealt in his society with an absolutely honest creditor. The two questions of vital importance for the future progress of the movement were the best method of providing for the supervision and financing of Co-operative Credit Societies. Burma, Punjab and Bengal all had the same



story to tell, namely, that the existing staff provided by Government could not do more than deal with societies already in existence, and it was one of the most important and interesting duties of the Conference to consider how this difficulty could best be overcome. As already remarked great success had been attained in this direction by the United Provinces with its District Banks feeding and supervising a number of small bodies. As Mr. Fremantle had pointed out in his very interesting report, the task of ensuring that these smaller bodies were educated on co-operative principles had in the past been somewhat neglected, but provided that due attention was paid to this essential point, it would appear that it was in the adoption of the United Provinces methods that help should be looked for in supervising smaller societies, and the same methods while securing supervision should also go a long way towards attracting the necessary capital, provided always that they were not afraid of paying well for the money borrowed. If they did so, the opposition of the money-lender would be largely disarmed though it would not solve the very difficult problem how to avert or neutralize the hostility of the money-lending landlord or wealthy raiyat whose object it was to get hold of his debtor's lands. Apart from the problems of supervision and finance there were other questions awaiting solution which, though perhaps not vital, were of great importance. The most urgent was the question whether the amendment of the Act should be undertaken at once. The procedure for associating smaller societies with a district or Central Union was at present very cumbersome and very unsatisfactory, and the provisions of section 29 of the Act were perhaps not sufficiently elastic. This was only one point of several which had to be considered in connection with the amendment of the Act. The question of the future constitution of the Conference was also for consideration. Had not the time come when definite arrangements should be made to secure the attendance of some of the many non-official gentlemen who had in the larger Provinces done so much to assist the movement at the Conference? He was at one time inclined to doubt whether the Conference should be held annually, but now he foresaw that so many questions of great and pressing importance were likely to arise in the immediate future that he had little doubt that for the next few years at any rate it would be necessary to hold a meeting annually.

2. The President then suggested that the most convenient course would probably be to refer certain of the most important questions before the Conference to Committees. He suggested that each Committee should appoint its own President, who would be responsible for seeing that their conclusions were properly recorded and laid formally before the Conference.

3. It was agreed that a Sub-Committee consisting of Mr. Gourlay, Mr. Fremantle, Mr. English, Mr. Wilberforce, Mr. R. C. Rao and Mr. Lalubhai Samaldas should be appointed to consider the general question of how to finance Cash Societies [II (C) of the programme] and what was the best type of Central Bank with branches for rural areas [II (F) of the programme]. The special subjects appended to section II (C) of the programme as well as the question raised by Mr. Standen as to how rural societies could avoid leaving part of their working capital unemployed during a portion of the year were also referred to his Sub-Committee for report.

**Sub-Committee No. I.**

4. It was also resolved that a Sub-Committee composed of Mr. Standen, Mr. Buchan, Mr. Joglekar, Mr. Haller and Mr. Lalubhai Samaldas should be appointed to consider the Rules and Bye-Laws under the Act, the suggested amendments of the Act, and the various other subjects included in item VI of the programme.

**Sub-Committee No. II.**

5. A third Sub-Committee composed of Mr. De, Mr. Buchan, Mr. Fremantle, Mr. Joglekar and Mr. Standen was also appointed to consider the question how often the Conference should meet as well as the alteration in the financial year proposed by Mr. Buchan, the alteration in the form of Statement IV suggested by Mr. Fremantle and the question raised by Mr. Standen as to the method of showing interest in the profit and loss account.

**Sub-Committee No. III.**

## I.—GENERAL PROGRESS MADE.

6. Each Registrar then gave a brief account of the work done in his province in the year, mentioning in particular any features which appeared to be of special interest. In Madras, Bombay, Punjab, Coorg and Mysore, though progress had been satisfactory, the movement had continued to develop along the same lines as in the previous year, and the Registrars reported that no features of special interest required notice. In the United Provinces the year had been one of consolidation rather than extension. The staff had been strengthened by the appointment of an Assistant Registrar and six Inspectors, and for the time being supervision had been placed on a sound basis. A beneficial result of this measure had been that the principles of co-operation were becoming better known in the smaller societies. *Patti* societies operating over considerable areas proved of the utmost value during the famine to the agriculturists of the Unao district, but the Registrar is of opinion that small purely village societies are preferable, and he is at present experimenting in the Budaun and other districts on these lines. In Burma, where the Registrar reported that the movement had passed out of the purely experimental stage, and that given favourable conditions its future success was assured, the main feature of the year was the substitution of societies on Raffeisen and Luzatti principles for those of the Schultze type. In Bengal draft bye-laws for a co-operative union have been framed, and it is hoped that they will be applied experimentally during the forthcoming cold weather. The tendency is to work from below rather than from above, and as a preliminary step to the formation of co-operative unions, groups of societies have been formed round honorary organisers. In Eastern Bengal and Assam success has not so far been attained in enlisting the co-operation of the educated classes, but outside capital has been attracted to a considerable extent. Societies were established during the year at Shillong and other places for the express purpose of financing rural societies and banks, but all of them have been registered as Urban Banks instead of as Central societies as they have been empowered to issue loans to their own members under certain conditions. In the Central Provinces, as in the United Provinces, scarcity and famine rendered a cautious policy imperative, and the policy of the year was one of observation and waiting. Indications of future progress however are not wanting, and there is evidence that the movement is beginning to awaken interest among the classes whom it affects.

7. Four general statements\* showing the combined statistics of the societies in the different provinces and illustrating the general progress made are attached to these minutes. The appended tabular statements compare the statistics of this year and those of last.

## I

	30th June 1907.	30th June 1908.
<i>Number of Societies.</i>		
Central . . . . .	14	7
Urban . . . . .	89	149
Rural . . . . .	740	1,201
<b>TOTAL</b> . . . . .	<b>843†</b>	<b>1,357†</b>
Number of members . . . . .	90,831†	1,48,925†

\* See Appendix XVIII.

† Excluding societies in Sind the statistics of which have not yet been received.

## II

	30th June 1907.	30th June 1908.
<i>Capital.</i>		
Loans from private persons . . . . .	6,56,092	12,43,445
"    "    other societies . . . . .	2,40,425	5,82,460
Share capital . . . . .	5,55,805	9,31,223
Deposits by members . . . . .	5,76,025	9,19,523
State aid . . . . .	2,84,738	6,51,816
Reserve . . . . .	58,598	78,559
TOTAL	23,71,683	44,07,026
<i>Expenditure.</i>		
Loans repaid to private persons . . . . .	1,51,185	4,01,976
Loans issued to members . . . . .	23,83,971	36,88,168
Purchase of raw material and stores . . . . .	3,15,679	3,90,655
Profits . . . . .	1,12,614	1,81,087
TOTAL	29,63,449	46,61,886

## II.—CASH BANKS—(A) VILLAGE BANKS.

8. *Number of members and area of the Bank's operations.*—The President then enquired whether experience had shown that it was advisable to limit the number of members in a village bank. *Primâ facie* he thought a comparatively small society composed of members all well acquainted one with another was easier to manage and more likely to prove successful than a large overgrown society.

Mr. Shama Rao (Mysore) pointed out that the members of a village bank were usually all borrowing members, and that they resented being refused a loan at any rate until they had grasped the true principles of co-operation. He suggested therefore that it was important especially at the initial stages of a bank's existence that a limit should be imposed on the number of members. The limit to be fixed, he thought, should depend upon the amount of capital at the bank's disposal. The Registrars agreed that the number of members must bear some relation to the amount of capital available, but apart from this, they considered that mere numbers were not a matter of much importance. No arbitrary limit could be fixed. On the other hand, it was considered essential that a Society's area of operation should not be too extended. Mr. Wilberforce quoted an instance of a successful society in the Punjab consisting of more than 900 members all drawn from a radius of less than two miles. Large societies operating over a considerable area are a feature of the Central Provinces, and the Registrar is attempting to improve the constitution of such societies by forming local committees whose function it will be to assist in collections and in all the business of the society which demands local knowledge or influence. It is hoped that these local committees will form the nucleus from which separate societies will grow.

In connection with the relationship between the number of members and the amount of capital available, it was considered whether a Bank should make it its aim to take over the debts of its members. In the United Provinces and Bengal this is the practice. In Burma arrangements are made to take over the debts of members within a reasonable time. In the Central Provinces practically all the societies are under-capitalised, and the banks content themselves with financing members for current requirements and gradually paying off their debts as capital becomes available. This is also the practice in Eastern Bengal and Assam. The Punjab Registrar doubted whether in the Punjab the debts of members could ever be taken over within a specified time. The Conference adopted the following resolution :—

- (1) The ultimate object should be to take over all the debts of members.

- (2) In small Societies, where the total amount of indebtedness does not represent a greater amount of capital than, in the opinion of the Registrar, an inexperienced society can be trusted to manage, all debts should be transferred without delay from the money-lender to the society.

Mr. Wilberforce (Punjab) dissented. He thought that a village bank was on a sounder basis when it was founded on existing savings or savings which could be created than when it began work on borrowed capital. A bank should prove its right, by successful working, to considerable credit before it obtained it.

9. *Class of members.*—The class of members was the next question discussed. Generally speaking caste causes little difficulty in rural banks, high and low castes freely joining the same bank.

10. A question however raised by Mr. Standen (Central Provinces) as to the experience of other Registrars in regard to the question of including borrowers and non-borrowers in a single village bank aroused considerable interest. In the Central Provinces difficulties are apprehended from the presence in certain societies of non-borrowers whose interests are hostile to the society. In the United Provinces similar difficulties have been experienced, and the tendency has been to eliminate all non-borrowers. In Bengal rural societies are invariably composed of borrowers only. In Madras and the Punjab on the other hand the inclusion of non-borrowers has proved of great value. They have assisted the societies with funds, and their disinterested advice has been of great service both in the distribution of loans and in the general management of the societies. This has also been the experience of the Registrar of Burma, but he has found that societies composed indifferently of traders and cultivators are not a success. This is one of the main objections to the Schultze type of society as applied to Burma. With the prospect of profits it attracted traders into cultivators' societies, and antagonistic interests were at once introduced. This, the Conference thought, was the main point to guard against. Non-borrowers who are in sympathy with the objects of the society are useful members, but care should be taken to prevent the entry into a society of members whose interests clash with those of the society.

11. *Loans by Government.*—Under this head the question was brought up for discussion whether *takavi* loans intended for members of a Co-operative Credit Society should be disbursed through the Society. The President pointed out that two questions were involved —

- (1) Whether the loan should be given to the Bank in the first instance or direct to individual members; and
- (2) whether the Bank should charge for the loan its ordinary rate of interest.

With the exception of Mr. Ramachandra Rao (Madras) who was unwilling to express an opinion on the point as the question had never been raised in Madras and Mr. Lalubhai Samaldas who was not prepared to subscribe to the Resolution in the form in which it was adopted by the Conference, the members of the Conference were unanimous on both points. They considered it desirable that members of a Co-operative Credit Society should be taught to borrow from and depend on that society alone, and they laid stress on the great advantage to Government of the procedure proposed. It would be easier and more satisfactory to deal with a group of cultivators formed into a Co-operative Credit Society than independently with a number of individuals; *takavi* accounts would be greatly simplified; the risk of bad debts would be minimized as the credit of a society would be substituted for that of the individual; and the recovery of advances would be facilitated. *Primâ facie* of course it seemed an objection to the scheme that a society should lend out to the cultivator at a much higher rate of interest money which it had borrowed from Government at 6½ per cent. But the Registrars doubted whether in practice the cultivator would really lose much by the higher rate of interest he would have to pay. He would draw the loan in his own village from his own Society; the necessity for elaborate preliminary enquiries into his solvency and the nature of the security he could offer would disappear, at any rate to a considerable extent; the *patwari* would be eliminated; delays in distribution and the exactions of underlings would be reduced to a minimum; in short most of the obstacles to the extension of the *takavi* system on which the Irrigation Commis-

sion laid such stress in paragraphs 197 and 198 of its report would be obviated. It was reasonable moreover that the Society which took the risk of the loan should charge a somewhat higher rate of interest, and it was pointed out that each member himself shared in the profits of the transaction. Accordingly on the motion of Mr. Gourlay (Bengal) the Conference adopted the following Resolution:

- (1) All *takavi* loans destined for members of Co-operative Credit Societies should be given through such Societies; and
- (2) the Society should treat such loans in the same way as the rest of its working capital.

12. *Rate of interest.*—Turning to the question of the rate of interest to be charged by village Banks to members the Registrars agreed that it should ordinarily be lower than, but should bear some relation to, the rate of interest usually charged in the locality.

13. *Objects for which loans are made.*—Mr. English (Burma) then raised the question of the objects for which loans should be made to members and he asked whether it was the practice for the Registrars of other provinces and their staff to scrutinize the purposes of loans. In the discussion which followed the fact was elicited that conditions in Burma differ essentially from those prevailing in India proper. In Burma Mr. English reported that working on credit was mainly a habit and could, if the Burma cultivator acquired the necessary self-restraint and knowledge, be avoided. Thus in Burma one of the main objects of the movement was to discourage borrowing by inculcating habits of thrift and prudence. In India, on the other hand, it was agreed that credit is essential to the cultivator, and it was decided that it would not be advisable even if it were possible to refuse loans for non-productive purposes. In the Punjab especially it has been found that loans for marriages have done much to keep expenditure on them within reasonable limits. The true distinction in India is not between productive and unproductive loans but between necessary and unnecessary loans, and the members of the Society must be left to decide for themselves whether a loan is necessary or unnecessary.

14. *The Reserve fund.*—The question of the growth, investment and employment of reserve funds was brought up for consideration by Mr. Shama Rao (Mysore). After some discussion the Conference agreed to endorse the opinion expressed by the majority of the Registrars last year that, so long as the reserve fund was small, it should preferably be employed in the business of the bank in order that capital might be accumulated more quickly, but that when it bore an appreciable ratio to the capital, it was advisable to invest it apart from the society in order to provide security for borrowed capital. In Madras, where rural societies borrow from a central bank, it is the practice to keep the reserve funds in such banks, interest thus being secured. This practice was generally approved. It also obtains in the United Provinces and Central Provinces among rural societies which are financed by a central bank.

15. *The dissemination of information.*—As regards the dissemination of information as to the principles of co-operation, the Registrars adopted a Resolution (with two dissentients) that care should be taken in disseminating information about the movement among agriculturists in tracts where it would be impossible for lack of staff to start societies. The Registrars of the Punjab and Bengal reported that efforts have been made to interest the teaching staff and through them the students of various educational institutions. In Mysore occasional notes are published and lectures are given. In the United Provinces notes on Co-operative Credit Societies have been published from time to time in the chief English and Urdu newspapers, and a pamphlet on the same subject was distributed at the Provincial Industrial Conference held at Lucknow in February last. So far as however these publications have led to little result. In Madras Mr. Ramachandra Rao announced his intention of starting if possible a Co-operative Credit Journal.\* It was to be written in English and was mainly intended for the use of societies and people already interested in the movement. The Registrars thought that the inception of such a journal would be premature in most provinces, but they recognized that in Madras, where the standard of education and the level of

\* See Appendix I.

intelligence are comparatively high, circumstances were different. In the majority of provinces they were agreed that more good would be done by holding District and Provincial Co-operative Conferences. A Conference of this description has already been held in Bengal, and they have been proposed in Bombay and Mysore.

16. *How can rural societies avoid leaving part of their working capital unemployed during part of the year?* This question\* is dealt with in paragraphs 20 and 25 below.

• 17. *Should interest on profit side in profit and loss account include interest due as well as interest paid?* Mr. Standen presented the report of Sub-Committee III on this question as follows:—“It was unanimously agreed that interest on the profit side of the profit and loss statement (Statement III) should include interest due as well as interest paid. Doubtful or irrecoverable interest, of course, should not be shown.”

Mr. English (Burma) dissented from the view of the Sub-Committee. He thought that the procedure proposed would seriously complicate the profit and loss statement and make it unintelligible to the members of a rural society. It was essential that they should understand their accounts. Moreover if interest due were omitted it would show the financial position of the societies in a more unfavourable light, and he thought that this would be the safer course to adopt. Mr. Gourlay (Bengal) pointed out that, if interest due as well as interest paid were not shown, the profit and loss account would not tally with the balance sheet. He agreed with the Sub-Committee. Mr. Fremantle (United Provinces) suggested that the profit and loss account might be dispensed with altogether without much harm being done, but he did not press his suggestion. Mr. Shama Rao (Mysore) agreed with Mr. English. The report of the Sub-Committee was adopted with two dissentients (Messrs. English and Shama Rao).

18. *The employment of Government Schoolmasters or Postmasters as account centres in backward districts.*—The Conference next proceeded to consider the subject proposed for discussion by Mr. Campbell (Bombay) regarding the employment of Government Schoolmasters or Postmasters as account centres in backward districts. Mr. Campbell was unfortunately absent, but it was understood that his suggestion was that in backward districts the Schoolmasters or Postmasters should keep the accounts of several rural banks. To this the Registrars demurred. They were unanimous as to the importance of each rural bank keeping its own accounts, though they saw no objection to the employment of Schoolmasters or Postmasters in keeping the accounts of individual banks of which they were members.

## II (B).—URBAN SOCIETIES.

19. *Clerks' Societies.*—Mr. Fremantle (United Provinces), who is engaged in framing model bye-laws for clerks' societies in the United Provinces, asked whether it was the practice in other provinces to enquire into the purposes for which loans are applied for in such societies. The practice varies in different provinces. In Eastern Bengal and Assam the rule is that such enquiries should be made both before the loan is granted and afterwards to see whether the loan was really applied to the purpose specified. In Bengal the committees of such societies are expected to make enquiries into the object of the loan before granting it, and there is reason to believe that in the majority of cases genuine enquiries are made. In other provinces the bye-laws usually provide for such enquiries, but it is doubtful whether they are properly carried out. In the course of the discussion it was elicited that in at least one province all clerks in an office where a Co-operative Credit Society had been formed were eligible for entry into the society without election. The Registrars pointed out that election was necessary under the Act, and they agreed unanimously that loans should not be granted by clerks' societies without a previous enquiry into the purpose for which it was required.

\* See Appendix II.

## II (C).—HOW TO FINANCE CASH SOCIETIES.

## II (F).—What is the best type of a Central Bank with branches for rural area

20. Mr. Gourlay (Bengal), Chairman of the Committee, presented the report of Sub-Committee No. I as follows—

“(1) The subjects referred to the Sub-Committee were—

(a) How to finance cash societies.

(b) What is the best type of a Central Bank with branches for rural areas.

(c) The following extract from paragraph 23 of the Proceedings of the Second Conference.

*The Financing of Cash Societies.*—It was agreed that, if possible, the best method would be to build up a Central Bank from below, but it was recognised that this would take many years. The Bengal Registrar stated that he hoped in the next year to make a commencement in forming the societies into local unions for purposes of finance and control, but that nothing had been done up to the present. The United Provinces' Registrar hopes to solve the same problem by the institution of district banks where there are sufficient societies formed or a demand for their formation exists. It was agreed that this subject should come up for special consideration at the next Conference, as the solution of the problem of finance and control is vital to the success of the movement.

(These three subjects were taken up together.)

(d) The desirability or otherwise of district or Central Banks formed to finance Co-operative Credit Societies taking up land mortgage business also (Mr. Fremantle).

(e) The following Resolution passed by the third Indian Industrial Conference held at Surat on the 30th December 1907.

## IV.—AGRICULTURAL BANKS.

*Resolved.*—That this Conference begs to call the attention of Government to the urgent need of promoting the establishment of Agricultural Banks to help Co-operative Credit Societies and to advance loans directly to agriculturists at reasonable rates of interest, and further begs to suggest that the advice and co-operation of representative members of the Indian Community may be enlisted in devising a suitable scheme to secure this object.

“(2) *Subjects (a), (b) and (c).*—In Madras societies are financed by the Madras Central Urban Bank Limited, a joint stock bank consisting of 100 shares of the nominal value of Rs. 500 each, Rs. 150 of which has been called up. Deposits are received for short or long terms at rates of interest carrying from 4 per cent. to 6 per cent. The main function of the bank is to finance societies registered under Act X of 1904. This bank is a commercial success, and its resources are sufficient to meet the needs of Co-operative Credit Societies in the Madras Presidency. In Burma agents are employed who in return for a commission of 1 per cent. collect deposits from the public and distribute these to societies at 9 per cent. in accordance with the advice of the Registrar. In Bengal deposits from the public are received by the Registrar and passed on to the societies, the bonds of the societies being handed over to the depositor. In Bombay a Central Bank was founded by some public spirited gentlemen interested in the movement, but it has not been a commercial success and has failed to meet all demands made upon its resources. In the Punjab the village societies have collected most of their capital by means of shares and deposits of members and local non-members; Government has also rendered considerable assistance. In the United Provinces the village societies have been financed by District and Town Banks, but future development will be on the lines of the Budaun District Bank, a joint stock concern registered under Act X of 1904 whose shareholders are societies. Loans are made only to shareholders. Further capital required is raised by means of preference shares or deposits. In Eastern Bengal and Assam some societies are financed by a Town Bank in Shillong (the resources of which are however inadequate). The Registrar also receives deposits as in Bengal.

“(3) Societies can be financed by—

- (i) funds supplied by the members either in the form of shares or deposits ;
- (ii) deposits attracted from non-members ;
- (iii) loans from—
  - (a) Joint Stock Banks or Agents.
  - (b) Town Banks.
  - (c) Central Societies.
  - (d) Other rural societies.

“The Committee are unanimously of opinion that it is always best to attract local capital, and they desire to emphasise the importance of societies attracting the deposits of members and local non-members. The presence of local deposits ensures interest in the proper working of a society.

“If local capital cannot be attracted in this manner, the Committee are of opinion that where there are sufficient societies within a reasonable distance of each other, the ideal development is a federation of societies on a joint stock basis (as is done in Germany and in other countries on the Continent of Europe). The federation should be as local as possible. If the local unions thus formed are not strong enough to attract the necessary capital, there should be a further federation of such unions into a Central Union. Such unions should be joint stock companies registered under the Co-operative Credit Societies Act; the ordinary shares should be held by societies alone; and the unions should deal only with ordinary shareholders. If additional capital is required this should be raised by the issue of preference shares or by long term deposits from the public. The Committee would draw attention to the Budaun District Bank recently founded in the United Provinces on the above lines.

“Mr. Wilberforce was of opinion that the ideal development sketched above was not attainable on commercial lines, as small societies have not sufficient funds to enable them to purchase shares in such unions. With this view the other members did not agree. Mr. Wilberforce was further of opinion that the principle on which the Budaun District Bank is founded was unsound, first because the concern having been founded through official influence was not spontaneous, and secondly because in many instances the societies had purchased their shares with money lent by the Bank. The other members were of opinion that there was no objection to such official influence provided that the Bank when started had every prospect of proving a commercial success without further official assistance. Mr. Fremantle went further and considered that the establishment of such a bank was justifiable even though the assistance of the Collector of the District as Chairman was necessary for some time to come.

“(4) The majority of the members were of opinion that although the federation of village societies into unions was desirable, at the same time rural societies formed the natural outlet for the surplus funds of urban societies. Mr. Gourlay was of opinion that urban banks should not be founded for the purpose of financing rural societies, as it was best for a bank to deal either with individuals or with societies but not with both classes of clients: at the same time where a union was impossible he saw no objection to an urban society lending to a rural society. He also thought that the interests of the rural societies would always be better served by forming unions if practicable, when there would be no objection to the urban bank depositing its surplus funds with the union.

“(5) The Committee then dealt with the desirability at the present time of establishing a large Central Bank dealing with more than one Province to finance Co-operative Credit Societies. Mr. Wilberforce was of opinion that it was impracticable at present to establish such a Central Bank on commercial lines unless the societies be granted a special procedure for the recovery of loans due by members. Mr. Rao pointed out that in Madras a Central Bank, dealing with societies in the Province, had already been founded without official assistance on commercial lines, and was at present working satisfactorily. So far as his Province was concerned, therefore, it was unnecessary to establish any other larger Central Bank. Mr. Fremantle was of opinion that so far as the United Provinces were concerned such



a Central Bank, though not at present essential, would be useful : he hoped however that the existing Joint Stock Banks would eventually be induced to provide the District Banks in the United Provinces with all the capital they required. Mr. English was of opinion that it would be wise to wait until there is sufficient business in a Province to support a Provincial Central Bank : at the same time he would not be averse to borrowing from a Central Bank established elsewhere. Mr. Gourlay was of opinion that a large Central Bank dealing with more than one Province would stimulate the movement, but he was inclined towards the view that its establishment was at present premature.

“The Committee were of opinion that a Central Bank should not be founded till there was the prospect of sufficient local unions who could offer such an amount of business as would make the Central Bank a commercial success.

“(6) The next question considered was whether the Committee should recommend the granting at the present time of any concession by Government to an individual company to enable it to establish such a Central Bank. Mr. Rao had already expressed the opinion that so far as Madras was concerned such a Central Bank was unnecessary. Mr. Wilberforce was of opinion that it would be better to grant to societies a summary procedure for the recovery of loans from members, when a Central Bank, he believed, could be formed at any time without concessions from Government. Mr. Fremantle and Mr. Gourlay saw no objection to Government assisting with a guarantee, but as recorded above, Mr. Gourlay was inclined to the view that the granting of such a concession at the present time was perhaps premature. Mr. English was of opinion that it would be better to wait and try to establish a Provincial Central Bank without any guarantee.

“(7) The Committee then proceeded to consider the best form of such a Central Bank. They agreed unanimously that the Central Bank should be a joint stock concern registered either under the Companies' Act or under the Co-operative Credit Societies Act and that its constitution should provide for the rate on loans to societies being decreased as the profits of the Bank increased. They were further of opinion that the Bank should ordinarily deal only with unions or with District Banks and not with individual societies which are members of unions. Mr. Wilberforce agreed with this in theory, but thought the scheme impracticable. Mr. Fremantle would go further than the majority of the Committee and would confine the dealing of the Central Bank entirely to unions and District or Urban Banks. Mr. Gourlay was of opinion that the shares in the Central Bank should be held by societies only and that the bank should issue loans only to shareholders. The societies would thus share in the Reserve Fund, and the majority of the profits would return to them in the form of dividends.

“(8) To sum up—

- (i) the Committee agree that the best method to finance societies is by means of a share capital subscribed by the members or by the deposits of members and others ;
- (ii) in any case (and particularly where such funds are insufficient) societies should federate and so form local unions which should be on a joint stock basis, the shares being held only by societies and the unions dealing only with shareholders ;
- (iii) when such unions are established a Central Bank dealing with a Province or larger area would be valuable, if not essential ;
- (iv) such a Central Bank should be as co-operative as possible, and its constitution should be such that the affiliated societies can obtain as large a share as possible in the profits and Reserve Fund of the Central Bank ;
- (v) the majority of the Committee are of opinion that considering the success which has been attained by the District Banks in the United Provinces and the Central Urban Bank in Madras without any guarantee or special privileges, it is premature to establish a large Central Bank by the offer of concessions by Government to any individual Joint Stock Company. Mr. Wilberforce desired that his dissent to this should be recorded as he is of opinion that the progress

of the Co-operative Credit movement should be accelerated by the grant to societies of a special procedure for recovery of debts or by the grant of such a concession to an individual company.

“(9) On the subject of control the Committee were unanimous that ultimately the supervision of the societies should be left to the financing agency; and that where such agency took the form of unions or Central Banks, there was no objection to Government contributing to the cost of such supervision as is done on the Continent of Europe. It was recognised however that for some years to come supervision and control must be exercised by officers of Government.

“(10) The Committee desired to express their opinion on two further points not directly referred to them for discussion. The Committee were unanimously of opinion that whenever it is thought desirable to establish a large Central Bank for dealing with more than one Province the share capital should be issued in India in rupees.

“(11) The Committee were also of opinion that at the present time the advice of an expert banker interested in the movement would be invaluable to all Registrars in guiding the future development of the movement.

“(12) The Committee have added to this report three notes—

(i) a note on the Central Bank question so far as it concerns Madras by Mr. Rao;

(ii) a note of dissent by Mr. Wilberforce;

(iii) a note by Mr. Lalubhai Samaldas on a proposal for a Central Bank dealing with more than one Province and the opinions of the members of the Committee thereon.

“(13) (i) *Note by Mr. Ramachandra Rao (Madras) on the Central Bank question so far as it concerns Madras.*—Before stating what I consider should be the future policy in financing Co-operative Credit Societies in the Madras Presidency, I shall describe what we have already achieved there. In Madras town we have a Presidency Central Urban Bank. It is a share bank consisting of 100 shares of the value of Rs. 500 each, of which only Rs. 150 have been called in. It takes in deposits for short and long terms at rates of interest varying from 4 to 6 per cent. recently not exceeding 5 per cent. The main function of the bank is to lend money to registered societies; so it takes in deposits only when there is a demand for loans from such societies. Though the bank is not advertised and is known to few outside the Presidency town, yet the confidence engendered is so high that the bank has had recently to refuse about Rs. 50,000 worth of offered deposits in a month. This bank has ample resources and prestige to finance societies in the Madras Presidency for several years to come.

“(ii) There is a good deal of surplus money in several areas of the Presidency, notably in the deltas. People there feel the want of a sound bank for investment. People have also recognised that it is perfectly safe to invest in Co-operative Societies. So, specific proposals have already been made to me in two districts to organise district central banks. These banks will work on the same lines as the Presidency bank, but will only lend to societies in individual districts (or groups of districts). But as yet the number of societies in any district is not sufficiently large fully to keep a district bank occupied, nor do I believe in the policy of stimulating the formation of societies solely to feed a bank. So, some subsidiary measures will be necessary, first, for the utilisation of surplus deposits in the district bank, secondly, for advancing money on those rare occasions when the Co-operative Societies may need loans, and the district banks may not for the moment have cash. These difficulties will not arise in the case of the Presidency bank as its transactions are wider and its clientele more numerous. The difficulties have been overcome by the Presidency bank agreeing, without reference to its own exigencies, to receive all moneys tendered by district banks and to lend all moneys required. The district banks will not be branches of the Presidency bank, but independent banks come into existence under stress of local requirements and locally managed and thus capable of attracting local capital.

“(iii) This year, I notice a further development. It is only in one area in the Presidency (Chingleput district) that there is a cluster of societies working side

by side. These societies are now working independently. They have expressed a wish to federate themselves into a union for administrative and financial purposes. As soon as the Act is amended so as to permit the registration of a union I shall register this union. From a financial point of view, the union will attract all local capital, and if that be insufficient, will borrow from the Presidency or District banks.

“(iv) To indicate the probable lines of future progress in the Madras Presidency, the ideal is that almost every village should have a co-operative society, that these societies should be grouped in unions, that the unions should federate into district major unions, and that these latter should correspond with a Presidency bank. The capital should be all along local deposits and savings. The wants of one society should be balanced by the surplus of another.

“(v) The foundation of the above idea is the individual society. In Madras, wherever a society is worked, people in the neighbourhood watch it and after some time, applications pour in and local capital is also invested. The tendency is to get societies close to each other. So, given time and staff, I think it quite within the range of immediate practicability to think of co-operative unions. The rest of the scheme may stand over. The principal function of the Presidency bank has been to render possible the working of a society in its initial stages. In order that a society may work, it must have capital, and unless it demonstrates to the neighbourhood by actual working and efficient management, it will not attract local capital. So, at present, when a society is registered especially in an area freshly entered on, it has necessarily to borrow from the Presidency bank; but after it has worked two or three years, it returns the loan and is able more or less to shift for itself; as already mentioned, it also serves to induce the formation of societies in the neighbourhood. The Presidency and district banks as joint stock banks need not be maintained indefinitely, but are necessary expedients in the earlier phases of the growth of co-operation. Later on by the substitution of co-operative societies for shareholders, they will develop into major unions.

“(vi) It might be asked whether the central banks can for the present hope adequately to meet demands. All that I can say is that so far as Madras is concerned, there is not the slightest fear of any failure to meet such demands; and it is time enough to think of guaranteed banks and debentures and loans bolstered up with the dangerous aid of summary procedure when I find existing institutions unequal; and when that contingency arises, if at all, I hope to benefit by the experience of other provinces. Meanwhile, I wish to state that the Presidency bank already shows signs of becoming independent of individual depositors. Co-operative Societies themselves have begun to invest their reserve and surpluses in the Presidency bank; and the amount so invested is already very large. It might also be asked whether the Presidency bank might not be able to repay fixed deposits when there is a run. I do not think this likely especially as the societies themselves have begun to make large deposits.

“(vii) As regards relief of agricultural indebtedness by liquidation of prior debts. Personally, I think it impossible that this should be done on a large scale without any reference to the improvement of character. By merely throwing out money, the indebted ryot cannot be prevented from lapsing into deeper debt again. In Madras in several villages however co-operative societies have solved the question. They examine the ryot's character and lend him money to pay off prior debts. Local village opinion is so strong that the creditor dares not claim more than what is equitably necessary, and the debtor dares not plunge into unnecessary expenditure again. This has happened in several villages, and it is only a question of time when no thrifty ryot need be indebted. It is a question of considerable time, I admit, but in my opinion a very sound method of progress; while general liquidation through the help of outside capital and without the healthy influence of communal opinion is in the long run likely to defeat its very purpose. The question is a very wide one scarcely within the province of a Conference of co-operators to pronounce on.

“(viii) To conclude; the progress in Madras is organically sound. It is slow, but it is better to be slow and sound than fast and unsound by rushing into experiments of doubtful value and colossal magnitude. If Madras is left alone to develop on its present lines, there is no fear of want of capital to finance co-opera-

tive societies; and I expect also that the question of indebtedness will be slowly and automatically solved.

“(14) *Minutes of dissent by Mr. Wilberforce (Punjab).*—Many remarks have been made to the effect that District and other Central Banks such as have been established in some provinces go far to solve all the difficult questions connected with Co-operative Societies. As far as these remarks are based on theory they are indisputable. As far as they are based on facts they are unjustified, as no Central Bank of the type required has yet been formed. No successful Central Bank has yet been formed on purely business or co-operative lines. The semi-official District Banks formed in the United Provinces are an unnatural growth. Their tainted birth and childhood can hardly fail to affect their future lives. Considering the importance of Central Banks to future development we ought to decide upon the soundest methods of endeavouring to create such institutions. Leaving out of consideration the formation of a Central Bank by small societies as generally they have funds insufficient for their own needs and cannot afford to take up shares in a Central Bank, the circumstances under which Central Banks will be established are as follows. Business men will combine of their own accord to establish Central Banks when they are satisfied that such concerns will prove remunerative. They would be satisfied immediately if Government would grant facilities for recovery of all loans by Co-operative Credit Societies. If Government continues to decline the grant of such facilities, business men will wait till village societies by the soundness of their working convince them that transactions with such societies would be safe and profitable. These will be and should be the natural lines of development. It is most important to decide whether we should proceed on natural lines or endeavour to force development by resort to other methods. In other words is it good policy to force the growth of Central Banks by the influence of local officials? Such methods can only be justified by a greater measure of success than would have attended any other methods.

“(15) *A Note by Mr. Lalubhai Samaldas on a proposal for a Central Bank dealing with more than one province, and the opinions of the members of the Sub-Committee thereon.*

“The question of starting a Central Agricultural Bank has again come up for consideration, as the demand for capital to finance the existing Co-operative Credit Societies is increasing, and as the existing institutions are not able to fully meet this demand. Even in Madras which does not, the Registrar says, need outside assistance, the number of societies will have to be, if it is not actually, kept down for want of funds to finance them, as the small Central Bank cannot meet the growing requirements of an increasing number of societies. Moreover, it is not safe banking to accept deposits for one year and advance them for three years.

“As it will be very very long before the existing Co-operative Credit Societies have their own Central Banks, and as it would not be proper to starve the existing societies or to prevent others from coming into existence, merely for the want of an agency to finance them, it is advisable to consider any scheme that undertakes to provide them with the requisite capital. The Banks that have done similar work with good results are the Egyptian Bank and the Prussian State Bank. The scheme now put forward is a modified combination of these two types, doing away to a certain extent the inherent defects of both. Not being a State Bank, it meets the requirements of Mr. Wolff who after referring to the defects of the Prussian Bank says ‘For all that in the interests of co-operation one would wish to see similar service rendered by a purely business body divested of official power and official terrors meeting Co-operative Banks on a footing of equality.’ As the proposed Bank is going to deal largely with Co-operative Credit Societies or their Unions it will not be necessary to use the Government village organization, etc., to the extent utilized by the Egyptian Bank.

“The details of the scheme are as follows:—

“I. The Bank to be a joint stock Company to be registered under that Company’s Act the share capital to be raised in open market.

“II. The share capital of the Bank to be Rs. 25,00,000 with powers to increase the same to be divided into 2,500 shares of Rs. 100 each.

“ III. The Bank to be authorised to issue 4 per cent. debentures Government guaranteeing the interest to the extent of four times its nominal share capital.

- (a) The debentures to be repayable at the end of 28 years.
- (b) The debenture capital to be used only for making advances to Co-operative Credit Societies or their Unions and to individual agriculturists.
- (c) Three-quarters of the debenture capital to be reserved for the former and one-quarter for the latter object.
- (d) The advances to individual agriculturists to be made only (i) in canal irrigated areas, (ii) in selected areas to assist the agriculturists to liquidate their existing debts.
- (e) The advances to Co-operative Credit Societies as well as to individual agriculturists to be for not more than ten years liable to renewal at the option of the parties.
- (f) The maximum advance to an individual agriculturist to be Rs. 5,000 (five thousand).
- (g) The advances to Co-operative Credit Societies or to their Unions to be made only at the recommendation of the Registrars.
- (h) The rate of interest to be charged to be 8 per cent. (4 per cent. debentures interest + 1 per cent. management expenses + 1 per cent. bad debts accounts + 2 per cent. sinking fund) in the case of Co-operative Credit Societies or their Unions and 10 per cent. in the case of individual agriculturists.

*N.B.*—This extra two per cent. is to be charged on account of the credit of the individual agriculturists being lower than that of the Societies with unlimited liability. It will also be equal to the rate charged by the Societies from their members.

“ IV. The Bank to be at liberty to utilize its share capital as well as its fixed and current account deposit money for ordinary banking purposes. The sinking fund and reserve funds of the Co-operative Credit Societies to be utilized under the Presidency Bank Act.

“ V. In lieu of guaranteeing the interest on debentures Government to be given the right to inspect the books of the Bank.

“ Government guarantee is essential to attract capital at a low rate of interest in business which the ordinary investor does not at least at present consider safe. The sinking fund portion of the scheme will enable the societies as well as the agriculturists to be automatically free from debt by paying a slightly higher rate of interest. But if the borrowing societies do not want to pay the sinking fund 2 per cent. and like to pay the debts when due this 2 per cent. can be omitted.

“ Sir F. Nicholson in his note on agriculture in Japan says : ‘ But it has been proposed for India that the second plan (*i.e.* of the Egyptian Bank) should be modified by the Central Bank lending to associations or groups of farmers. It is necessary for such banks to begin by lending largely to individuals in order to create a clientele and a business which will pay dividends during the slow process of forming associations, but when the latter are formed business should preferably be done with them, and Government might allow privileges to further such business.’ The proposed Bank will just be like the one suggested by Sir F. Nicholson.

“ (16) Mr. Gourlay was of opinion that the scheme should not be supported because, among other reasons, it was not sufficiently co-operative, and the Bank proposed to deal with individual cultivators and to carry on a general banking business entirely unconnected with Co-operative Credit Societies. Mr. Rao was of opinion that such a bank should not extend its operations to Madras as it might injure the Central Urban Bank already established there. Mr. Fremantle would be glad to borrow from such a bank, but he doubted whether it would be able to do business at the low rates proposed. Mr. Wilberforce objected to the use which the Bank proposed to make of the Registrar who would be the agent on whose authority loans were made. The Registrar would be unable to take such a position. The Bank must arrange for its own staff of enquiring and inspecting officers, the cost of which would be considerable. The Sub-Committee resolved that such a scheme should not be supported at present,

“(17) *The desirability\* or otherwise of district or central banks formed to finance Co-operative Credit Societies taking up land mortgage business also.*—The Committee saw no objection to a District or Urban Bank formed for the purpose of financing individuals lending money to its shareholders to redeem mortgages on their land, but they thought that it would be wise for the borrower to furnish at least two sureties, and that the mortgage bond taken by the Bank should be only a collateral security.

“(18) *The Resolution of the Surat Industrial Conference, 1907, regarding the establishment of an Agricultural Bank.*—The Committee welcomed the Resolution of the third Indian Industrial Conference. The Government were aware of the importance of establishing some central organization for financing and controlling Co-operative Credit Societies; and the matter had received the special attention of the Third Conference of Registrars. The Committee welcomed the suggestion that representative members of the Indian community should co-operate with the Registrars in devising a suitable scheme to secure this object, and the Committee were indebted to Mr. Lalubhai Samaldas for his assistance in dealing with the matter. The Committee’s opinion on the subject of the best form of Central Bank will be found in another part of this report.

“(19) With regard to Mr. Standen’s query† how rural Societies could avoid leaving part of their capital unemployed during part of the year, the Committee were of opinion that the object could best be secured by the rural Societies federating and the Union so formed either depositing the excess capital in reliable commercial banks or by lending it to other Unions which require funds at the time when there is an excess.

“Mr. Gourlay and Mr. Fremantle were against the cash Societies having anything to do with grain, except as collateral security for a loan and provided that the Society was satisfied with the provision made for the custody of the grain. Mr. Wilberforce, while agreeing that grain transactions as a rule were inconvenient as they complicated the accounts, considered that in many societies in the Punjab they were unavoidable and advantageous to the Society and its members. Members were often able and willing to pay in grain, especially towards the acquisition of shares, amounts which they would be reluctant to pay in cash.”

21. The report of the Sub-Committee was generally agreed to subject to the following remarks by individual members of the Conference.

22. Mr. Buchan (Bengal) stated that so far as he had been able to follow the report of the Sub-Committee he was prepared to accept all their conclusions. The only suggestion that he had to make was that the Registrars should consider the advisability of assisting land-holders who do not come within the scope of village Societies to co-operate on the lines of the German *Landschaften* or otherwise in order to relieve their indebtedness. The President pointed out that this was a separate question and a very large one. On Mr. Gourlay’s motion it was agreed that it should be taken up at the next Conference. Mr. Fremantle reported that the question had already been mooted in the United Provinces, and that it was quite possible that a beginning might have been made in the direction indicated by the date of the next meeting.

23. Mr. De (Eastern Bengal and Assam) agreed with the views expressed by Mr. Gourlay in the Sub-Committee’s report.

24. Mr. Standen (Central Provinces) said that the Sub-Committee had emphasised the importance of obtaining local deposits. Personally he would have gone further and he would have laid it down as a principle that a Central Bank should not be utilised by village societies until local deposits were of sufficient magnitude to indicate that the habit of saving had been established. The President thought that this was going too far. Mr. Gourlay agreed. Mr. Standen admitted that the principle advocated by him would retard considerably the progress of the Co-operative Credit movement, but he thought that the inculcation of habits of thrift was the most important object in view. Mr. Lalubhai Samaldas thought that in practice it would be difficult if not impossible to apply the test proposed by Mr. Standen. Mr. Fremantle’s view was that the rates of interest at which the Cen-

\* See Appendix III.  
† See Appendix II.

tral Bank was willing to lend to Societies should not be so low as to prevent local capital coming in. Mr. Wilberforce was inclined to agree with Mr. Standen. He thought that no village society was worthy of support from outside until it had collected a large part of the local savings available. The general sense of the meeting was against Mr. Standen's proposal.

25. With reference to the Sub-Committee's opinion on the question how rural societies could avoid leaving part of their capital unemployed during a part of the year, Mr. Standen asked whether it was advisable for the Central Bank to take outside business or to deal only with Co-operative Credit Societies. He pointed out that in the Central Provinces and Berar agricultural operations were at a standstill for a part of the year and that in this period some of their capital necessarily lay idle. In consequence they suffered a considerable loss. The Sub-Committee had recommended that the surplus funds should be deposited in a commercial bank or a Union where such existed. The rate of interest obtainable by this means however would be considerably less than the rate at which the societies had borrowed the money. Thus the recommendation of the Sub-Committee did not entirely get rid of the loss. He thought that the Union or Central Bank which financed societies should be permitted to use its surplus funds in general banking business. For instance, he thought that they might be legitimately employed in shifting the cotton crop.

The President thought that it would be very dangerous for a Central Bank such as was contemplated in the Sub-Committee's report to engage in general banking business. Mr. Gourlay objected strongly to Mr. Standen's proposal, and was of opinion that Central Banks should not be allowed on any account to engage in business which was of a speculative nature. Mr. Fremantle stated that in the United Provinces the idle season was short and that at present the question was not of great practical importance. At the same time he thought that the difficulty mentioned by Mr. Standen was a real one in the Central Provinces. Mr. Gourlay pointed out that the true banking principle was that working capital should represent the capital which could ordinarily be employed throughout the year. Excess capital required at any particular period was usually obtained by short term loans or deposits. Mr. Lalubhai Samaldas agreed that this was the usual practice in banking. It was generally agreed that ordinarily a Central Bank should be confined strictly to dealings with Co-operative Credit Societies and that surplus funds should be invested in gilt-edged securities.

26. Mr. Lalubhai Samaldas' scheme for an Agricultural Bank was then briefly discussed. The President pointed out that the Bank would be empowered not only to engage in general banking business but also to lend money direct to individual agriculturists. The whole of the deposits attracted by the Bank as well as the original share capital would be available for the latter purpose. He suggested that in these circumstances the operations of the Bank might tend to check the growth of the co-operative credit movement. Mr. Lalubhai Samaldas was unable to subscribe to this view. Three-quarters of the crore of debentures which it was proposed to raise on the Government guarantee were to be used exclusively for the purpose of financing Co-operative Credit Societies. He explained that the Government of Bombay had recently instituted a scheme for financing sugarcane growers on the Nira Canal. One of the objects of the experiment was to test the feasibility of forming an Agricultural Bank in the Presidency. This was the sort of work that his bank would take over, and he also hoped that in selected areas it would be possible to liquidate agricultural indebtedness. In his opinion so far from interfering with the progress of the co-operative credit movement the Bank would do much to stimulate it. One of its functions would be to assist the Registrar in promoting co-operation. He was willing to stimulate the growth of Co-operative Credit Societies by accepting them as shareholders and to constitute Local Boards of Directors on which the Chairman of Co-operative Unions would have seats. His Bank would be a Bank for all India not merely a Provincial Bank. Mr. Ramachandra Rao had stated that the extension of the Bank's operations to Madras would injure the existing Central Urban Bank, which had been established without any Government guarantee. But provinces which did not require the services of the Bank need not utilise them.

## II (D).—INSPECTION, AUDIT AND CONTROL.

27. *The question of Government Control.*—The President, in inviting attention to Mr. Buchan's note\* on *The part which Government is prepared to take in the future development of co-operation* and the note† by Mr. English on *The part which the State means to take in further extending propaganda and in dealing with spontaneous expansion*, remarked that, as he had already said in his opening speech, the question of inspection, audit and control was rapidly assuming very great importance and demanded their most careful consideration. Already a point had been reached in at least three provinces at which the expansion of the movement was in danger of receiving a serious check unless the problem were solved either by an increase in the staff provided by Government or otherwise. Personally he inclined to the opinion that the proper solution of the difficulty was to be sought in the supervision of rural societies by co-operative unions or central banks.

28. *Existing staff.*—The Registrars then explained the arrangements made for supervision, audit and control in the different provinces. Mr. Standen thought that it was a matter for consideration whether the time had not come for the appointment of a whole time Registrar in the Central Provinces. The Conference agreed. Mr. Wilberforce thought that the staff employed by Government in the Punjab required strengthening. Mr. Buchan stated that honorary organisers had proved very valuable in Bengal, and that it would suffice for the present if local clerks were appointed to help them and if additional assistance were provided at the time of audit. Mr. English (Burma) dwelt on the immense area to be covered in his province, the difficulty of travelling, and the scattered positions of the societies, as well as the comparative backwardness in higher education of the province, the absence of a leisured class, and the desirability of avoiding new indebtedness in tracts coming under cultivation. He hoped in time to arrange for supervision and control through central banks on the United Provinces model, but he urged that in the meantime and as a temporary measure an increase in the controlling staff was essential. Agricultural indebtedness was a plant of comparatively recent growth in Burma, but already it had assumed such alarming proportions as to attract the serious notice of Government. Various remedies had been proposed, but personally he was sanguine enough to believe that given careful supervision in its earlier stages the co-operative credit movement would in itself prove adequate to cope with the evil. But if these hopes were to be realized, the controlling staff must be strengthened. The Registrar of Eastern Bengal and Assam has recently made proposals for additional establishment. In other provinces the existing staff was reported to be sufficient for present requirements. It was decided that in view of the great variety of local conditions, the particular needs of the various provinces in regard to staff and establishment must be left to the Local Government concerned to deal with. The Conference however was of opinion that there could be no reasonable doubt that an increase of staff was urgently required in some provinces.

29. *The future relation of Government to the movement.*—The general question of the future relation of Government to the co-operative credit movement was then discussed. It was agreed on all sides that Government supervision would probably always be required though the precise duties of the Registrar would probably undergo some modification. Subject to this reservation, Mr. Gourlay expressed the opinion that the organisation of the societies for the purposes of inspection and audit should be such as the societies could eventually take over and pay for themselves. Mr. Buchan agreed that the object to aim at was that the societies should eventually assume responsibility for the arrangements made for inspection and audit, but in the meantime he thought that Government should be prepared to provide an adequate staff. Some discussion followed as the result of which the Conference recorded the following Resolution:—That the time should be looked forward to when the societies should themselves pay for audit and inspection, but that until this could be arranged for Government should be prepared to provide such reasonable staff as might be necessary for the continuous development of the movement in the varying circumstances of each province.

Mr. Joglekar (Bombay) and Mr. Wilberforce (Punjab) were unable to agree in this Resolution. Both doubted whether Government control could ever be

\* See Appendix IV.

† See Appendix V.



dispensed with. Mr. Wilberforce stated that the people had been taught to rely on permanent control by Government and that their confidence would be severely shaken if they realised that it was contemplated to relax that control even ultimately. He suggested that the expense of maintaining a suitable staff would be a fair charge on the District Boards.

30. *Decentralization to district and sub-divisional officers.*—The question was then discussed whether the difficulties already referred to in regard to superior controlling staff could be overcome by a gradual process of decentralization from the Registrars to district and sub-divisional officers. Had not the time arrived at which attempts should be made to interest these officers in the movement with a view to their taking over executive charge of the societies from the Registrars? The Registrars unanimously objected to the suggestion. Mr. Gourlay (Bengal) pointed out that the true line of decentralization was from the Registrars to the Societies themselves. His idea was that ultimately the movement should be freed as far as possible from Government control, and that the Society should apply to the Registrars for advice only when they were in difficulties. He feared that the result of the measure proposed would be the officialization of the whole movement which would be disastrous. Mr. English said that some district officers took an interest in the movement and others did not. If an officer of the former class were encouraged to take the initiative in forming societies in his district, many failures would be inevitable and the movement would be discredited if he were transferred and his place were taken by an officer who had no knowledge of or interest in the principles of co-operation. He thought that the society should not be trained to rely too much on the district officers. Mr. Ramachandra Rao (Madras) welcomed the assistance of district officers and in many cases had derived much benefit from it. But he deprecated the imposition of additional work on an already overdriven official. The Conference thought that district officers should adopt an attitude of sympathetic interest in the movement, but that as a general rule they should not take an active part in managing rural societies as this required a degree of special knowledge which district officers did not always possess.

31. *Connection of district officers with central societies.*—Mr. Fremantle stated that in the United Provinces it was the usual practice for the Head of the district to be the Chairman of the Board of Directors of a Central Society. The object of such societies was to finance local societies and to encourage co-operation, and he considered that the Head of the District ought to take part in the management of such societies. The President agreed with Mr. Fremantle. He held that there were not the same objections in the case of Central Societies as in that of small rural societies. In Central Societies the Board of Directors would be composed of members of comparatively high social status possessed of the necessary technical knowledge, and he thought that it would be of advantage to the Board to have as a member an official of wide experience competent to give useful advice on questions of general administrative importance. The other Registrars considered that it was preferable that Central Societies should be as independent as possible of official control.

## II (E).—THE FINANCING OF RURAL BANKS IN TIME OF FAMINE.

32. Mr. Fremantle reported that it was too early to appraise the effect of the famine on village banks in the United Provinces. Personally he was of opinion that in times of famine village societies should be helped with *takavi* by Government, and that they should restrict their operations till normal conditions were restored. Mr. Standen (Central Provinces) agreed. The Conference resolved that in times of scarcity and famine *takavi* loans might legitimately be given by Government to keep rural societies alive provided that loans could not be raised elsewhere.

## III.—GRAIN BANKS.

33. Little experience has been gained of grain banks, but Mr. Buchan stated that they are quite successful in Bengal, so long as the membership is very restricted. Mr. Gourlay explained that experience in Bengal was practically confined to the Sonthal Parganas where some years ago in a time of famine the Deputy Commissioner had purchased a large quantity of grain for distribution on loan to the tenants of the Khas Mahal and Wards' Estates under his control. The interest which was

taken in grain had been added to the principal and thus in the course of a few years very large stocks had accumulated. Difficulties of management ensued, and the Deputy Commissioner applied to the Registrar for assistance. The Registrar found that the most satisfactory plan to adopt was to make all the borrowers in a single village jointly responsible for loans of that village. No loans were made to individuals except on these terms, and in this way groups of borrowers were created. The next step was to encourage these groups whenever they contained 10 or more members by loans on favourable terms, to form themselves into Co-operative Credit Societies each with its own *gola*. The system had proved a great convenience to the villagers, and a great increase in the number of the small grain banks in the vicinity was anticipated in the forthcoming year. Mr. Gourlay agreed with Mr. Buchan that grain banks, if they were to be successful, must be small.

#### VI.—THE CO-OPERATIVE CREDIT SOCIETIES ACT.

34. *Are rules\* framed under section 27 (2) of the Act allowing a member to nominate an heir legal?* The report of Sub-Committee II was unanimously adopted as follows:—

“The Committee observe that section 27 (2) does not refer to the nomination of an heir, but of a person to whom the interest of a deceased member may be paid or transferred. A rule framed under this section read with section 16 of the Act absolves the society from liability in respect of the interest of the deceased member. If the member nominates some one who is not his heir the heir can sue the nominee, but the society is covered by the Act. There is nothing illegal about the nomination.”

35. *The amendment of the Act.*—The Conference were unanimously of opinion that the question of amending the Act ought now to be taken up.

36. *Amendments† of sections 4 (b), 7 (c) and 10 (1) of the Act so as to make legal provision for the safeguarding of a minor's interest.*—Sub-Committee No. II presented the following report:—

“Mr. Joglekar (Bombay) objects to the proposed amendments on the ground that full effect is not given to the co-operative principles on which societies are based unless every member has a voice in the management. Messrs. Buchan (Bengal), Standen (Central Provinces) and Haller (Coorg) consider that the subject is not likely to be of much practical importance and before recommending the amendments would like to know whether the difficulty of disposing of the interest of a deceased member when the nominee or apparent heir is a minor without legal guardian has caused trouble in any province. If the amendment be recommended at all the words ‘Nominee or person appearing to be the heir or legal representative’ should be substituted for the words ‘heir or heirs’.”

The President enquired whether the question which had been raised by Mr. Wilberforce was one of practical importance. Mr. Wilberforce (Punjab) thought that there could be no reasonable doubt as to this. He cited the case of a village in the Punjab consisting of 24 members, 23 of whom had been carried off suddenly by plague. Mr. English said that the question was one of great importance in Societies where the share capital is paid up in instalments extending over a long period of years.

After some discussion the following Resolution was unanimously adopted on the motion of the President:—

“The question of further safeguarding the interests of minors on the death of members deserves the careful consideration of Government. The Conference are not in a position to suggest the exact wording of the amendments required.

37. ‡ *Amendment of section 3 of the Act so as to permit persons not residing but holding lands in a village to become members of a rural society the area of operations*

\* See Appendix VI.  
† See Appendix VII.  
‡ See Appendix XVI.

of which includes the village in which the lands are held.—The report of Sub-Committee II was as follows :—

“Messrs. Standen and Buchan consider that the proposed amendment is undesirable and uncalled for. Undesirable because the class of members whose admission it is intended to facilitate would not ordinarily have community of interest with the class for whose benefit the bank is established, and would on this account be unsuitable persons to assist in management; and unnecessary because the principal object of the proposed amendment could be attained by permitting the class of persons in question to deposit as non-members or to guarantee the society to a certain amount.

“Messrs. Haller and Joglekar agree to the proposed amendment which is identical with an amendment suggested by the first Conference (paragraph 58 of report). They would not allow members admitted under this amendment to borrow and would limit their numbers to 5 or 10 per cent. of the total number of members in the society. Mr. Haller would also not allow them to take part in management.”

Mr. Gourlay strongly opposed the proposed amendment. If the object of it was to bring in substantial men to increase the credit of the Society, this could better be attained either by the class of persons in question guaranteeing the credit of the Society or by depositing with the Society. If the object was to benefit people in surrounding villages this could better be attained either by forming Societies in their villages or by extending the operations of the original Society to a group of villages. The President thought that the proposal involved the danger of introducing conflicting interests. A majority of Registrars agreed with the views expressed by Messrs. Standen, Buchan and Gourlay.

38. \* *Amendment of section 29 of the Act so as to make provision for a Co-operative Credit Society the members of which are themselves Co-operative Credit Societies.*—The Conference unanimously agreed with Sub-Committee No. II that the amendment proposed by Mr. Fremantle was necessary.

39. *Amendment of the Act so as to permit the Registration of productive and distributive Societies.*—Mr. Standen (Central Provinces) reported that in addition to the amendment of section 29 the members of Sub-Committee No. II were of opinion that the Act required amendment so as to permit the registration of productive and distributive Societies and to permit the Registrar to register such Societies as well as Central Societies without reference to the Local Government. The Conference agreed in this view. At the same time they recognised that if the Act were amended in the direction indicated it might have to be wholly recast.

40. \* *Abolition of the distinction between rural and urban Societies or, in the alternative, the amendment of section 10 (1) of the Act so as to enable small urban Societies to borrow from Central Societies.*—The Conference unanimously adopted the report of Sub-Committee II as follows :—

“The Committee agrees that the amendment of section 10 (1) is necessary in the sense suggested by Mr. Fremantle. They recommend that the words ‘any other’ should be substituted for ‘rural’.

“The Committee also suggest that effect should be given to the recommendations of the first Conference regarding the abolition of the distinction between rural and urban societies. This distinction is objectionable both on practical and theoretical grounds.

“The following amendments, the Committee consider, would give effect to this :—

Section 3 (2). ‘The liability of societies shall be either unlimited or limited.’

Section 3 (3). ‘In the case of a society the majority of the members of which are agriculturists the liability shall, either with the special sanction of the Local Government, be unlimited.’

*Section 3 (4).* 'In the case of a society the majority of the members of which are not agriculturists the liability shall be limited or unlimited as may be provided by the bye-laws or by any rules made under the Act.'

(These two sub-sections 3 and 4 are modelled on existing section 7.)

The existing section 3 (3) will be re-numbered 3 (5). For section 6 (1) substitute :—

'To the registered name of a society shall be added the words limited or unlimited as the case may be.'

*Section 7. Omit.*

In every other section in which the words 'rural Society' or 'urban society' occur [*i.e.*, in section 6 (1), 8 (1) and (2), 10 (3) and 27 (2) (g)] the words 'rural' or 'urban' should be omitted, and after the word 'society' the words 'with unlimited liability' or 'with limited liability', as the case may be, be added."

41. *Privileges granted by Government.*—This subject was next considered.

42. \* *A clear declaration of the meaning of exemption notification so as to include bonds executed to a Society by a member as well as by his coparceners.*—Mr. Standen presented the report of Sub-Committee No. II as below :—

"The Committee are not clear as to the grounds on which the coparceners of a member in Madras are required to sign a mortgage deed mortgaging the member's share of the joint property. They believe that under Hindu law a member of a coparcenary body can dispose of his own share of the joint property and they suppose therefore that the coparceners sign as securities. The Committee are of opinion that if the coparceners sign as sureties only the deed is exempt under the notification, but if they sign as joint mortgagors with the member the deed is dutiable inasmuch as it cannot be said to be executed by a member. The necessity for personal security in addition to the mortgage is not apparent.

"So far as the Committee know the exemption of agreements executed by members and signed by a surety who is a non-member has not been questioned in any province except Madras. If these deeds are required in any province to pay duty the notification of exemption should be amended so as to cover them."

The Conference agreed generally in the conclusions of the Sub-Committee. But Mr. Gourlay (Bengal) took exception to the last sentence of paragraph 1 of the Sub-Committee's report. In his view Co-operative Credit Societies should deal first in personal sureties and mortgages should be accepted only as collateral securities. Co-operative Credit Societies did not want to be saddled with land or with the trouble of realising a mortgage. Mr. Lalubhai Samaldas entirely agreed with Mr. Gourlay.

43. *The question of registration fees and whether the registration of documents is necessary.*—Mr. Campbell (Bombay) who had submitted this question for consideration was not present. The Conference adopted the following report of Sub-Committee No. II :—

"The Committee note that the Legal Remembrancer, Bombay, holds that the notification applies only to search fees : while the Legal Remembrancer, Bengal, has advised that the notification exempts bonds executed by the society, but does not extend to the case where fees would be payable by the member and not by the society.

"We consider that bonds executed by a member in favour of a society should be exempt from registration fees and that as there appears to be some doubt as to the effect of the notification it should be amended so as to cover such deeds.

"The Committee have not Mr. Campbell's arguments regarding necessity of registration before them, but there can be no question that under the Transfer of Property and Registration Acts, mortgage deeds must be registered."

• See Appendix XVII.

44. *The reduction\* of Money Order commission on remittances to and from Co-operative Credit Societies.*—Mr. Gourlay (Bengal) suggested that it would be more convenient if Mr. English's proposal that the Money Order commission on remittances to and from Co-operative Credit Societies should be reduced from Re. 1 per cent. to annas 4 per cent., which had been referred to a Sub-Committee for report, were considered at once in open meeting. Mr. De (Eastern Bengal and Assam) suggested that the concession if granted should take the form of a rebate at the end of the year of the amount of commission paid by a Society during the year. If a Society had paid Rs. 20 during a year on Money Order commission, the Registrar should be empowered to repay to it out of his contingencies either the whole or a portion of the amount. Mr. Ramachandra Rao stated that the question had already been raised in Madras. Rural Societies in remitting money to other Societies could not take advantage of the concession of Remittance Transfer Receipts at par. Thus they were in an unfair position compared with head-quarter Societies. Mr. Gourlay (Bengal) hoped that the Societies would in time become independent of Government, and he doubted whether the Post Office would continue a concession of the nature proposed. Mr. English (Burma) thought that the concession would only be required in the initial stages of the movement and that it should be granted in the first instance for a limited period. It was unanimously resolved that the present rate of Money Order commission was a considerable tax on the limited resources of the Societies and that some concession was desirable.

Mr. English (Burma) agreed with Mr. De as to the form which the concession should take. He proposed the following Resolution :—That a rebate of 75 per cent. should be given at the end of the year on the Money Order commission paid on remittances backwards and forwards between a society and the financing agency and that the concession should be given in the first instance for five years. The rebate should be given not by the Post Office but by Government through the Registrars.

Mr. Ramachandra Rao (Madras) thought that the concession should be confined to remittances between Societies. Mr. Wilberforce (Punjab) suggested that the words "on remittances to and from Societies" should be substituted for the words "on remittances backwards and forwards between a Society and the financing agency". The majority of the Registrars agreed in the Resolution proposed by Mr. English.

45. *Remittance Transfer Receipts.*—Mr. Fremantle (United Provinces) proposed that Remittance Transfer Receipts at par should be granted on the certificate of the Registrar to Joint Stock Banks or private persons who wish to send money to Co-operative Credit Societies. He quoted cases which had occurred within his experience illustrating the difficulties experienced by private persons who wished to make deposits in Societies in remitting the money. Money orders were too expensive to be of use in remitting large sums. Mr. Gourlay (Bengal) thought that concessions of the kind proposed should be very sparingly granted. It would be difficult to withdraw them, but eventually this would probably be necessary. The President was of opinion that the concession would be a very direct form of subsidy, and that it would probably be expensive. Mr. English (Burma) considered that the concession would be unnecessary if a rebate were sanctioned on Money Order commissions. A majority of the Registrars agreed that the necessity for the concession had not been established.

46. *Summary procedure for the recovery of Co-operative Credit Societies' dues.*—The report of Sub-Committee No. II was presented as follows :—

- "The Committee cannot come to any agreement on the question.
- "Mr. Standen objects to summary procedure for recovery on the general grounds set forth in Sir D. Ibbetson's speech introducing the Bill.
- "Mr. Buchan is not in favour of it as a regular procedure but considers it might be useful if permitted in special cases.
- "Mr. Haller and Mr. Lalubhai Samaldas are in favour of summary procedure for recovery to be enforced by the Registrar on a certificate of debt furnished by the Committee.

\* See Appendix IX.

“ Mr. Joglekar is in favour of it and thinks the knowledge that an arrear could be recovered without difficulty or delay would tend to make debtors more punctual in their repayments.”

Mr. Gourlay entirely agreed with Mr. Standen. Mr. Fremantle was inclined to modify the opinion which he had formerly expressed as to the necessity of any summary procedure for the realisation of the Societies' dues. The further experience of one or two years should decide the point. Mr. Wilberforce adhered to his former opinion. He thought that a summary procedure was essential if money was to be raised freely by the Society. In his opinion Mr. Gourlay's objections were purely academical. The control of the Registrar would suffice to prevent abuses. If he found that a Society was making too free use of the powers conferred on it, he would dissolve the Society. Mr. De (Eastern Bengal and Assam) agreed with Mr. Gourlay. He was strongly opposed to the grant of any special procedure. Apart from Mr. Gourlay's objections he had two others to bring forward. In his own province the summary procedure provided by the Public Demands Recovery Act was not summary at all, and he had found that recourse to the ordinary Civil Courts was equally efficacious and more expeditious. The experience of the last two years had shown this. Again the cultivators would probably be alarmed if such wide powers were conferred on the *panchayat*.

The Ajmer Registrar thought a special procedure would be useful in exceptional cases. Mr. Joglekar (Bombay) was unable to agree with Mr. De. One case within his experience had been delayed 13 months by the ordinary courts. Several persons had informed him that they would deposit money in Co-operative Credit Societies if summary powers of recovery were conferred upon them. He considered that the want of such powers was a decided obstacle to raising funds. Mr. Shama Rao reported that in Mysore special powers of recovery had already been granted, but that it had not so far been found necessary to use them.

#### VII.—THE CONFERENCE.

47. *Should it be held annually or should the rule be that it should be held at least once in every three years and oftener if sufficient material for discussion is forthcoming.* The report of Sub-Committee III was adopted by a majority as follows:—

“ It was unanimously agreed that a Conference of all the Registrars should be held every year in Calcutta in the third week in November.

“ It was also urged that it should be open to each Local Government or Administration to invite, not more than two gentlemen, officials or non-officials, who are interested in this movement, to attend the Conference.”

Mr. Wilberforce (Punjab) dissented as to the date of the Conference. He considered that it would be more convenient if the Conference were held annually in October before the beginning of the touring season.

#### VIII.—SPECIAL SUBJECTS.

48. *Agriculturists' Insolvency Act.\**—On the motion of Mr. Gourlay (Bengal) who reported that there was a general feeling among the Registrars that they had not had sufficient time for the consideration of this very important and difficult subject, it was decided to defer the discussion of the question till the next Conference. It was agreed that each Registrar who was willing to do so should send a note on the subject to the Secretary by the end of June 1909 and that Mr. Gourlay should circulate to all members of the Conference before the end of the following September a précis of the views of the different Registrars and a summary of the points for discussion.

49. *To what extent† is Government assistance necessary and justifiable for the purpose of providing capital for Societies?*—Mr. Standen (Central Provinces) explained that he had brought this subject forward because he had found an idea prevalent among some of the district officers of his province that if co-operation was assisted financially by Government it became a mere farce. He thought

\* See Appendix X.  
† See Appendix XI.

that a pronouncement of opinion by the Conference would tend to dissipate this impression, and he asked leave to move the following Resolution :—

- (i) that, in the opinion of this Conference, in localities where the co-operative movement is still in the stage of experiment or demonstration, financial assistance from Government is justifiable and desirable;
- (ii) where the movement is still in the experimental stage it may be necessary for Government to give a loan free of interest, but, so far as possible, loans should bear interest at a rate of not less than 6½ per cent.

Mr. Ramachandra Rao thought that in Madras Government assistance was unnecessary. He disapproved of it on principle. With this exception the Registrars unanimously adopted the first part of the Resolution.

As regards the second part considerable diversity of opinion was disclosed. Mr. Gourlay (Bengal) thought that loans free of interest should not be granted. Mr. Fremantle (United Provinces) agreed with Mr. Gourlay so far as loans for agricultural purposes were concerned, but he considered that loans free of interest were necessary in starting weavers' societies and the like. Mr. Wilberforce (Punjab) endorsed Mr. Fremantle's opinion. Messrs. Buchan (Bengal), English (Burma) and Haller (Coorg) agreed with Mr. Gourlay. The Registrars of Eastern Bengal and Assam, Ajmer, Bombay and Mysore agreed with Mr. Standen.

50. The questions raised by Mr. Buchan (Bengal) and Mr. English (Burma) regarding the future relations of Government with the movement have been discussed in paragraphs 27—29 above.

51. *The preparation of a Co-operative Manual.*—Mr. Joglekar (Bombay) explained that Mr. Campbell's idea in suggesting this subject for discussion was that a Committee of the Conference should draw up a skeleton manual for the guidance of individual Registrars. Mr. Haller (Coorg) stated that he had already prepared a Manual, copies of which had been supplied to other Registrars. Mr. Ramachandra Rao agreed that a Manual would be very useful, but he thought that the time was not ripe for it in Madras. He would prefer to postpone the preparation of it for two or three years. Mr. English (Burma) considered that a Manual would be very useful especially for District Officers. He had found them ignorant of such matters as the concessions allowed to Co-operative Credit Societies in the matter of registration. The Registrars of the United Provinces and the Punjab reported that they had already issued pamphlets entitled, respectively, Co-operative Credit Societies in the United Provinces and Agricultural Co-operation in the Punjab. These served the purposes of manuals to some extent. In the United Provinces a provisional manual has also been prepared. It was decided that manuals might now be prepared with advantage in most Provinces, and that the United Provinces provisional manual was an excellent model to follow.

52. The question of a Co-operative Journal for Madras has been discussed in paragraph 15 above.

53. *Accounts\*. Statement IV. Should not a fresh column be added to the assets for value of investments?* Mr. Standen (Central Provinces) presented the report of Sub-Committee III as follows :—“ It was unanimously agreed that a fresh column to be called ‘ Value of investments ’ should be opened in the statement of assets and liabilities (Statement IV) on the assets side, immediately after the column called ‘ Cash in hand and bank ’. In this new column should be shown the *present worth* of all investments and the *fixed* deposits in other banks. The balance in current accounts in the banks should be included in the column ‘ Cash in hand and bank.’ ”

The report was unanimously adopted by the Conference.

54. Mr. Standen (Central Provinces) reported that the Sub-Committee also suggested the following Resolution for the consideration of the Conference :—“ It was unanimously agreed that in the Statement of General Progress (Statement I) details of the working capital under different heads should be shown, *i.e.*, the present

\* See Appendix XII.

columns 7 and 8 (working capital in the beginning and the end of the year) should each be subdivided into the following columns :—

- (a) Paid up share capital ;
- (b) Deposits of members ;
- (c) Admission fees ;
- (d) Reserve fund (if employed as working capital) ;
- (e) Loans from Government ;
- (f) Loans from other societies ;
- (g) Loans from non-members."

" Mr. Fremantle considers this is unnecessary as the information can be obtained from other statements."

Mr. Fremantle (United Provinces) pointed out that the information suggested would be given in the body of the Registrar's report and thought that the changes proposed were unnecessary. Mr. Standen (Central Provinces) and Mr. Buchan (Bengal) agreed that the changes were not strictly necessary, but thought that they would be convenient. The President deprecated changes in the statements prescribed except for strong reasons. The Conference resolved by a majority of members that the changes proposed were not necessary.

55. *The financial year* \*.—The following report was presented by Sub-Committee No. III :—“ Messrs. Standen, Buchan, De, and Joglekar were strongly of opinion that the co-operative year should end on the 31st March. It is very difficult to carry out the annual audit, which ought to follow close on the end of the year in July owing to the monsoon. Also the cultivators are very busily employed at that season and cannot attend the audits in that month.

“ This is a serious disadvantage because the audit is a great opportunity for teaching.

“ Mr. Fremantle was doubtful if any change should be made at present.

“ All however agreed that, if the Government of India saw no objection, each Province might be permitted to fix the date on which the co-operative year is to end in that province.”

The Conference agreed in the recommendation of the Sub-Committee.

56. *The Regulation† of the borrowing powers of Societies*.—Mr. Ramachandra Rao (Madras) explained that he had been instructed to bring this question up for the consideration of the Conference. He had described the practice followed in Madras and had stated the points for discussion in his note on the subject. The President enquired what the practice was in other provinces. In some provinces the bye-laws fix a maximum limit which cannot be altered without the sanction of the Registrar. In the Punjab and Burma the matter is left entirely to the discretion of the Registrar who decides each case on its merits. In Bombay and the United Provinces the bye-laws fix a limit, but this can be raised or lowered by the Society independently of the Registrar. Mr. Fremantle (United Provinces) thought that this was wrong, but Mr. Joglekar said that in Bombay no case had come to his notice of a Society abusing the power. It was agreed that the question was one which must be left to the discretion of the Registrar. It was impossible to fix any proportion of the assets of a Society up to which borrowing might be allowed. Each case must be decided separately on its merits by the Registrar.

The President then enquired whether any general principles could be formulated for the guidance of Registrars. Mr. Gourlay (Bengal) pointed out that the circumstances especially in regard to transferability of holdings with which the societies had to deal varied so much from province to province that it was impossible to lay down principles of general application. The other Registrars agreed in Mr. Gourlay's opinion.

57. *Co-operative wholesale purchase of commodities‡*.—Mr. Ramchandra Rao's note as to whether it was advisable to recovering under suitable conditions co-opera-

\* See Appendix XIII.

† See Appendix XIV.

‡ See Appendix XV.



tive wholesale purchase of commodities through the agency of a registered Society was next considered. The Conference were of opinion that there was no objection to the Societies acting as agents in the manner proposed by Mr. Rao provided that the Societies took no risks in the transactions. Mr. Gourlay was of opinion that the transaction of the kind referred to by Mr. Rao were on an entirely different footing from the ordinary loan business of a Society, and he thought that cash in advance should be paid by the members who wished to take part in the transaction even though a member obtained the cash as a loan from the Society. In other words, the Society should only be an agent in the matter. Mr. Fremantle (United Provinces) stated that in the United Provinces Societies had benefited the members considerably by purchasing improved agricultural appliances such as sugarcane crushing machines and letting them out on hire to their members. The Conference saw no objection to this.

58. The minutes of the Conference were read and passed.

59. *Election of a Secretary for 1909.*—The President said that the Conference owed a debt of gratitude to Mr. Gourlay for his services as Secretary in the past year. The only business still remaining for the Conference was to elect a Secretary for the ensuing year. Mr. Gourlay was unanimously re-elected Secretary.

60. The proceedings terminated with a vote of thanks to the President and to Mr. C. A. Innes, I.C.S., who had acted as Secretary during the meeting and had prepared the minutes in order that Mr. Gourlay might take part in the discussion.

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## APPENDICES

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## APPENDIX I.

### *Mr. Ramachandra Rao's note on a proposed co-operative monthly.*

The number of societies in the Madras Presidency has risen to 101, and the number of newly registered societies will be more and more year by year. Each society is leading a separate life and is unaware of what is being done and attempted to be done by other societies. The societies are scattered all over the Presidency, and it is not possible for the Registrar to visit all of them at least once a year and give personal instructions. In view of the men we have to deal with formal circulars are useless, nor is it advisable to dignify every experiment with the formality of a circular over the signature of the Registrar. Frequently also some information has to be conveyed to the societies; for example, the Nellore Fund or the Salem Society has got or will get money which it is willing to invest in co-operative societies. With the limited office establishment it is impossible to communicate this information to every society as speedily as possible, not to speak of the waste of time, trouble, stationery and postage. I beg to propose that the Conference recommend the starting of a monthly co-operative journal for the Madras Presidency.

2. There is ample material for such a journal. The Registrar may announce therein all important amendments of bye-laws with reasons therefor. Newly established societies may be noted. The salient features of the annual audit reports may be recorded. The Presidency annual report, as also the reports of other provinces, may be published. I am frequently addressed by numerous people for information on the co-operative movement and the answers may be announced in the journal.

3. At the second Conference it was resolved that use should be made of the agricultural journals in the different provinces and periodical notes on the working of societies should be communicated to the local press. This will be done. But the agricultural journal has little circulation; and the local press will not publish all the information we may consider interesting nor does it appear desirable that a local newspaper under present circumstances of journalism should be made the organ of co-operation. A co-operative journal will be a bond of exchange of information. It can be exchanged with the vernacular newspapers of largest circulation and these will probably publish extracts.

4. The cost to the State will be trifling. I propose that the journal be supplied free to every society for the first year of its existence and that a small charge of Rs. 4 per annum, exclusive of postage, be levied. If Government will take a copy for each Collector and Divisional-officer and each society takes a copy, the number of copies required at present will be 175, which will bring in Rs. 700 per annum. For the present, the Registrar can look after the editing without any assistance. I believe Rs. 700 will be ample to cover the expenses of printing and paper. The income will be augmented by the increase of the number of societies and also by private subscribers. When the number increases sufficiently, vernacular editions may be issued and the publication entrusted to private gentlemen of enthusiasm in co-operation.

## APPENDIX II.

*Mr. Standen's note on the question how rural societies can avoid leaving part of their capital unemployed during part of the year.*

The members of a rural society cannot usefully employ for the whole year the greater part of the money borrowed : the demand for money is mainly from June to February in a kharif and from October to May in a rabi tract. How to use it profitably during the rest of the year is the question on which advice is desired. One solution that suggests itself is to obtain the capital by borrowing for the period that it is wanted. The source of supply is either a money-lender or a central bank. In the latter case the difficulty is shifted from the rural society to the central bank and not much money would be forthcoming on these terms from bankers.

Something might be done by advancing to non-agriculturists during the slack season, but for this there are two objections, viz., that only  $\frac{1}{4}$ th of the members of a rural society may be non-agriculturists and that, in the case of rabi societies, the slack agricultural season is also a slack trade season. One of the societies has suggested another way out of the difficulty. This society, which is a rabi rural society, suggests that members should repay loans in May in kind either in full or at least to the value of the quantity of grain required for seed at the following seed time. This grain would be stocked for re-issue as seed ; members taking it being debited with the cash value of the grain at seed time. The interest earned would depend on the difference between the rates at harvest and seed time. There would be great risk of loss by damage to the grain stock, rates would probably often be less favourable than is anticipated and the arrangement would not be in the interests of agriculture since it would favour the use of poor seed.

The most promising means of avoiding the difficulty would seem to be to shift it to the central banks and permit them under stringent conditions to use their unemployed funds during a specified part of the year in hundi or other safe business of a commercial nature. Something may also be done by affiliating societies in rabi and kharif villages wherever possible under the same central bank.

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### APPENDIX III.

*Note by Mr. Fremantle on the desirability or otherwise of district or central banks formed to finance Co-operative Credit Societies taking up land mortgage business also.*

Over two-thirds of the land in the provinces of Agra and over one-third in Oudh is held by small proprietors paying not more than Rs. 5,000 in Government revenue. The needs of the smaller men among them who own only small shares in villages can be met by Co-operative Credit Societies of the ordinary type and the needs of large proprietors by the Joint Stock Banks or possibly by Mutual Societies on the model of the German *Landschaften*. But there is an intermediate class who require larger sums than can be provided by ordinary rural Co-operative Credit Societies, yet not so large as to enable them to have recourse to a Joint Stock Bank, I mean the class paying from Rs. 100 to Rs. 5,000 Government Revenue. Inquiries recently made show that on land mortgage loans without possession money-lenders generally demand interest at from 12 to 18 per cent. In default of the establishment of an Agricultural Bank having branches at the various district head-quarters, it is thought that the existing District Banks of these provinces might well be utilised for land-mortgage business. Loans can of course only be made to members, so every borrower would have to purchase at least one share in the Bank. The usual safeguards of continental Mutual Societies would be introduced, i.e., loans would be advanced only on a prior mortgage and up to only one-half or two-thirds of the estimated value of the property: they would be repayable by instalments including interest and such sinking fund as might be arranged. Postponement would be allowed in case of failure of crops: in case of default without good excuse penal interest would be imposed and the Bank would have the right to take possession of the property and to manage it itself. Attention would have to be paid to the purpose of loans, and they would only be granted for certain definite objects such as repayment of debt, improvement of property and necessary family ceremonies. District Banks being situated at the head-quarters stations would have special facilities for enquiries into the title and requirements of applicants, and if loans were granted, say at 9 per cent., a safe and profitable business could be built up, and great benefit would result to a large and somewhat depressed class of men.

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## APPENDIX IV.

*Mr. Buchan's note on the part which Government is prepared to take in the future development of co-operation.*

I wish to raise this subject with special reference to the control of rural societies. The question is not so important with regard to other forms of co-operation. The absolute necessity of supervision and inspection is recognised in Europe ; and in Bengal we have come to appreciate its supreme importance. Frequent inspection in infancy and periodical supervision at all stages of a society's growth are indispensable. In this province we have passed the point beyond which the Registrar's personal control of individual societies ceases to be effective ; and the problem becomes daily more difficult. If the movement is to have any general effect, there must be a society in almost every village. At present we have about 400 societies : and the number could very shortly be doubled. But we cannot safely advance without making provision for control.

Success depends almost entirely upon organisation. The ideal development would be that the Registrar should disappear gradually into the background and that the movement should be self-financed and self-controlled by means of Unions and Central Banks. Such a scheme we mean to try next cold weather in the more advanced districts. If it succeeds the problem of control is solved. But success is problematical and in case of failure we must be prepared with an alternative. If experience shows that Unions cannot be run by the societies unaided and that the more or less permanent Chairmanship of an intelligent outsider is necessary, would Government be willing to guarantee his salary ? If the Union scheme proves quite impossible under Indian conditions, the only hope of success lies in the multiplication of local inspecting clerks. We already have several such clerks who have proved themselves indispensable. It must be recognised that wherever the movement shows signs of spreading the appointment of a local clerk is necessary. Is Government prepared indefinitely to finance the machinery of control by appointing these clerks, wherever required ? In time, whether Unions are a success or not, it will be possible, for the societies to pay the clerks, either wholly or in part. Till then will Government provide their salary ? If we can count on that, societies can be multiplied almost indefinitely.

Some indication of how far Government is willing to go in the matter of direct financial aid would simplify matters greatly. In Europe State-paid audit is the rule : and in India, Government supplies the machinery of audit. While still in the stage of experiment we cannot say whether greater or less financial assistance from Government in matters of organisation and control will be necessary in India. But the question ought to be settled in principle as early as possible.

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## APPENDIX V.

*Mr. English's note on the part which the State means to take in extending propaganda and dealing with spontaneous expansion and providing effective supervision.*

The position in Burma is that, with an adequate staff and assurance that the staff would automatically increase *pari passu* with the work, Co-operative Societies would very rapidly increase, both in the neighbourhood of existing Societies and in new areas.

Applications for increased staff have been sympathetically met by Government as far as assistance from the Provincial and Subordinate Commissions go; but where the justification for each increase has to be separately established, where refusal to sanction is possible and having regard to the inevitable delay in obtaining sanction to new appointments, the Registrar finds himself in considerable difficulty in planning his work and deciding whether to check or permit expansion. He works on the curb. He fears to respond to spontaneous applications or to allow propaganda in new areas lest later the staff may prove unequal to the task of supervision.

As the Government of India remarked in its letter to the Secretary of State when recommending the extension of the sanction for the Registrars for another three years, the Societies may ultimately be able to establish and pay for non-official audit and control but cannot do so yet. The arguments for providing one Government Registrar apply no less, when the area and state of communications of Burma are considered, to the provision of a number of Registrars sufficient to give all the indebted tracts of the country an equal chance, having regard to the fact that the Act is not restricted in its application. The date at which Societies may be able to dispense with the personal control of an official Registrar is distant and can only be guessed at. Meantime Burma will require many more than one Registrar.

My suggestion is then that the time is ripe for decision as to whether to adopt an active policy and that being decided in the affirmative, for the preparation of a scheme which will automatically and without the necessity for the reiterated justification provide an increase of staff proportionate to increased work.

To avoid mishap the staff should increase simultaneously with the increase of the work and not long after.

The present system tends to be "show me the work and I will consider the proposed increase in staff" while the Registrar feels bound to check increase lest the increased staff be not sanctioned or be sanctioned too late to ensure proper supervision and success. It being assumed that the Registrar will exercise due caution in the matter of expansion I think the time has come to accept the principle that, before Societies can dispense with close Government control it will be necessary to strengthen the Registrar's staff by such number of men from the Commission as will ensure efficient supervision; which principle being accepted, a scheme should be formulated which will provide for a commensurate increase in staff following automatically on an increase in the number of Societies and expansion in the area dealt with.

Having regard to the size of Burma and the rudimentary character of the communications, I suggest that where the jurisdiction of one fully empowered Registrar is one Commissioner's Division 300 or 400 Societies should be fixed as the maximum he can supervise.

The (agriculturally) more important divisions will probably ultimately require one Registrar each (from the Commission) *for a time*. Reduction in the number of Registrars can be hoped for as co-operative methods, accounts, etc., get better understood.

For the present I consider one Registrar should not be expected to supervise more than 100—125 Societies all over the province.

Two Registrars should supervise 350—400.

When the amount approaches 400 a third Registrar should be at once appointed and three Registrars should effectively supervise 800 Societies.

Four Registrars would supervise 1,200. In my Annual Report, I have attempted to explain the extreme usefulness and opportuneness of co-operation in Burma, the availability of money, the strong tendency to spontaneous growth, the responsibility involved in gauging the stability and requirements of each society, the exceedingly small area as yet covered, and the justification for Government establishing the movement firmly in the country and I do not reiterate these arguments here.

I am convinced sound co-operative methods in the agriculture of Burma will obviate the necessity for projected legislation and save much Government money and political difficulty in the long run, while promoting the economic well-being of the people.

I do not consider, having regard to the conditions obtaining in this country as to education, trade exploitation and youth in the world family, that the employment of six or eight Deputy

and Assistant Commissioners on furthering the establishment of a sound economic system on approved co-operative lines, is in any way to be viewed as Government bolstering.

The acceptance of the principle enunciated above and the certainty that expansion will not spell failure from want of supervision will very greatly smooth the path of those in immediate charge of the movement.

The scheme would also provide roughly for the addition of assistance from the Subordinate and Provincial Civil Services.

To ensure reasonable uniformity and security to the public it would be desirable that one of the Registrars should be Registrar and the others his Deputies.

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**APPENDIX VI.***Mr. Wilberforce's note regarding nomination of an heir.*

In some provinces a rule has been framed under section 27 (2) (d) allowing a member to nominate an heir. Though the rule is a most sensible and useful one, it seems to me of no legal validity and therefore only likely to result in litigation and misapprehension. The vast majority of shareholders and depositors in a Co-operative Credit Society will always be agriculturists with ancestral holdings. Money paid by them will generally be savings or profits from these holdings. By Hindu or Mahomedan law or agricultural custom as followed in the Punjab the testamentary power in respect of ancestral property or savings therefrom for practical purposes does not exist. A rule under an Act is powerless to bring it into existence. These rules ought therefore to be cancelled or an explanation added that they do not refer to savings from ancestral property in the case of Hindus or Mahomedans.

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## APPENDIX VII.

### *Mr. Wilberforce's note on the amendment of Act X of 1904.*

The Act is defective in making no provision for the safeguarding of a minor's interest. On death of a member the Society may pay to or transfer to the credit of person nominated as heir or, in absence of such nomination, to his heir or legal representative all moneys due to deceased. Whatever the wish of the deceased or the advantage of the minor the Society does not appear to have any power to transfer the deceased's shares or deposits to the credit of a minor. A minor cannot be a member under section 3. To pay money to a minor is generally absurd as it is appropriated by some one else. A legal guardian may be appointed of course, but such appointments are rare among the agricultural classes and ought not to be encouraged as they generally are followed by dishonesty. When therefore a member leaves a minor as heir with no guardian, a Society can only pay the money to a child who cannot give a legal receipt or transfer the money to his credit which is not legal under the Act.

I have framed bye-laws safeguarding a minor's interest which are in my opinion satisfactory though illegal. As far as I am aware no legal provision has been made in any province. Such provision is undoubtedly necessary and cannot apparently be made under section 27 (1) or (2) k with section 3 standing in the way. An amendment of the Act is necessary to the following effect:—

*Section 4 (b).*—Provided, however, that the minor heir or heirs of a deceased member where no legal guardian has been appointed can be elected members. For the purposes of this Act persons under 18 are minors.

*Section 7 (c).*—No member while a minor shall incur any liability beyond his share or other interests and deposits in a Society.

(It would be obviously absurd to impose any liability on a minor who had no practical voice in management nor any advantage from borrowed money as he would never be able to obtain a loan.)

*Section 10 (1).*—A Society shall make no loan to any person other than a member of 18 years or over.

Under the law as it stands at present it seems most doubtful if any Court would hold a minor's estate liable in cases where a person were a member as his guardian.

## APPENDIX VIII.

*Mr. Fremantle's note on the amendment of Act X of 1904.*

*Amendment of Act.—(a)* The Act is defective in making no provision for a Co-operative Credit Society the members of which are themselves Co-operative Credit Societies. In France and Germany the shares in Provincial and Central Banks are held principally by the small societies which deal with them and this is undoubtedly the best system, for then the profits go to the societies and the management is in the hands of their representatives. If in section 29 of the Act the words 'of not less than ten persons above the age of eighteen years' were eliminated, such a bank could be formed.

*(b)* It has before been pointed out that the distinction between rural and urban societies is unnecessary and inconvenient. There is no reason why combined societies of agriculturists and artisans should not be formed in small towns. The proper distinction is between central societies (those lending to other societies) and other societies. If, however, it is thought necessary to keep up the distinction, it seems essential that small urban societies such as those of artisans should be entitled to borrow from central societies. If in section 10 (*I*) the word 'rural' were eliminated, this result would be attained.

## APPENDIX IX.

*Mr. English's note on the reduction of Money-order rate of Commission on remittances to and from Co-operative Credit Societies from Re. 1 per cent. to Anna 4 per cent.*

Over Rs. 1,00,000 has been invested in Co-operative Credit Societies in Burma in the way of fixed deposits.

The money is received by the Agents of Societies, Mr. Swinhoe in Mandalay for Upper Burma Societies and Mr. Broadbent in Rangoon for Lower Burma Societies, and has to be remitted by them to Societies.

There being no Central Society, the inter-society remittance concession of free remittance transfer receipts does not apply.

The possible means of remittance are —

- (1) Supply bills.
- (2) Notes by insured post.
- (3) Money-order.

Supply bills have been used in a few cases where money has been remitted to District Headquarters Stations, such as Ma-ubin.

They cannot, however, be generally used as they are not issued to many districts from Mandalay and Rangoon and as the expenses entailed in coming in to cash them from jungle villages soon mount up to a considerable sum.

The second means, *viz.*, notes by insured post is cheap but has drawbacks. Notes cannot be claimed by the Agents at Treasuries for remittance purposes : and notes cannot be changed on the spot in most jungle villages and if changed are only changed on payment of commission ranging from annas 8 to Re. 1 per cent. They can be changed at Treasuries and at Sub-Treasuries when such Treasuries are open, but expenses in going to a Treasury or Sub-Treasury are a serious tax.

The third means, *viz.*, money-orders, is by far the most convenient.

There are numerous Post Offices dealing in money-orders. The Postmaster does not go on tour and shut up his office. The money-order system is in good working order and well understood. The only objection is the amount of the commission. Were this reduced to annas 4, Societies would regularly use the Post Office for remittances.

There are practically no mofussil Joint Stock Banks and cheques cannot be used as in Europe.

I do not think that under the circumstances and considering that Government has deliberately made many concessions to Societies and pays the Audit staff with the declared intention of establishing co-operative methods, the concession of a reduction of the money-order rate from Re. 1 to annas 4 would be undue coddling.

The reduction might be for, say, five years in the first instance, and, to avoid abuse, should only affect sums the remittance of which is sanctioned in writing by the Registrar or an Assistant Registrar. Nor need the rule as to the maximum amount that may be sent at one time be modified.

The Re. 1 rate of commission really increases the interest paid by the Society from Rs. 9 per cent. to Rs. 10 per cent. and is therefore considerable.

## APPENDIX X.

*Mr. Gourlay's note regarding an Agriculturists' Relief Act.*

1. *Necessity for affording relief to indebted agriculturists.*—In the work of organising Co-operative Credit Societies every Registrar is familiar with the difficulties of dealing with the cases of prospective members who are already indebted. The main difficulties may be summed up under the following heads :—

- (a) difficulty of correctly ascertaining the debts of a prospective member ;
  - (b) difficulty in dealing with the case of a raiyat who is insolvent ;
  - (c) difficulty of obtaining a statement of account from the money-lender ;
  - (d) difficulty of dealing with an account which includes interest at exorbitant rates ;
  - (e) difficulty of carrying out the results of an amicable settlement ;
  - (f) difficulty in dealing with cases when the money-lender files a suit against a member.
- (a) The only way of simplifying the preparation of a balance sheet of the affairs of the small agriculturist, appears to be some system of registering in the village all instruments which create an obligation to pay money. So far as I am aware this has been tried only in the Bombay Presidency and I have no information as to the success attained there.
- (b) Every Registrar is familiar with the difficulty of dealing with prospective members whose liabilities are in excess of their assets. As a rule it is impossible for such applicants to be admitted into a society, and at present unless the applicant's debts amount to over Rs. 500, or his property is under attachment it is impossible for him to obtain the relief afforded by the Provincial Insolvency Act, 1907. The applicant cannot be benefited by the Co-operative Credit Societies Act, and there is apparently no hope that such a man will ever be more than the slave of the money-lender. We have little information of the extent to which insolvency prevails amongst the agricultural population, but from the cases which have come to my notice, it appears to me that the evil is very widespread in Bengal.
- (c) Every Registrar is familiar with the difficulty of affecting a settlement of the outstanding debts of prospective members. The first difficulty is to obtain a full statement of account from the money-lender and one in which interest and principal are shown separately. In Bengal the common method is for the money-lender before the expiry of the period of limitation to take a fresh bond from the raiyat in which principal and interest to date are amalgamated, and then to destroy the original bond. When no system of registration is in force it is next to impossible to distinguish principal from interest.
- (d) Where such a statement has been obtained, short of paying the full demand it is difficult to deal with the case. The money-lender will not sue and the raiyat is in most cases unable or unwilling to go into Court where the chances are that he will be held to his bond.
- (e) In some cases it is possible to bring the parties to an amicable settlement, but at present this as a rule can be done only by the Registrar or one of his assistants, and the money-lender can at any time refuse to ratify the agreement, and it is practically impossible to force him to do so.
- (f) Lastly, there is the disadvantage under which the raiyat at present is when the money-lender sues him. Some simplified procedure is necessary for the local disposal of suits between money-lenders and small agriculturists. We are all familiar with the case where a man is prevented from joining a society by the threat of the money-lender to drag him into a Court many miles distant where the raiyat will be in the hands of unknown law-agents.

These facts appear to me to point to the necessity for some form of Agriculturists' Relief Act.

2. *The present law on the subject.*—So far as I am aware the only relief at present afforded to insolvent agriculturists is that obtainable under section 6 (3) of the Provincial Insolvency Act, 1907. The relief afforded by this section is confined to raiyats whose debts exceed Rs. 500 or who have been arrested or imprisoned for debt or whose property is under attachment. The great bulk of those who require relief is thus excluded, and I have never heard of any agriculturist applying to be declared an insolvent.

In the original Bill a proposal was made to grant the relief afforded by the Act to agriculturists whose debts amounted to Rs. 50 or more, but this was omitted from the final draft, because in the opinion of the Select Committee, "If special treatment is to be given to [agriculturists] as a part of the general treatment of agricultural indebtedness, it should be done in a special measure and not in a general law of insolvency."

So far as the small agriculturist is concerned the ordinary laws of the land do not protect him in other cases. The procedure is too complicated and too expensive.

In Bombay an attempt was made in 1879 to give relief to agriculturists in the Dekkan Agriculturists' Relief Act. I am not aware how far this has succeeded.

3. *Proposals.*—I would therefore suggest that the Conference records a resolution to the effect that—

- (1) [This Conference suggests that the Government of India should take up the consideration of a "Bill for the relief of Agricultural Indebtedness," such as was in the minds of the Select Committee on the Provincial Insolvency Act, when they recommended the omission of the clause granting the relief afforded by that Act to agriculturists whose debts amounted to Rs. 50 or more,
- (2) If however the Government of India are not satisfied of the urgent necessity for such an Act, this Conference suggests that an inquiry should be instituted in the larger Provinces as to the necessity for affording relief to indebted agriculturists by the passing of such an Act.

## APPENDIX XI.

*Mr. Standen's note on the question to what extent is Government assistance necessary and justifiable for the purpose of providing capital for societies.*

I find in some quarters in these provinces an idea that if co-operation is assisted financially by Government, it becomes a mere farce. This notion is put forward mainly I think on the authority of Wolff, who is very much opposed to Government assistance on the ground that it prevents the growth of the self-reliant spirit essential to the firm establishment of a co-operative undertaking. I believe there will be no difference of opinion amongst Registrars as to the necessity for financial assistance from Government in the earlier stages of the work and so far as this note refers to that part of the question I put it before the Conference merely because a formal pronouncement of the opinion of the Conference will assist in removing prejudices which may hinder development. All provision of funds by capitalists from other than selfish motives tends to create an artificial condition which is detrimental to the best interests of a co-operative society: but it is obvious that the first tottering footstep of co-operation must be stayed by philanthropic money: and it makes little difference whether this money belongs to the State or to private persons provided that it is lent on terms which are as little demoralizing as may be. No doubt to finance a co-operative concern with Government money does tend to demoralize in a somewhat greater degree than when private capital is employed, because the members know that Government has a greater interest in the movement and will be less inconvenienced by unpunctuality in repayment than a private capitalist. But when the private capitalist is a wealthy man and the sum relatively small and the capitalist wishes to please the officials who take an interest in the Society as is usually the case, there is really very little difference in the effect produced. When co-operation was first initiated it may be said to have been experimental and it was as difficult to find people ready to co-operate as to discover capitalists ready to lend the necessary funds. There was then good reasons for the loan of funds on specially easy terms, even without interest. We may now consider that the experimental stage has been passed, but there is still need of demonstrating the benefits of co-operation: and if the loan of Government funds is necessary to secure demonstration, there is the same justification for the utilization of public money in this way as for its application to the demonstration of agricultural methods: but if demonstrations are located with judgment and a very rapid advance is not attempted, there should rarely be any necessity for Government to lend on other than commercial terms, and Government assistance should seldom be required at all except when breaking quite new ground. As regards the utilization of State funds to support co-operation when these stages are passed, there is more room for difference of opinion. Will it be advisable for Government to assist with capital in crisis such as that which has occurred in the current year in some parts of India and should it also be prepared to supplement private capital to some extent under ordinary circumstances? When adequate reserves have been accumulated by all classes of Banks, it may be hoped that they will be strong enough to do without such support as was given by Government by means of takavi loans in one district of the Central Provinces during the past year. If they cannot thus stand alone, the possible expansion of co-operation is very strictly limited, since the help which Government could give would be comparatively trifling. Until the reserves have grown, Government must be ready to help in a crisis. This appears to be a strong argument against rapid multiplication of co-operative societies. Except in the experimental and the demonstrative stages and in crisis occurring before large reserves have accumulated, there appears to me to be no need for Government assistance in financing societies.

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**APPENDIX XII.**

*Mr. Fremantle's note regarding an addition to be made to Statement IV appended to the annual report.*

*Accounts.*—Should not a fresh column be added to the Assets for “Value of investments”?

The Unao town bank in order to form a floating reserve and so increase its credit with the joint stock banks has invested funds in Government paper debentures and preference shares of joint stock companies. The reserve funds of most of the other urban banks and of many rural societies have been invested as fixed deposits in various banks. It is impossible in the first case and inconvenient in the second to include the value of these investments in ‘Cash in hand and in bank.’ The balance sheets of all joint stock banks show funds invested among their assets and in order that our balance sheets should look business-like it is advisable to make them as like those of joint stock banks as possible. Further there being no appropriate column among the assets for the entry of such investments it may very well happen that they are omitted altogether and so the profits earned during the year will appear less than they really are.

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## APPENDIX XIII.

### *Mr. Buchan's note on the Financial year.*

In 1906 the close of the financial year was, on the suggestion of Mr. Hope Simpson, changed from 31st March to 30th June. The matter should, I think, be reconsidered. The chief argument in favour of the change was that, as societies usually repay their loans in May after the *rabi* harvest, the capital of every society is always outstanding on 31st March; whereas if the year ends after the season of repayment, the annual audit can show a more complete state of affairs. This argument does not apply in Bengal. If a part of the capital is outstanding on 31st March, the whole of it is outstanding on June 30th as every available rupee has been borrowed for cultivation expenses. Although in Behar the rule may be to repay in April, after the *rabi* harvest, the great majority of our societies pay back their loans from the rice crop between January and March. On Mr. Hope Simpson's own argument, therefore, 31st March is, in Bengal, a more convenient termination to the financial year than June 30th.

But the matter should be settled principally with regard to the interests and convenience of the societies. The year ought to end on such a date that the subsequent audit will be of the greatest benefit to them. Accounts can be audited at any time. But as our societies cannot yet as a rule submit accurate returns the formal official audit is combined with the collection of statistics for the annual report, and so must take place immediately after the close of the financial year. In these circumstances the convenience of the societies ought to determine the date. The audit is the most important event of the year so far as the education of the societies is concerned. It is not only an examination of books and accounts, but a minute enquiry into knowledge of principles, details of working, etc. At present it has to be carried out in July and August at the height of the cultivating season, when the few members who can be collected grudge the time they give to our auditors and can be got together only with the greatest difficulty. The benefit of this most important inspection of the year is therefore largely lost. If the accounts were closed on 31st March, the months of audit would be April and May when the members have very little to do and willingly attend inspections. The benefit to all concerned would be very much greater than it now is. The extreme discomfort of touring amongst remote villages in the rains is a minor but important disadvantage of the present arrangement.

I do not know the circumstances of other provinces, but so far as Bengal is concerned it is on every ground desirable to revert to the old financial year.

## APPENDIX XIV.

### *Mr. Ramachandra Rao's note on the regulation of the borrowing power of Societies.*

Under the orders of the Commissioner of Revenue Settlement, Survey, Land Records and Agriculture, I raise for discussion the subject of the regulation of the maximum borrowing power of co-operative credit societies.

2. The practice in Madras is as follows. The bye-laws of some societies limit the maximum borrowing power to a figure to be annually decided on by the managing bodies ; in a few societies organised on the basis of limited liability the maximum is limited to the total reserve liability of the shareholders. The general rule is to prescribe a limit in definite figures. The limit applies to the total of deposits and special borrowings, though in a few societies no limit is imposed on deposits while a limit is placed on the total, so that if the deposits reach the prescribed figure, no special borrowing is permitted. After the total prescribed figure is reached, the society cannot borrow more without a formal amendment of the bye-laws ; and the amendment requires the sanction of both the Registrar and the general body.

3. In sanctioning the proposed amendment the Registrar is generally guided by the following considerations. Past year's audit reports are referred to to judge if the borrowing power has been already exhausted, if loans to that amount are carefully disbursed and if the management is on the whole satisfactory. In limited liability societies the amount of the reserve liability is considered. In unlimited liability societies, a property statement—a statement in detail of the assets and liabilities of the shareholders prepared by two or three leading inhabitants of the village,—is on record and the sanctioned amount is well within this total, rarely exceeding 30 per cent. thereof. The Registrar frequently bases his sanction on his personal acquaintance with the members of the managing bodies.

4. The question for discussion is the regulation of the borrowing power of societies—how far the power should be limited and in what manner.

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## APPENDIX XV.

*Mr. Ramachandra Rao's note on co-operative wholesale purchase of commodities.*

In a rural Society in Madras formed mainly for credit an interesting experiment of co-operative wholesale purchase of commodity was successfully conducted. Some of the members wanted to purchase manure ; enquiries shewed that the retail rate was 2½ times the wholesale rate ; so they made an application to the society on the following conditions (amongst others) :—

- (a) The Society should purchase a stated large quantity of manure at a rate not exceeding a stated rate ;
- (b) On purchase, the manure should be distributed amongst the applicants ;
- (c) The Society should advance the money and the applicants should pay aliquot shares on receiving the manure ; the applicants should pay interest at proscribed rates for the intervening time ;
- (d) Before acting on the application, it is incumbent on the Society to satisfy itself as in the case of loan applications, that the applicants furnish suitable security (generally personal), and
- (e) The applicants are jointly and severally responsible in their obligations ; and members who are not applicants are not liable.

2. The experiment was very successful and I should like it to be repeated. The main advantage of the scheme is that a group of members who alone require a certain thing acquire a status and thereby easy credit under the shelter of the parent society without practically pledging the rest of the members to any liability and that under varying circumstances and times, the units of the group may vary, thereby securing great elasticity of procedure.

3. In some quarters in Madras, however, it is supposed that such transactions are beyond the province of a rural credit society and should be confined to Societies (Stores) specially registered for the purpose of purchase and sale. The formalities of registration are many ; articles thus purchased are few ; it is undesirable to multiply societies in the same village consisting of the same individuals. I beg to invite an expression of opinion on the part of the Conference as to the advisability of encouraging under suitable conditions co-operative wholesale purchase of requisite commodities through the agency of the registered society.

## APPENDIX XVI.

*Mr. Ramachandra Rao's note on the proposed amendment of section 3 of Act X of 1904.*

Sections 3 and 4 of the Act require that the members of a society shall reside in the same town or village or group of villages, that is to say, in the area of operations of the society. In rural areas this precludes persons becoming members who do not reside in the area of operations but may nevertheless possess landed property therein. In general the larger land-owners do not live in villages but in towns; and very frequently land-owners may live in adjacent villages for purposes of personal comfort. When such people are willing to enrol themselves as members, I think their co-operation must be welcomed. Their presence in the society is a distinct advantage. It lends a solvency thereby attracting deposits. They are likely to possess experience, knowledge of the world, knowledge of business, judgment and influence. They are also likely to be the best advertising media of co-operative societies. It is not likely their membership will hamper the business of the society; for if, through long absence from and want of intimacy with the concerns of the village a landholder has lost touch with the village affairs, he is not likely even if he is admitted as a member, to be elected to the Managing Committee.

2. My Special Deputy Collector, Mr. Vijayaraghavachariar, M.A., reports. "There is a very large number of backward villages inhabited by poor low class people, but in which the better class of people holds lands. The residents by themselves have neither the credit required to attract money except on ruinous conditions nor the necessary intelligence to manage a society. It is these people that should be specially sought by as to be improved and unless the absentee landlords are allowed to become members of societies that may be started in their villages, these are bound to fail. There is a large number of such villages in the Kaikalur Division of Gudiváda taluk like Chavilipad where we have already organised a society. The residents are mostly Panchamas (low caste men) with a sprinkling of poor Gollas (Shepherds). These people generally take advances for their cultivation expenses from Sowcars on condition of repaying the same in paddy at the harvest time at a price agreed upon at the borrowing time irrespective of the price that may prevail at the harvest or later. The contract is between illiterate and needy Panchamas and shrewd and calculating grain dealers. Owing to these transactions called 'jutties' the poor people are never allowed to lift their heads and they continue to be ever poor whether they raise large quantities of paddy and whether paddy sells as at present at a very high price. Chavilipad is only one and a better sort of one, of such villages. There is a very large number of such villages in the Kollair tracts. The poor people are under the protection generally of a missionary or some rich neighbouring landlord; and with the co-operation of whom societies may be started to help the poor residents. Under existing law these people have to be left severely alone."

3. Till recently through oversight in Madras the societies were admitting absentee landlords as members. The irregularity attracted the attention of the Board of Revenue and societies recently registered are debarred from doing so. The Board also requires the older societies to amend the bye-laws to debar the admission of absentee owners and awkward questions are cropping up as to how to deal with the persons who have already been admitted and who perhaps might have taken loans. I propose therefore the insertion of the words "or holding landed property" after the word "residing" in section 3 (1) (a) of the Act.

## APPENDIX XVII.

*Mr. Ramachandra Rao's note on the question of exemption from stamp duties.*

The Government of India notification No. 6220, Separate Revenue, dated the 30th September 1904, run as follows:—

In exercise of the powers conferred by section 25, sub-section (1), clause (b) of the Co-operative Credit Societies Act, 1904 (X of 1904), the Governor-General in Council is pleased to remit the stamp duty with which, under any law for the time being in force, instruments executed by or on behalf of any Co-operative Credit Society for the time being registered under that Act, or instruments executed by any officer or member of any such society and relating to the business of the society, are respectively chargeable.

2. Suppose a member of a Co-operative Credit Society borrows money from the society on the security of immovable property and executes a mortgage deed. The deed is executed by the member and also by his coparceners—a very healthy precaution to adopt under existing Hindu law. The coparceners are not members and perhaps are ineligible to be. Is the mortgage deed exempt from stamp duty?

3. I think so. Firstly, because under the Stamp Act it is open to the contracting parties to agree as to who should bear the stamp duty; the society may be considered to elect in each case to incur the duty; and under virtue of the notification above quoted the duty need not be paid. Secondly, the deed appears to be one executed on behalf of the society; if this description cannot include such deeds, it is difficult to imagine what class of deeds it is intended to include. Thirdly, the spirit of the notification is in favour of exemption.

4. The Registration Department in the Madras Presidency is inclined to take an opposite view on the ground that the coparceners are not members and the notification cannot govern cases where all the executors are not members. I invite the Conference to interpret the notification and if the language does not justify my interpretation to move the Government of India to issue a clear notification exempting deeds of the kind referred to.

# APPENDIX XVIII.

## STATEMENT I-A.

### GENERAL PROGRESS.

*Central Societies (lending to other Societies only).*

PROVINCE	KINDS OF SOCIETIES.				NUMBER OF SOCIETIES.		NUMBER OF MEMBERS.		WORKING CAPITAL. *			REMARKS		
	CASE.		OTHER.		At the beginning of the year, 1st July 1907.	At the end of the year, 30th June 1908.	At the beginning of the year, 1st July 1907.	At the end of the year, 30th June 1908.	At the beginning of the year, 1st July 1907.		At the end of the year, 30th June 1908.			
	Limited liability.	Unlimited liability.	Limited liability.	Unlimited liability.					R.	a. p.	R.		a. p.	
1	2	3	4	5	6	7	8	9	10	11	12			
Madras . . . . .	1	...	...	...	1	1	43	45	80,105	2	0	1,74,040	0	9
Bombay . . . . .	...	...	...	...	...	...	..	...	...	...	...	...	...	...
Bengal . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
United Provinces . . . . .	2	...	...	...	10	2	2,689	102	78,631	5	6	27,373	0	0
Punjab . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Burma . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Eastern Bengal and Assam . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Central Provinces and Berar . . . . .	3	1	...	...	3	4	62	83	5,178	0	0	30,401	14	3
Coorg . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Ajmer . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
<b>TOTAL</b>	<b>6</b>	<b>1</b>	<b>...</b>	<b>...</b>	<b>14</b>	<b>7</b>	<b>2,774</b>	<b>280</b>	<b>1,63,914</b>	<b>7</b>	<b>6</b>	<b>2,21,814</b>	<b>16</b>	<b>0</b>

\* Includes statistics regarding loans from non-members, loans from other societies, share capital, deposits by members, share and reserve fund in statement I-V-A.

Urban Societies.

Province.	KINDS OF SOCIETIES.				NUMBER OF SOCIETIES.		NUMBER OF MEMBERS.		WORKING CAPITAL.*		REMARKS.	
	Cash.		Other.		At the beginning of the year, 1st July 1907.	At the end of the year, 30th June 1908.	At the beginning of the year, 1st July 1907.	At the end of the year, 30th June 1908.	At the beginning of the year, 1st July 1907.	At the end of the year, 30th June 1908.		
	Limited liability.	Unlimited liability.	Limited liability.	Unlimited liability.								
1	2	3	4	5	6	7	8	9	10	11	12	
									<i>R</i>	<i>a. p.</i>	<i>R</i>	<i>a. p.</i>
Madras . . . . .	10	3	9	1	21	23	3,568	4,775	1,94,602	1 6	2,69,443	8 6
Bombay . . . . .	20	23	2	1	20	46	1,930	3,327	1,46,805	5 4	1,88,386	0 6
Bengal . . . . .	9	10	...	...	8	19	725	1,185	18,080	1 4	38,685	7 7
United Provinces . . . . .	16	2	1	...	18	19	25,318	42,701	6,86,069	13 10	12,96,551	0 0
Punjab . . . . .	3	...	...	...	3	5	279	316	9,836	0 0	40,554	0 0
Burma . . . . .	6	3	...	...	3	9	103	423	4,378	8 0	20,556	14 2
Eastern Bengal and Assam . . . . .	20	1	...	...	12	21	1,011	1,731	46,008	1 4	1,04,780	14 3
Central Provinces and Berar . . . . .	7	..	...	...	4	7	667	1,067	30,357	8 9	50,132	11 1
Coorg . . . . .	...	...	..	...	...	...	...	...	.....		.....	
Ajmer . . . . .	...	...	...	...	...	...	...	...	.....		.....	
<b>TOTAL</b>	<b>91</b>	<b>43</b>	<b>12</b>	<b>3</b>	<b>60</b>	<b>112</b>	<b>33,691</b>	<b>55,235</b>	<b>11,26,225</b>	<b>8 1</b>	<b>20,09,090</b>	<b>8 1</b>

\* Includes statement regarding loans from non-members, loans from other societies, share capital, deposits by members, state aids and reserve fund (Statement IV-B).

STATEMENT I-C.  
GENERAL PROGRESS.  
*Rural Societies.*

PROVINCE.	KINDS OF SOCIETIES.				NUMBER OF SOCIETIES.		NUMBER OF MEMBERS.		WORKING CAPITAL.*		REMARKS.
	CASE.		OTHER.		At the beginning of the year, 1st July 1907.	At the end of the year, 30th June 1908.	At the beginning of the year, 1st July 1907.	At the end of the year, 30th June 1908.	At the beginning of the year, 1st July 1907.	At the end of the year, 30th June 1908.	
	Limited liability.	Unlimited liability.	Limited liability.	Unlimited liability.							
1	2	3	4	5	6	7	8	9	10	11	12
									<i>R a. p.</i>	<i>R a. p.</i>	
Madras . . . . .	12	65†	...	...	41	77	2,828	5,227	1,72,926 12 10	3,30,431 7 3	† Of these seven societies did not get into full working order before the end of the year. ‡ Of these 23 societies are not yet in full working order. Information is not available regarding three other societies. * 14 unregistered societies are not included. § The statistics of these grain societies are not available.
Bombay . . . . .	...	97	...	2	47	99‡	3,475	5,150	1,74,508 10 4	1,74,640 12 8	
Bengal . . . . .	...	326*	...	5§	169	331	7,159	11,338	86,991 13 1	1,78,513 3 6	
United Provinces . . . . .	...	154	...	12	143	166	16,483	38,304	1,78,411 0 8	5,92,497 0 0	
Punjab . . . . .	...	253	...	...	174	253	17,254	21,565	2,54,139 0 0	4,72,367 0 0	
Burma . . . . .	...	72	...	...	37	72	1,925	2,662	1,21,793 11 8	1,49,210 6 6	
Eastern Bengal and Assam . . . . .	...	114	...	...	48	114	2,416	5,213	30,459 0 7	1,64,705 6 0	
Central Provinces and Berar . . . . .	...	69	...	...	63	69	1,776	2,395	32,553 7 5	77,125 4 4	
Coorg . . . . .	12	...	...	...	11	12	957	1,081	19,397 14 11	26,224 3 0	
Ajmer . . . . .	...	8	...	...	8	8	186	238	362 8 8	406 0 0	
<b>TOTAL</b>	<b>24</b>	<b>1,158</b>	<b>...</b>	<b>19</b>	<b>740</b>	<b>1,201</b>	<b>54,459</b>	<b>93,173</b>	<b>10,71,543 11 2</b>	<b>21,68,120 11 3</b>	

\* Includes statistics of bank loans from non-members, loans from other societies, share capital, deposits by members, state aid and reserve fund in settlement (1908).

FC



Province.	Kind of Society.	Share payments.	Entrance fees.	Deposits by members.	LOANS FROM OTHER SOURCES.			Loans repaid by members.
					Government.	Other societies.	Non-members.	
1	2	3	4	5	6	7	8	9
		R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a.
Madras . . . .	Cash—Limited Liability	600 0 0	20 0 0	1,11,800 0 0	...	...	49,740 0 0	1,500 0 0
United Provinces .	Ditto	740 0 0	...	4,047 0 0	7,900 0 0	...	4,706 0 0	...
Central Provinces and Berar.	Ditto	16,854 18 0	78 11 0	9,990 0 8	...	...	...	...
	TOTAL	18,194 18 0	98 11 0	1,25,837 0 8	7,900 0 0	...	54,446 0 0	1,500 0 0
Central Provinces and Berar.	Cash—Unlimited Liability.	.....	8 0 0	179 1 0	...	...	...	5,008 0 0
	TOTAL	.....	8 0 0	179 1 0	...	...	...	5,008 0 0
	GRAND TOTAL	18,194 18 0	106 11 0	1,26,016 1 8	7,900 0 0	...	54,446 0 0	6,508 0 0

	Interest received.	Sale-proceeds of stock.	Other income.	Total income of year.	Opening balance.	Grand total receipts including the opening balance.
	11	12	13	14	15	16
	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.
0 0	7,804 7 0	...	79 12 0	2,02,144 8 0	754 14 8	2,02,899 1 8
0 0	2,062 0 0	...	178 0 0	88,265 0 0	3,067 0 0	41,332 0 0
0 0	887 7 8	...	0 8 0	28,911 7 9	...	28,911 7 9
0 0	10,258 14 6	...	258 4 0	2,69,820 10 9	3,821 14 8	2,78,142 9 0
	436 0 0	..	..	5,026 1 0	505 10 7	6,121 11 7
	436 0 0	..	-	5,026 1 0	505 10 7	6,121 11 7
0 0	10,699 14 6	...	258 4 0	2,74,946 11 9	4,327 8 10	2,79,274 4 7

Share capital withdrawn.	Deposits withdrawn.	LOANS REPAID TO			Loans to members.	Loans to other societies.
		Government.	Other societies.	Non-members.		
17	18	19	20	21	22	23
<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>
...	65,200 0 0	...	...	3,000 0 0	4,500 0 0	1,22,650 0 0
600 0 0	8,410 0 0	2,785 0 0	...	45 0 0	500 0 0	24,999 0 0
...	2,000 0 0	...	...	...	...	28,600 0 0
600 0 0	70,610 0 0	2,785 0 0	...	3,045 0 0	5,000 0 0	1,71,249 0 0
...	...	...	...	...	5,488 0 0	...
...	...	...	...	...	...	...
600 0 0	70,610 0 0	2,785 0 0	...	3,045 0 0	10,488 0 0	1,71,249 0 0

MENTS.

(other Societies only.)

25	26	27	28	29	30	31	32	33
Dividend and bonus paid.	Stock bought.	Establishment and contingencies.	Other items.	Carried to reserve.	Total expenditure.	Closing balance.	Grand total expenditure including closing balance.	REMARKS.
R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	
578 0 8	...	287 9 9	71 2 0	206 6 0	2,00,906 2 5	1,992 14 10	2,02,909 1 8	
350 0 0	...	130 0 0	268 0 0	305 0 0	84,137 0 0	7,195 0 0	41,932 0 0	
...	...	55 14 8	...	...	25,655 14 8	3,255 9 8	28,911 7 9	
928 0 8	...	478 8 0	334 2 0	511 6 0	2,60,699 0 8	12,448 8 4	2,73,148 9 0	
...	...	25 0 0	0 5 4	200 0 0	6,088 6 2	26 5 5	6,121 11 7	
...	...	25 0 0	0 5 4	200 0 0	6,088 6 2	26 5 5	6,121 11 7	
928 0 8	...	498 8 0	334 7 4	711 6 0	2,65,728 6 10	12,541 13 9	2,78,274 4 7	

Provinces.	Kind of Society.	LOANS FROM OTHER SOURCES.					
		Share payments.	Entrance fees.	Deposits by members.	Government.	Other societies.	Non-members.
		3	4	5	6	7	8
1	2	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.
Madras . . .	Cash—Limited liability	12,430 0 0	958 13 6	1,01,937 10 8	...	21,000 0 0	39,482 1 4
Bombay . . .	Ditto . . .	35,191 13 3	291 0 0	37,409 4 8	5,300 0 0	...	14,656 1 8
Bengal . . .	Ditto . . .	5,833 10 6	260 8 0	9,833 2 7	...	...	750 0 0
United Provinces . .	Ditto* . . .	69,754 0 0	4,611 0 0	1,69,606 0 0	2,72,500 0 0	1,700 0 0	6,96,599 0 0
Punjab . . .	Ditto . . .	12,200 0 0	335 0 0	4,049 0 0	...	...	6,148 0 0
Burma . . .	Ditto . . .	7,059 12 0	239 0 0	600 0 0	...	731 2 8	5,387 0 0
Eastern Bengal and Assam.	Ditto . . .	22,955 8 0	815 12 0	19,303 10 8	2,000 0 0	3,345 4 0	20,335 13 6
Central Provinces and Berar.	Ditto . . .	7,285 12 0	254 0 0	19,341 14 10	...	...	5,032 0 0
	TOTAL . . .	1,72,710 7 9	7,765 1 6	3,62,080 11 5	2,79,800 0 0	26,776 6 8	7,58,390 0 6
Madras . . .	Cash—Unlimited liability.	14,326 0 0	81 14 0	6,428 0 0	...	...	7,852 2 8
Bombay . . .	Ditto . . .	2,208 8 0	181 11 3	17,225 0 0	5,300 0 0	2,521 2 0	146 0 0
Bengal . . .	Ditto . . .	...	52 12 0	...	...	200 0 0	2,950 0 0
Burma . . .	Ditto . . .	12,858 0 0	...	...	...	...	800 0 0
Eastern Bengal and Assam.	Ditto . . .	384 0 0	25 0 0	...	...	...	...
	TOTAL . . .	19,776 8 0	341 5 3	23,653 0 0	5,300 0 0	2,721 2 0	11,748 2 8
Madras . . .	Other—Limited liability	6,314 2 0	622 12 0	64,064 4 0	...	1,000 0 0	38,210 9 10
Bombay . . .	Ditto . . .	2,175 0 0	122 1 0	...	...	...	3,924 5 9
United Provinces . .	Ditto . . .	576 0 0	1 0 0	3 0 0	...	...	8,662 0 0
	TOTAL . . .	9,065 2 0	745 13 0	64,067 4 0	...	1,000 0 0	50,796 15 7
Madras . . .	Other—Unlimited liability.	...	3 0 0	...	...	...	1,745 12 0
Bombay . . .	Ditto . . .	...	7 8 0	1,041 10 8	1,000 0 0	...	3 0 0
	TOTAL . . .	...	10 8 0	1,041 10 8	1,000 0 0	...	1,748 12 0
	GRAND TOTAL	2,01,552 1 9	8,562 11 9	4,50,842 10 1	2,86,100 0 0	30,497 8 8	8,52,633 14 9

	Interest received,	Sale-proceeds of stock.	Other income.	Total income of year.	Opening balance.	Grand total receipts including the opening balance.
	11	12	13	14	15	16
a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.
	12,788 14 1	...	1,294 5 1	2,84,214 2 8	11,988 14 5	2,90,203 1 1
0 0	8,494 2 7	...	3,190 2 0	2,09,687 11 5	11,937 2 6	2,21,624 13 11
	2,993 6 6	10 10 0	27 1 3	67,719 6 5	5,149 6 2	72,868 12 7
0 0	95,087 0 0	8,688 0 0	4,564 0 0	19,40,617 0 0	45,005 0 0	19,85,622 0 0
	1,220 0 0	...	384 0 0	40,996 0 0	4,833 0 0	45,829 0 0
	529 3 9	...	1,501 4 0	18,935 6 5	...	18,935 6 5
0 0	6,224 10 1	1,149 14 3	44 1 0	1,38,962 15 0	4,245 11 7	1,43,208 10 7
0 0	3,301 11 11	...	63 3 5	78,184 0 11	4,510 8 1	82,694 9 0
0 0	1,30,639 0 11	9,846 8 3	10,073 0 9	27,79,336 10 10	57,669 10 9	29,07,006 5 7
	3,010 0 6	...	890 8 11	33,172 9 9	443 3 9	33,615 13 6
	697 6 4	250 9 6	31 8 9	42,111 3 3	1,757 3 6	43,868 6 9
	861 12 6	...	10 0 0	4,048 7 6	76 13 0	4,125 4 6
	367 9 10	...	1 0 0	7,578 1 10	358 7 6	7,936 9 4
	...	...	...	409 0 0	...	409 0 0
	4,436 13 2	250 9 6	433 1 8	67,319 6 4	2,665 11 9	69,985 2 1
	1,233 0 11	3,38,139 4 10	5,781 12 11	4,61,026 3 11	4,302 14 11	4,65,329 2 10
	2 13 6	6,913 9 3	510 6 0	13,668 3 6	...	13,668 3 6
	...	34,216 0 0	243 0 0	44,160 0 0	5,153 0 0	49,313 0 0
	1,235 14 5	3,79,268 14 1	6,534 2 11	5,28,554 7 5	9,550 14 11	5,38,105 6 4
	69 2 5	3,945 14 9	954 6 4	9,564 15 11	654 15 3	10,219 15 2
	...	290 5 6	...	2,342 8 2	...	2,342 8 2
	69 2 5	4,226 4 3	954 6 4	11,907 8 1	654 15 3	12,562 7 4
0 0	1,36,360 14 11	3,93,663 4 1	13,024 11 8	34,17,413 0 8	1,14,741 4 8	35,32,154 5 4

Share capital withdrawn.	Deposits withdrawn.	LOANS REPAYED TO			Loans to members.	Loans to other societies.
		Government.	Other societies.	Non-members.		
17	18	19	20	21	22	23
R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a.
6,797 7 9	79,827 3 8	...	18,000 0 0	31,462 .6 7	1,26,765 0 0	3,000 0
2,234 0 0	18,677 10 3	...	...	3,398 14 8	1,65,962 5 7	4,821 2
263 0 0	3,889 4 0	...	...	550 0 0	64,522 11 4	...
194 0 0	93,966 0 0	1,03,103 0 0	...	2,91,693 0 0	8,15,147 0 0	4,48,615 0
1,093 0 0	1,178 0 0	...	...	623 0 0	30,930 0 0	...
41 0 0	...	...	...	...	14,370 0 0	1,500 0
774 0 0	8,220 4 6	883 5 6	...	1,136 8 0	91,691 0 0	22,020 0
131 0 0	9,649 12 0	...	...	1,000 0 0	60,102 7 6	3,500 0
11,527 7 9	2,15,408 2 5	1,03,986 5 6	18,000 0 0	3,29,863 13 3	13,69,490 8 5	4,83,456 2
470 0 0	3,478 0 0	...	...	5,432 8 0	20,590 0 0	...
...	175 0 0	...	...	146 0 0	36,550 0 0	...
...	...	...	...	70 0 0	3,730 0 0	...
421 8 0	...	...	...	...	5,555 0 0	...
...	...	...	...	...	350 0 0	...
891 8 0	3,653 0 0	...	...	5,648 8 0	66,775 0 0	...
515 13 7	59,897 8 9	...	100 0 0	30,118 15 5	35,513 0 0	1,000 0
...	...	...	...	1,075 0 0	651 0 0	...
...	1 0 0	...	...	7,905 0 0	473 0 0	...
515 13 7	59,898 8 9	-	100 0 0	30,098 15 5	36,637 0 0	1,000 0
...	...	...	800 0 0	931 7 11	2,745 2 3	...
...	...	...	...	...	...	...
...	...	...	800 0 0	931 7 11	2,745 2 3	...
11,934 13 4	2,78,309 11 2	1,03,986 5 6	18,900 0 0	3,75,512 12 7	14,73,647 10 8	4,64,456 1

ENTS.

Dividend and bonus paid.	Stock bought.	Establishment and contingencies.	Other items.	Carried to reserve.	Total expenditure.	Closing balance.	Grand total expenditure including closing balance.	REMARKS.
25	26	27	28	29	30	31	32	33
R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	
1,065 13 11	...	1,711 9 3	1,011 6 4	2,540 5 10	2,79,212 4 8	16,000 12 10	2,96,203 1 1	
586 10 0	...	2,026 9 0	3,052 14 5	...	2,01,012 10 1	20,012 8 10	2,21,024 13 11	
678 15 5	...	306 6 6	330 15 1	...	71,133 8 5	1,735 4 2	72,869 12 7	
7,259 0 0	10,506 0 0	9,629 0 0	34,172 0 0	14,446 0 0	18,64,374 0 0	1,21,213 0 0	19,85,621 0 0	* Includes two Unl. mtd Liability Societies.
808 0 0	...	711 0 0	937 0 0	...	35,784 0 0	10,015 0 0	45,829 0 0	
103 7 0	60 0 0	85 6 6	1 4 0	64 10 8	16,252 10 0	2,682 12 5	18,035 6 5	† Of which Rs 500 are on account of reserve fund received from old society.
1,357 10 9	1,515 9 9	1,440 0 8	4 8 0	...	1,29,856 5 2	13,372 5 5	1,43,228 10 7	
294 13 8	...	615 8 6	23 9 6	457 11 6	76,222 4 7	6,472 4 5	82,694 9 0	
11,654 6 4	12,101 9 9	16,525 8 5	39,533 9 4	17,517 11 7	26,74,447 10 6	1,92,558 11 1	28,67,006 5 7	
130 3 3	...	401 0 0	170 2 9	72 0 0	81,981 10 9	1,034 2 9	33,015 13 0	
...	3,887 15 8	155 9 1	1,306 0 0	...	42,496 2 0	1,272 4 9	43,769 6 9	
...	...	1 15 6	34 0 0	...	4,031 7 8	93 13 8	4,125 4 0	
...	...	120 2 0	...	...	6,096 14 0	§ 1,869 13 4	7,966 9 4	‡ Of which Rs 2,733 are on account of subscription.
...	...	8 9 6	...	...	358 9 6	50 6 6	409 0 0	§ Savings Bank balance Rs 1,103-0.
130 3 3	3,887 15 8	687 4 1	1,510 2 9	72 0 0	84,954 7 6	5,020 10 7	89,975 2 1	¶ Hand balance Rs 129-7-10.
2,892 5 6	3,29,196 13 2	8,815 6 2	8,08 11 6	646 0 6	4,78,117 7 4	7,271 11 6	4,85,389 2 10	
...	9,601 11 0	936 15 3	1,328 15 9	...	13,623 10 0	44 9 6	13,668 2 8	
1,556 0 0	29,439 0 0	907 0 0	433 0 0	626 0 0	41,340 0 0	8,008 0 0	49,348 0 0	
4,448 5 6	3,68,237 8 2	10,659 5 5	9,860 11 8	1,272 0 6	5,23,081 1 4	15,324 5 0	5,38,405 6 4	
70 2 6	4,443 4 3	163 10 5	1,004 12 9	70 0 0	10,412 8 10	7 6 4	10,419 15 2	
...	1,984 13 3	146 1 0	122 10 6	...	2,209 8 5	47 4 9	2,256 8 2	
70 2 6	6,429 1 6	309 11 5	1,217 7 3	70 0 0	12,797 12 3	54 11 1	12,851 7 4	
16,303 1 7	3,90,655 2 8	28,181 13 4	52,121 14 7	14,931 12 7	31,67,599 13 7	2,11,923 5 9	32,79,522 8 4	

REMARKS.

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\* Includes two Unl. mtd Liability Societies.

† Of which Rs 500 are on account of reserve fund received from old society.

‡ Of which Rs 2,733 are on account of subscription.  
§ Savings Bank balance Rs 1,103-0.  
¶ Hand balance Rs 129-7-10.



Province.	Kind of Society.	Share payments.	Entrance fees.	Deposits by members.	LOANS FROM OTHER SOURCES.			Loans repaid by members.
					Government.	Other societies.	Non-members.	
1	2	3	4	5	6	7	8	9
		R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.
Madras ... ..	Cash-Limited Liability	6,902 0 0	121 4 0	2,772 0 0	...	16,450 0 0	9,254 0 0	52,507 13
Coorg ... ..	Ditto ... ..	4,735 4 5	191 8 0	320 0 0	1,600 0 0	...	...	15,704 6
	Total ... ..	11,637 4 5	312 12 0	3,092 0 0	1,600 0 0	16,450 0 0	9,254 0 0	68,212 3
Madras ... ..	Cash-Unlimited liability	16,425 8 0	1,925 4 0	16,338 8 0	12,700 0 0	87,700 0 0	22,902 10 3	93,047 11
Bombay ... ..	Ditto ... ..	1,470 0 0	1,577 4 0	50,500 1 0	23,900 0 0	2,500 0 0	6,066 0 6	94,426 2
Bengal ... ..	Ditto ... ..	320 0 0	2,482 1 0	12,381 4 7	10,140 0	580 0 0	81,402 0 0	45,681 9
United Provinces ...	Ditto ... ..	645 0 0	4,145 0 0	37,090 0 0	60,044 0 0	4,42,257 0 0	27,657 0 0	4,52,472 0
Punjab ... ..	Ditto ... ..	1,55,352 0 0	6,343 0 0	55,612 0 0	48,050 0 0	...	*5,200 0 0	1,67,615 0
Burma ... ..	Ditto ... ..	14,123 0 0	7 0 0	725 0 0	1,600 0 0	1,350 0 0	61,600 0 0	1,36,935 4
Eastern Bengal and Assam.	Ditto ... ..	.....	1,255 8 0	28,552 5 3	77,945 0 0	22,020 0 0	6,513 0 0	29,547 2
Central Provinces and Berar.	Ditto ... ..	11,720 0 0	699 8 0	3,577 11 9	7,100 0 0	24,600 0 0	2,063 12 0	32,511 9
Ajmer ... ..	Ditto ... ..	.....	13 0 0	81 0 0	...	...	...	17 4
	Total ... ..	2,00,054 8 0	17,847 9 0	2,05,157 14 7	2,45,879 0 0	5,80,987 0 0	2,13,404 6 9	10,52,253 16
Bombay ... ..	Other-Unlimited liability.	.....	4 8 0	90 12 1	...	...	...	1,533 2
United Provinces ...	Ditto ... ..	.....	1 0 0	.....	50 0 0	...	...	180 0
	Total ... ..	.....	5 8 0	90 12 1	50 0 0	...	...	1,713 2
	GRAND TOTAL ...	2,11,691 12 5	18,105 13 0	2,08,310 10 8	2,47,529 0 0	5,97,437 0 0	2,22,638 6 9	11,22,179 2

Interest received.	Sale proceeds of stock.	Other income.	Total income of year.	Opening balance.	Grant total receipts including the opening balance.
11	12	13	14	15	16
<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>
5,497 2 5	...	561 12 1	94,066 1 6	3,032 0 11	97,098 2 5
1,804 12 8	...	83 4 0	24,739 8 6	8,518 1 5	28,257 4 11
7,301 15 1	...	645 0 1	1,18,805 5 0	6,550 2 4	1,25,355 7 4
10,907 9 8	...	271 10 5	2,61,618 13 5	8,721 13 1	2,70,340 10 6
8,102 5 5	...	108 7 2	1,94,090 4 7	13,321 4 10	2,07,411 9 5
9,669 2 1	13 12 8	582 4 2	1,63,232 2 11	11,138 6 10	1,74,370 9 9
43,923 0 0	...	5,588 0 0	10,73,621 0 0	81,918 0 0	11,05,739 0 0
16,935 0 0	...	2,004 0 0	4,57,111 0 0	49,270 0 0	5,05,381 0 0
18,489 15 5	222 8 0	4,214 8 0	2,39,265 14 5	988 5 11	2,40,254 4 4
4,543 7 11	...	93 7 8	1,69,869 14 7	4,581 5 2	1,74,451 8 9
4,570 5 6	...	401 4 10	87,244 8 4	5,605 8 10	93,149 12 2
1 4 1	...	...	112 8 1	945 2 8	457 10 4
0 1,17,142 2 1	86 5 8	13,263 4 10	26,46,365 13 4	1,23,169 14 11	27,71,535 12 3
196 4 5	...	1 11 11	1,826 6 6	7 14 2	2,354 4 8
41 0 0	...	1 0 0	273 0 0	61 0 0	334 0 0
237 4 5	...	2 11 11	2,029 6 6	618 14 2	2,719 4 8
0 1,24,651 5 7	238 5 8	13,911 0 10	27,67,570 8 10	1,23,553 15 5	28,91,123 0 8

Share capital withdrawn.	Deposits withdrawn.	LOANS REPAYED TO			Loans to members.	Loans to other societies.
		Government.	Other societies.	Non-members.		
17	18	19	20	21	22	23
R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.
2,324 5 5	5,089 0 0	...	2,200 0 0	1,668 15 9	71,337 12 3	500 0
52 0 0	660 0 0	423 6 5	300 0 0	...	18,638 11 8	6 8
2,376 5 5	5,749 0 0	423 6 5	2,500 0 0	1,668 15 9	89,976 7 11	506 8
468 0 0	10,784 8 0	...	10,000 0 0	458 0 0	2,23,722 8 0	2,000 0
...	2,693 11 6	113 15 0	2,316 0 0	800 0 0	1,74,966 3 5	200 0
...	2,256 0 0	592 5 2	760 0 0	2,263 1 6	1,45,468 0 11	760 0
...	5,842 0 0	11,199 0 0	2,09,268 0 0	8,047 0 6	7,70,683 0 0	...
6,701 0 0	23,323 0 0	1,000 0 0	...	141 0 0	3,89,050 0 0	...
22,745 0 0	1,600 0 0	12,000 0 0	...	9,300 0 0	1,74,661 4 0	...
...	762 8 0	160 0 0	645 0 0	210 0 0	1,53,182 1 9	3,345 4
110 0 0	2,574 2 8	...	2,208 12 0	500 0 0	75,843 8 0	...
...	...	...	...	...	295 15 0	...
30,024 0 0	54,835 14 2	25,065 4 2	2,25,197 12 0	21,719 1 6	21,09,872 9 1	6,305 4
...	...	...	...	...	2,039 2 7	...
...	...	...	...	...	144 0 0	...
...	...	...	...	...	2,183 2 7	...
32,400 3 5	60,564 14 2	23,483 10 7	2,27,697 12 0	23,368 1 3	22,02,032 3 7	6,811 12

STATEMENTS.

	Dividend and bonus paid.	Stock bought.	Establishment and Contingencies.	Other items.	Carried to reserve.	Total expenditure.	Closing balance.	Grand total expenditure including closing balance.	REMARKS.
	25	26	27	28	29	30	31	32	33
	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	
	...	...	926 0 11	327 11 5	3,169 14 1	89,827 1 7	7,271 2 10	97,098 4 5	
	...	...	272 12 9	...	4,044 3 7	24,598 0 3	3,649 10 8	28,247 10 11	
	...	...	1,198 13 8	327 11 5	7,214 1 8	1,14,425 1 10	10,920 13 6	1,25,345 13 4	
10	...	...	1,198 6 6	109 1 1	2,698 9 11	2,57,710 8 4	12,630 5 2	2,70,340 8 6	
4	141 6 5	...	936 15 9	47 14 11	...	1,85,221 15 4	22,189 10 1	2,07,411 9 5	
10	...	...	522 3 7	1,143 10 8	...	1,57,067 3 8	17,303 6 1	1,74,370 9 9	
0	...	...	4,753 0 0	5,808 0 0	6,812 0 0	10,46,830 0 0	58,969 0 0	11,05,799 0 0	
0	...	...	1,403 0 0	4,511 0 0	...	4,33,938 0 0	71,443 0 0	3,05,381 0 0	* From other sources.
0	5,763 4 11	...	1,657 8 8	4,130 5 8	...	2,35,271 8 3	4,982 12 1	2,40,254 4 4	
2	...	...	876 6 11	...	...	1,62,320 14 10	12,130 4 11	1,74,451 8 9	
5	527 9 0	...	389 6 7	68 7 9	1,800 10 4	85,275 15 9	7,673 15 5	63,149 15 2	
	...	...	...	...	...	295 15 0	161 11 4	457 10 4	
7	6,432 4 4	...	11,737 0 0	15,823 8 1	11,311 4 3	25,63,931 12 2	2,07,624 1 1	27,71,555 13 3	
4	...	...	23 6 0	...	...	2,148 2 11	233 1 9	2,384 4 8	
0	...	...	...	...	...	163 0 0	171 0 0	334 0 0	
4	...	...	23 6 0	...	...	2,311 2 11	467 1 9	2,778 4 8	
6	6,432 4 4	...	12,959 3 8	16,151 3 6	13,523 5 11	26,50,663 0 11	2,15,563 0 4	28,66,226 1 3	

## STATEMENT III-A.

## PROFIT AND LOSS ACCOUNT.

*Central Societies (lending to or dealing with other Societies only.)*

Provinces.	Kind of Society.	* PROFIT.				Loss.						Net profit + or loss --	REMARKS.
		Interest earned.	Gross profit on sales of stock.	Other items.	Total.	Interest paid and due.	Establishment and contingent charges paid and due.	Debts written off.	Depreciation of stock.	Other items.	Total.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
		R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	
Madras . . . . .	Cash—Limited liability . . . . .	8,849 5 9	...	99 12 0	8,949 1 9	6,368 10 2	289 9 9	...	...	71 2 0	6,729 5 11	+2,219 11 10	
United Provinces . . . . .	Ditto . . . . .	1,968 0 0	...	68 0 0	2,036 0 0	782 0 0	125 0 0	...	...	...	907 0 0	+1,129 0 0	
Central Provinces and Berar . . . . .	Ditto . . . . .	1,236 3 6	...	79 3 0	1,315 6 6	395 5 0	79 14 3	...	...	...	475 3 3	+840 3 3	
	TOTAL . . . . .	12,053 9 3	...	246 15 0	12,300 8 3	7,545 15 2	494 8 0	...	...	71 2 0	8,111 9 2	+4,188 15 1	
Central Provinces and Berar . . . . .	Cash—Unlimited liability . . . . .	486 3 9	...	200 13 3	687 1 0	225 10 5	25 0 0	...	...	0 5 4	250 15 9	+436 1 3	
	TOTAL . . . . .	486 3 9	...	200 13 3	687 1 0	225 10 5	25 0 0	...	...	0 5 4	250 15 9	+436 1 3	
	GRAND TOTAL . . . . .	12,539 13 0	...	447 12 3	12,987 9 3	7,771 9 7	519 8 0	...	...	71 7 4	8,362 8 11	+4,625 0 4	

Urban Societies.

Province.	Kind of Society.	Profit.				Loss.						Net profit + or loss.	REMARKS.
		Interest earned.	Gross profit on sales of stock.	Other items.	Total.	Interest paid and due.	Establishment and contingent charges paid and due.	Debts written off.	Depreciation of stock.	Other items.	Total.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
		R s. p.	R s. p.	R s. p.	R s. p.	R s. p.	R s. p.	R s. p.	R s. p.	R s. p.	R s. p.	R s. p.	
Madras	Cash—Limited liability.	13,074 8 0	...	1,470 0 0	14,544 8 0	7,984 6 1	1,714 1 3	12 2 0	...	189 6 4	9,899 15 8	+4,644 3 4	
Bombay	Ditto	8,934 12 10	...	449 7 0	8,784 8 10	1,627 9 8	1,091 3 11	...	...	105 10 11	2,824 8 6	+5,959 11 4	
Bengal	Ditto	3,753 11 11	10 10 0	287 3 8	4,031 9 7	1,049 13 7	288 10 6	...	...	312 8 0	1,551 0 1	+2,480 9 6	
United Provinces	Ditto	1,14,142 0 0	252 0 0	5,836 0 0	1,20,230 0 0	51,194 0 0	10,641 0 0	...	607 0 0	2,187 0 0	64,629 0 0	+55,601 0 0	† Includes two unlimited liability societies. *R207 Entrance Fees.
Punjab	Ditto	1,125 0 0	...	1,613 0 0	2,738 0 0	86 0 0	1,021 0 0	891 0 0	...	1,742 0 0	2,740 0 0	-2 0 0	
Burma	Ditto	529 3 9	...	239 0 0	768 3 9	6 14 3	85 6 6	...	...	1 10 0	93 14 9	+674 5 0	† Carried to reserve. R123 Dividends. R515
Eastern Bengal and Assam.	Ditto	7,968 12 8	43 5 1	801 5 0	8,902 6 9	1,676 14 8	785 1 6	35 10 9	...	...	2,497 10 11	+6,404 11 10	
Central Provinces and Berar.	Ditto	2,850 12 0	...	354 3 2	4,204 15 2	957 6 6	696 12 6	...	...	60 1 6	1,914 4 6	+2,290 10 8	
	TOTAL	1,52,778 8 2	804 15 1	11,120 2 10	1,64,208 10 1	64,583 0 9	16,522 4 2	938 12 9	607 0 0	2,493 4 9	86,150 6 5	+78,053 3 8	
Madras	Cash—Unlimited liability.	2,158 11 9	...	310 0 5	2,468 12 2	2,112 3 4	408 0 0	...	...	8 0 0	2,528 3 4	+940 8 10	
Bombay	Ditto	1,306 7 11	72 8 2	187 11 9	1,666 11 11	667 8 6	186 1 1	...	...	...	873 9 7	+783 2 11	
Bengal	Ditto	447 7 10	...	62 12 0	550 2 10	234 1 6	1 15 6	...	...	24 0 0	240 1 0	+190 2 10	
Burma	Ditto	267 9 10	...	1 0 0	268 9 10	...	120 2 0	...	...	...	120 2 0	+248 7 10	
Eastern Bengal and Assam.	Ditto	8 12 8	...	25 0 0	33 12 8	...	8 9 8	...	...	...	8 9 6	+26 4 2	
	TOTAL	5,429 2 0	72 8 2	676 8 2	6,078 2 5	2,133 12 4	724 12 1	...	...	32 0 0	3,890 9 5	+2,167 10 0	
Madras	Other—Limited liability.	1,398 12 0	16,277 12 11	2,067 3 1	22,693 12 0	1,700 5 11	9,655 10 7	...	147 12 1	1,900 11 4	13,404 8 11	+9,289 4 1	
Bombay	Ditto	787 0 6	1,201 12 2	388 6 1	2,377 2 10	464 12 6	1,136 5 10	...	...	...	1,601 2 4	+776 0 6	
United Provinces	Ditto	...	4,530 0 0	279 0 0	4,859 0 0	...	907 0 0	...	...	433 0 0	1,340 0 0	+3,519 0 0	
	TOTAL	2,185 12 6	22,209 9 2	2,734 9 2	29,929 12 10	2,165 2 5	11,698 0 5	...	147 12 1	2,333 11 4	16,245 11 3	+12,564 4 7	
Madras	Other—Unlimited liability.	23 2 11	275 6 0	8 0 0	416 8 11	78 12 7	221 12 10	...	33 0 8	79 12 9	413 6 10	+2 2 1	
Bombay	Ditto	...	140 6 8	10 8 0	150 16 6	41 10 8	151 1 0	...	...	...	192 11 8	-41 12 2	
	TOTAL	23 2 11	415 12 6	18 8 0	567 7 5	120 7 2	372 12 10	...	33 0 8	79 12 9	606 2 6	-39 11 1	
	GRAND TOTAL	1,61,426 11 7	21,882 12 0	13,429 12 2	1,80,729 4 9	70,002 7 9	29,319 14 6	938 12 9	787 12 9	5,943 12 10	1,06,992 12 7	+92,766 7 2	

**STATEMENT III-C.**  
**PROFIT AND LOSS ACCOUNT.**  
*Rural Societies.*

Province.	Kind of Society.	Profit.				Loss.						Net profit + or loss—	Rupees.
		Interest earned.	Gross profit on sales on stock.	Other items.	Total.	Interest paid and due.	Establishment and contingent charges paid and due.	Debts written off.	Depreciation of stock.	Other items.	Total.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
		R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.
Madras	Cash—Limited Liability	6,534 14 9	...	324 10 2	6,859 8 11	3,067 8 0	891 13 9	...	...	10 8 10	3,989 14 7	+2,889 10 4	
Croog	- Ditto	1,804 12 8	...	274 12 0	2,079 8 8	200 5 10	272 12 9	—	...	...	473 2 7	+1,608 6 1	
	<b>TOTAL</b>	<b>8,339 11 5</b>	<b>...</b>	<b>599 6 2</b>	<b>8,939 1 7</b>	<b>3,267 13 10</b>	<b>1,164 10 6</b>	<b>...</b>	<b>...</b>	<b>10 8 10</b>	<b>4,443 1 2</b>	<b>+4,496 0 5</b>	
Madras	Cash—Unlimited liability	15,735 13 4	...	1,526 13 0	17,262 10 4	7,863 10 2	1,253 1 0	...	...	23 11 8	9,140 6 10	+8,122 3 6	
Bombay.	Ditto	11,780 9 3	...	1,700 14 3	13,481 7 6	4,645 7 5	1,077 8 1	...	5 10 0	8 4 0	5,736 13 6	+7,744 10 0	
Bengal	Ditto	16,598 2 9	13 4 9	2,664 15 4	19,276 6 10	8,361 13 6	539 0 1	...	...	513 1 11	9,413 15 6	+9,862 7 4	
United Provinces.	Ditto	56,011 0 0	...	13,044 0 0	69,055 0 0	32,289 0 0	5,044 0 0	...	...	7,145 0 0	44,478 0 0	+24,607 0 0	
Punjab	Ditto	...	...	...	Figures not given.	...	...	...	...	...	...	...	
Barma	Ditto	18,439 15 5	222 8 0	9 0 0	18,721 7 5	3,449 7 0	1,621 12 8	35 12 0	...	...	5,106 15 8	+13,614 7 9	
Eastern Bengal and Assam.	Ditto	13,842 2 11	...	1,348 15 3	15,191 2 2	5,304 10 11	977 14 11	7 11 1	...	...	6,290 4 11	+8,900 13 3	
Central Provinces and Berar.	Ditto	7,277 12 3	...	1,147 10 10	8,425 7 1	3,164 12 11	515 8 10	...	...	141 15 3	3,822 5 0	+4,603 2 1	
Ajmer	Ditto	14 2 0	...	13 0 0	27 2 0	16 1 6	...	...	...	...	16 1 6	+11 0 6	
	<b>TOTAL</b>	<b>1,39,779 9 11</b>	<b>235 12 9</b>	<b>31,455 4 8</b>	<b>1,61,470 11 4</b>	<b>65,094 15 5</b>	<b>11,028 13 7</b>	<b>43 7 1</b>	<b>5 10 0</b>	<b>7,832 0 10</b>	<b>84,004 14 11</b>	<b>77,465 12 5</b>	
Bombay	Other—Unlimited liability.	230 11 5	...	6 3 11	236 15 4	99 5 10	27 0 0	...	...	5 5 6	131 11 4	+105 4 0	
United Provinces.	Ditto	74 0 0	...	555 0 0	629 0 0	20 0 0	...	...	...	...	20 0 0	+609 0 0	
	<b>TOTAL</b>	<b>304 11 5</b>	<b>...</b>	<b>561 3 11</b>	<b>865 15 4</b>	<b>119 5 10</b>	<b>27 0 0</b>	<b>...</b>	<b>...</b>	<b>5 5 6</b>	<b>161 11 4</b>	<b>+714 4 0</b>	

STATE  
BALANCE SHEET  
(Central Societies lending)

Province.	Kind of Society.	ASSETS.									R	
		Cash in hand and bank.	Loans due by members.	Loans due by other societies.	Interest due on columns 4 and 5.	Value of stock in hand.	Other items.	Total assets.	Loans from non-members.	Loans from other societies.		
1	2	3	4	5	6	7	8	9	10	11		
		R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R
Madras . . .	Cash—Limited Liability.	1,992 14 10	3,000 0 0	1,72,050 0 0	3,181 12 9	...	...	1,80,224 11 7	58,740 0 0	...	...	14
United Provinces .	Ditto	7,194 0 0	500 0 0	20,418 0 0	294 0 0	...	198 0 0	28,599 0 0	6,666 0 0	...	...	10
Central Provinces and Berar.	Ditto	3,255 9 6	...	22,500 0 0	348 12 0	..	...	26,104 5 6	...	...	...	...
	TOTAL	12,442 8 4	3,500 0 0	2,14,968 0 0	3,824 8 9	...	198 0 0	2,34,928 1 1	65,406 0 0	...	...	24
Central Provinces and Berar.	Cash—Unlimited Liability.	498 5 5	5,150 0 0	...	106 14 0	...	200 0 0	5,955 8 5	2,800 0 0	1,000 0 0	...	12
	TOTAL	498 5 5	5,150 0 0	...	106 14 0	...	200 0 0	5,955 8 5	2,800 0 0	1,000 0 0	...	12
	GRAND TOTAL	12,941 13 9	8,650 0 0	2,14,968 0 0	3,931 0 9	...	398 0 0	2,40,883 4 6	68,206 0 0	1,000 0 0	...	36



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(with other Societies only.)

LIABILITIES.												Profit + and loss -.	Balances.
Interest due to Government.	Total of columns 10 to 14.	Share capital.	Deposits by members.	Interest due on members' deposits.	Dividends due to members.	Total due to members (columns 16 to 19).	Establishment and contingent charges.	Other items.	Reserve fund.	Total liabilities.			
14	15	16	17	18	19	20	21	22	23	24	25	26	
R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	
...	54,691 6 7	7,500 0 0	1,12,800 0 0	2,942 16 9	58 9 8	1,22,209 8 5 16 0 0	...	...	0 0 0	1,78,004 18 8	+2,219 11 10		
0	15,204 0 0	10,000 0 0	2,089 0 0	22 0 0	...	12,111 0 0	...	...	...	27,446 0 0	+1,194 0 0	* Reserve invested.	
...	...	16,854 13 0	7,000 0 8	395 5 0	698 1 6	25,936 2 9 26 0 0	...	...	...	25,900 2 9	+144 1 8		
1	69,985 6 7	34,354 13 0	1,22,879 0 8	3,300 2 9	752 11 2	1,61,846 13 2 33 0 0	...	...	0 0 0	2,21,370 2 6	+2,527 13 7		
0	4,428 14 4	...	657 1 0	9 13 10	...	998 14 10	...	...	400 0 0	6,286 13 2	+218 6 3		
0	4,428 14 4	...	657 1 0	9 13 10	...	998 14 10	...	...	400 0 0	6,286 13 2	+218 6 3		
0	74,414 4 11	34,354 13 0	1,13,736 1 2	3,370 1 7	752 11 2	1,62,213 11 9 39 0 0	...	...	400 0 0	2,27,714 0 0	+2,517 2 17		

Provinces.	Kind of Society.	ASSETS.				
		Cash in hand and bank.	Loans due by members.	Loans due by other societies.	Interest due on columns 4 and 5.	Value of stock in hand.
1	2	3	4	5	6	7
		R a. p.	R a. p.	R a. p.	R a. p.	R a.
Madras . . .	Cash—Limited liability . . .	16,990 12 10	1,54,674 5 11	4,000 0 0	1,971 1 5	.....
Bombay . . .	Ditto . . .	20,012 9 10	1,16,772 0 1	18,476 14 7	3,895 4 2	563 12
Bengal . . .	Ditto . . .	1,735 4 2	35,977 2 11	.....	828 13 8	.....
United Provinces . . .	Ditto* . . .	1,21,246 0 0	9,14,542 0 0	3,35,380 0 0	32,732 0 0	6,254 0
Punjab . . .	Ditto . . .	10,045 0 0	31,015 0 0	.....	249 0 0	.....
Burma . . .	Ditto . . .	2,849 3 8	10,482 0 0	1,500 0 0	.....	80 0
Eastern Bengal and Assam.	Ditto . . .	13,372 5 5	72,261 3 6	24,027 0 0	2,288 8 6	400 0
Central Provinces and Berar.	Ditto . . .	7,216 13 11	42,995 2 6	3,000 0 0	958 2 9	.....
	<b>TOTAL</b> . . .	<b>1,93,467 11 10</b>	<b>13,78,718 14 11</b>	<b>3,84,383 14 7</b>	<b>42,922 14 6</b>	<b>7,297 13</b>
Madras . . .	Cash—Unlimited liability	1,634 2 9	42,626 0 4	.....	167 6 6	.....
Bombay . . .	Ditto . . .	1,372 4 9	28,720 0 0	.....	813 11 1	2,019 0
Bengal . . .	Ditto . . .	93 13 3	4,930 1 0	.....	163 7 3	.....
Burma . . .	Ditto . . .	1,869 15 4	4,698 8 0	.....	51 13 0	.....
Eastern Bengal and Assam.	Ditto . . .	50 6 6	350 0 0	.....	8 13 8	.....
	<b>TOTAL</b> . . .	<b>5,020 10 7</b>	<b>80,724 9 4</b>	<b>.....</b>	<b>1,205 3 6</b>	<b>2,019 0</b>
Madras . . .	Other—Limited liability . . .	7,271 11 6	21,184 6 7	1,000 0 0	518 5 1	37,606 0
Bombay . . .	Ditto . . .	44 9 6	631 0 0	.....	8 0 9	4,069 14
United Provinces . . .	Ditto . . .	8,008 0 0	282 0 0	.....	.....	23,441 0
	<b>TOTAL</b> . . .	<b>15,324 5 0</b>	<b>22,097 6 7</b>	<b>1,000 0 0</b>	<b>526 5 10</b>	<b>65,136 14</b>
Madras . . .	Other—Unlimited liability	7 6 4	398 12 2	.....	14 2 5	500 13
Bombay . . .	Ditto . . .	47 4 9	.....	.....	.....	1,837 14
	<b>TOTAL</b> . . .	<b>54 11 1</b>	<b>398 12 2</b>	<b>.....</b>	<b>14 2 5</b>	<b>2,339 11</b>
	<b>GRAND TOTAL</b> . . .	<b>2,13,867 6 6</b>	<b>14,81,939 11 0</b>	<b>3,85,383 14 7</b>	<b>44,668 10 3</b>	<b>76,792 6</b>

Total assets.		LIABILITIES.			
		Loans from non-members.	Loans from other societies.	Interest due on loans in columns 10 and 11	Loans from Government.
9		10	11	12	13
<i>R a. p.</i>		<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>
8	1,78,831 7 10	48,848 15 8	18,800 0 0	1,134 14 10	.....
8	1,58,156 12 2	13,141 14 5	.....	250 9 1	21,400 0 0
	33,541 4 9	200 0 0	.....	1 0 8	.....
0	14,65,229 0 0	6,63,482 0 0	1,700 0 0	15,169 0 0	1,73,495 0 0
	41,309 0 0	15,525 0 0	.....	70 0 0	.....
	14,911 3 8	5,367 0 0	731 2 8	.....	.....
7	1,12,385 10 0	24,566 4 6	3,345 4 0	598 4 3	12,766 10 6
9	54,222 2 11	8,557 0 0	.....	314 3 5	2,000 0 0
6	20,63,086 9 4	7,69,688 2 7	24,576 6 8	17,538 0 3	2,09,661 10 6
4	44,428 8 11	7,204 10 8	11,000 0 0	671 2 2	.....
0	31,315 8 2	.....	2,521 2 0	.....	7,850 0 0
	4,587 5 6	3,980 0 0	200 0 0	177 5 6	.....
	6,620 4 4	800 0 0	.....	.....	.....
	409 4 2	.....	.....	.....	.....
4	90,360 15 1	11,984 10 8	13,721 2 0	848 7 8	7,850 0 0
10	71,023 11 7	29,949 0 9	1,100 0 0	710 12 10	.....
9	6,102 8 0	2,500 8 0	.....	130 0 0	.....
0	42,737 0 0	1,000 0 0	.....	.....	.....
7	1,19,863 3 7	33,449 8 9	1,100 0 0	810 12 10	.....
3	1,613 2 2	819 9 3	700 0 0	19 1 10	.....
6	2,007 13 6	.....	.....	.....	1,000 0 0
9	3,620 15 8	819 9 3	700 0 0	19 1 10	1,000 0 0
2	22,76,931 11 8	8,15,941 15 3	47,097 8 8	19,241 6 7	2,13,511 10 6

Interest due to Government.	Total of columns 10 to 14.	Share capital.	Deposits by members.	Interest due on members' deposits.	Dividends due to members.
14	15	16	17	18	19
<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>
...	68,783 14 6	27,884 12 9	72,973 11 5	3,425 13 0	342
...	34,792 7 6	71,487 5 3	40,502 13 1	1,394 12 9	1,189
...	201 0 8	19,554 15 4	12,944 6 7	100 12 11	1,236
3,258 0 0	8,57,104 0 0	2,20,570 0 0	1,82,391 0 0	5,500 0 0	145 0
...	5,595 0 0	20,651 0 0	14,208 0 0	10 0 0	365 0
...	6,098 2 8	7,018 12 0	620 0 0	...	...
143 3 6	41,419 10 9	43,988 8 0	17,993 4 6	415 8 7	344 14
...	10,871 3 5	22,571 4 0	16,259 13 7	509 11 11	...
3,401 3 6	10,24,865 7 6	4,33,726 9 4	3,57,893 1 2	11,356 11 2	3,632 15
...	18,875 12 10	19,249 0 0	4,711 0 0	667 9 6	10 8
...	10,371 2 0	2,428 8 0	20,015 0 0	461 12 9	...
...	4,357 6 6	...	...	...	...
...	800 0 0	5,455 0 0	...	...	...
...	...	384 0 0	...	...	...
...	34,404 4 4	27,516 8 0	24,726 0 0	1,129 6 3	10 0
...	81,769 13 7	12,319 3 8	13,786 1 11	279 14 9	41 1
...	2,630 8 0	2,175 0 0	...	...	...
...	1,000 0 0	33,575 0 0	18 0 0	...	30 0
...	35,390 5 7	48,069 3 8	13,804 1 11	279 14 9	71 1
...	1,538 11 1	...	...	...	...
...	1,000 0 0	...	1,041 10 8	...	...
...	2,538 11 1	...	1,041 10 8	...	...
3,401 3 6	10,97,198 12 6	5,00,312 5 0	3,97,464 13 9	12,766 0 2	3,714 11

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	Establishment and contingent charges.	Other items.	Reserve fund.	Total liabilities.	Profit + and loss.	REMARKS.
	21	22	23	24	25	26
P.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	R. a. p.	
2	107 8 0	72 0 2	97 1 8	173,687 4 6	+4,644 8 4	
11	849 5 6	423 15 2	2,111 2 0	1,52,260 15 1	+5,895 13 1	
4	30 0 0	226 11 9	1,766 4 6	36,060 11 3	+2,480 9 6	
0 0	1,581 0 0	1,18,978 0 0	19,083 0 0	14,06,332 0 0	+59,897 0 0	* Includes two unlimited liability securities.
0 0	281 0 0	31 0 0	170 0 0	41,311 0 0	-2 0 0	* Includes Rs. 52,798 about reserve invested
2 0	.....	.....	500 0 0	14,286 14 8	+674 5 0	† Includes loans from other societies.
4 0	72 14 0	9 2 8	1,736 14 9	1,03,980 14 2	+5,404 11 10	
13 6	348 1 8	36 8 0	744 9 6	61,839 3 3	+2,382 15 3	
4 11	2,747 13 9	1,19,777 5 9	26,209 0 5	19,90,209 15 4	+83,877 10 0	
1 2 9	29 0 0	1 6 6	.....	43,544 6 1	+884 2 10	
5 4 9	44 14 0	.....	311 1 1	33,532 6 10	+783 2 4	
.....	.....	.....	39 13 2	4,397 2 8	+190 2 10	
6 0 0	.....	.....	64 15 6	6,319 15 6	+300 4 10	
4 0 0	.....	.....	.....	384 0 0	+25 4 2	
2 7 6	73 14 0	1 6 6	315 13 9	98,177 14 1	+2,188 1 0	
6 7 11	1,105 8 7	2,603 2 11	0 2 2	61,894 14 2	+9,128 13 5	
5 0 0	599 6 0	348 13 9	.....	5,755 11 9	+348 12 2	
3 0 0	.....	3,199 0 0	1,387 0 0	39,049 0 0	+3,633 0 0	* Includes Rs. 10,397 due from customers on account of articles sold.
4 7 11	1,704 9 7	6,141 0 8	1,337 2 2	1,06,697 9 11	+13,165 9 3	
.....	71 2 5	.....	0 2 7	1,610 0 1	+2 2 1	
1 10 8	5 0 0	3 0 0	.....	2,049 10 8	-41 12 2	
11 10 8	76 2 5	3 0 0	0 2 7	3,459 10 9	-93 11 1	
57 15 0	4,602 6 9	1,25,923 13 11	27,769 2 11	21,78,744 2 1	+96,197 9 7	

Province.	Kind of Society.	ASSETS.				
		Cash in hand and bank.	Loans due by members.	Loans due by other societies.	Interest due on columns 4 and 5.	Value of stock in hand.
1	2	3	4	5	6	7
		R a. p.	R a. p.	R a. p.	R a. p.	R a.
Madras . . .	Cash—Limited liability . . .	7,271 2 10	75,677 2 0	500 0 0	3,250 4 5	...
Coorg . . .	Ditto . . .	7,180 2 8	19,037 8 4	6 8 0	...	...
	TOTAL . . .	14,451 5 6	94,714 10 4	506 8 0	3,250 4 5	...
Madras . . .	Cash—Unlimited Liability	12,630 5 2	2,37,869 12 11	2,000 0 0	7,498 4 4	...
Bombay . . .	Ditto . . .	21,968 2 9	1,55,571 5 8	60 0 0	5,295 15 5	80 6
Dengal . . .	Ditto . . .	17,489 9 5	1,66,642 7 0	760 0 0	9,713 8 10	80 14
United Provinces . . .	Ditto . . .	65,453 0 0	5,46,323 0 0	...	16,483 0 0	...
Punjab . . .	Ditto . . .	71,443 0 0	4,35,446 0 0	...	19,461 0 0	...
Barma . . .	Ditto . . .	4,982 12 1	1,53,301 0 0	581 2 8	80 12 0	...
Eastern Bengal and Assam.	Ditto . . .	12,130 4 11	1,52,727 8 10	3,345 4 0	10,205 6 0	...
Central Provinces and Berar.	Ditto . . .	11,160 10 8	69,498 3 6	...	3,374 4 6	...
Ajmer . . .	Ditto . . .	161 11 4	303 11 0	...	13 11 8	...
	TOTAL . . .	2,17,419 8 4	19,17,683 0 11	6,746 6 8	72,125 14 9	161 4
Bombay . . .	Other—Unlimited liability	236 1 9	1,494 0 6	...	74 12 10	...
United Provinces . . .	Ditto . . .	172 0 0	515 0 0	...	33 0 0	1,115 0
	TOTAL . . .	408 1 9	2,009 0 6	...	107 12 10	1,115 0
	GRAND TOTAL . . .	2,32,278 15 7	20,14,406 11 9	7,252 14 8	75,484 0 0	1,276 4

LIABILITIES.					
Total assets.	Loans from non-members.	Loans from other societies.	Interest due on loans in columns 10 and 11.	Loans from Government.	
9	10	11	12	13	
R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	
86,818 14 8	15,513 0 0	20,450 0 0	1,368 7 0	14,250 0 0	
26,224 3 0	...	..	...	4,884 6 5	
5 1,13,043 1 8 <sub>2</sub>	15,513 0 0	20,450 0 0	1,368 7 0	19,084 9 5	
8 2,60,034 11 8	25,483 10 3	1,24,500 0 0	2,356 11 4	34,850 0 0	
8 1,83,618 12 6	7,091 0 6	14,015 13 7	291 3 11	55,761 1 0	
6 1,95,409 8 9	1,21,795 15 9	560 0 0	5,340 12 9	21,914 10 10	
0 0 6,31,742 0 0	96,451 0 0	3,32,787 0 0	7,684 0 0	81,081 0 0	
0 0 5,22,617 0 0	6,059 0 0	...	18 0 0	98,350 0 0	
0 0 1,59,445 10 9	80,150 7 1	1,350 0 0	...	20,660 0 0	
1,78,408 7 9	7,913 0 0	24,027 0 0	1,183 10 0	86,885 0 0	
3 9 84,098 0 5	3,643 12 0	23,591 4 0	959 14 1	9,800 0 0	
479 2 0	100 0 0	...	...	...	
8 2 22,22,853 5 10	3,48,690 13 7	5,20,831 0 7	17,314 4	14,04,051 11 10	
1 6 1,615 10 7	...	...	...	...	
1,835 0 0	1,093 0 0	82 0 0	...	50 0 0	
1 6 3,650 10 7	1,093 0 0	82 0 0	...	50 0 0	
4 1 23,39,547 3 1	3,65,296 13 7	5,41,363 0 7	19,163 11	14,31,196 3 2	

Interest due to Government.	Total of columns 10 to 14.	Share capital.	Deposits by members.	Interest due on members' deposits.	Dividends due to members.
14	15	16	17	18	19
R a. p.	R a. p.	R a. p.	R a. p.	R a. p.	R a. p.
146 4 8	51,727 11 8	20,247 0 0	11,409 0 0	335 5 10	...
...	4,834 8 5	18,205 9 0	4,140 0 0	...	...
146 4 8	56,562 2 1	38,452 9 0	15,549 0 0	335 5 10	...
...	1,86,993 5 7	35,096 8 0	28,858 0 0	679 2 7	...
9 12 0	77,168 14 0	2,310 0 0	88,294 4 3	2,242 1 8	6 0
592 4 0	1,50,203 11 4	2,315 0 0	21,246 9 11	1,042 3 0	...
1,032 0 0	5,19,015 0 0	1,904 0 0	65,867 0 0	3,035 0 0	...
...	99,427 0 0	2,50,211 0 0	1,22,747 0 0	3,368 0 0	...
...	1,02,160 7 1	35,157 0 0	675 0 0	...	109 0
1,341 11 7	1,21,800 5 7	...	43,931 3 11	1,671 10 11	...
147 1 0	38,141 15 1	27,110 0 0	9,893 9 1	269 8 2	901 10
...	100 0 0	...	206 0 0	25 0 7	...
3,622 12 7	12,95,010 10 8	3,54,103 8 0	3,81,218 11 2	12,532 10 11	1,018 10
...	...	...	1,554 8 1	47 15 11	...
1 0 0	1,228 0 0	...	...	...	...
1 0 0	1,226 0 0	...	1,554 8 1	47 15 11	...
3,770 1 3	13,53,798 12 9	3,87,556 1 0	3,98,322 3 3	12,916 0 8	1,019 10



BOTH JUNE 1908.

ities.

Total due to members (columns 10 to 19).	Establishment and contingent charges.	Other items.	Reserve fund.	Total liabilities.	Profit + and loss.	REMARKS.
20	21	22	23	24	25	26
<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	<i>R a. p.</i>	
1,991 5 10	171 8 4	38 8 4	0 2 2	63,929 4 4	+2,889 10 4	
7,345 9 0	...	...	4,044 3 7	26,224 3 0	...	
1,336 14 10	171 8 4	38 8 4	4,044 5 9	1,10,153 7 4	+2,889 10 4	
61,633 10 7	92 13 6	21 7 8	171 2 10	2,51,912 8 2	+8,122 3 6	
92,854 6 2	319 6 8	10 4 0	5,521 3 8	1,75,874 2 6	+7,744 10 0	
24,603 12 11	33 9 0	25 1 2	10,680 13 0	1,85,547 1 5	+0,862 7 4	
70,606 0 0	518 0 0	1,403 0 0	13,882 0 0	6,04,924 0 0	+26,818 0 0	
76,326 0 0	...	...	...	4,75,753 0 0	+53,864 0 0	
35,941 0 0	10 0 0	...	11,217 15 5	1,49,329 6 6	+10,116 4 3	
45,602 14 10	105 4 0	...	1,990 2 1	1,69,507 10 6	+8,900 13 3	
37,974 11 10	263 11 6	81 0 0	3,236 11 3	79,753 1 8	+4,344 14 0	
331 0 7	...	...	...	431 0 7	+43 1 5	
1,43,873 8 11	1,347 12 8	1,540 12 10	46,259 2 3	20,96,001 15 4	+1,29,821 6 6	
1,602 8 0	15 0 0	...	92 14 7	1,710 6 7	+103 4 0	
...	...	...	...	1,226 0 0	+609 0 0	
1,602 8 0	15 0 0	...	92 14 7	2,906 6 7	+714 4 0	
1,90,812 15 9	1,534 5 0	1,579 5 2	50,396 6 7	22,07,121 13 3	+1,33,425 4 19	

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