

ANNUAL REPORT

ON THE WORKING OF THE

CO-OPERATIVE SOCIETIES IN MYSORE

FOR THE YEAR

1907-08

WITH THE GOVERNMENT REVIEW THEREON.



BANGALORE:

PRINTED AT THE GOVERNMENT PRESS.

1908.

*Proceedings of the Government of His Highness the Maharaja of Mysore,
Financial (Banking), dated 11th November 1908.*

READ —

Letter No. 617, dated 21st—22nd September 1908, from the Revenue Commissioner in Mysore, forwarding the Report on the working of the Co-operative Societies Regulation during the year 1907-08 submitted by the Registrar of the said societies.

No. FL. 2195—B. 16-08-2, DATED BANGALORE, 11TH NOVEMBER 1908.

ORDER THEREON.—The Report is a record of progress and Government have read it with much interest. They note with satisfaction that the Co-operative movement in the State is growing popular as evidenced by the increase in the number of societies from fifteen at the beginning of the year under report to twenty-seven at its close, as also by the appreciable rise in the number of members, the capital of the societies and the volume of business done by them. As many as seven new societies were organised during the year in the Mysore District and the districts of Kolar, Shimoga and Chitaldrug also appear to have begun to realise the benefits of the co-operative movement.

2. The objects of the co-operation undertaken by these societies are varied though, as was to be expected, the agricultural and distribution types of societies make up two-thirds of the total number. It is noted that one of the societies started in 1907-08 was on the unlimited liability basis.

3. During the year under review some of the societies were able to attract outside capital both in the shape of deposits and loans and this is another satisfactory feature in the working of the societies. The amount sanctioned by His Highness from his privy purse and the State grant allotted for making loans to societies were, it is noted, drawn upon to a small extent. A central Bank of the kind referred to by the Registrar which can accommodate Co-operative Societies with loans at reasonable rates of interest ought to prove of much value and it is hoped that the efforts of the Registrar in starting such a central co-operative bank will be attended with success.

4. The question of affording assistance to the Registrar for the audit of the accounts of Co-operative Societies is under the consideration of Government.

K. S. CHANDRASEKHARA AIYAR,
Secy. to Govt., Gen. & Rec. Depts.

To—The Revenue Commissioner in Mysore.

Exd.—C. S.

*Dated, Bangalore, 16th September 1908.**From*M. SHAMA RAO, Esq., M.A.,
*Registrar of Co-operative Societies in Mysore.**To*RAJAKARYA PRAVINA
A. RANGASWAMI IYENGAR, Esq., B.A., B.L.,
Revenue Commissioner in Mysore.

SIR,

I have the honour to submit my third Report on the Working of the Co-operative Societies in the Mysore State for the official year 1907-08.

2. *Administration and Tours.*—I held the office of the Registrar throughout the year, besides the offices of the Inspector of Agricultural Banks and Forest Settlement Officer and my tours in connection with the work of the Co-operative Societies and Agricultural Banks extended to the districts of Bangalore, Kolar, Mysore, Shimoga, Chitaldrug and Tumkur.

3. *Societies, Old and New.*—The number of societies increased from 15 to 27 during the year, distributed over the districts as below:—

			Number in 1906-07.	Number in 1907-08.
Bangalore	...	...	4	1
Mysore	...	...	5	12
Tumkur	...	...	1	4
Kolar	...	...	0	1
Hassan	...	...	1	1
Shimoga	...	...	0	1
Kadur	...	...	1	2
Chitaldrug	...	...	0	2
Total	...	...	<u>15</u>	<u>27</u>

4. The National Co-operative Union of Bangalore which was reported to possess no vitality last year was struck off the register during the year under report. Out of the 13 societies registered newly, one is in the district of Kolar, one in the Shimoga District and two are in the Chitaldrug District, in which districts no societies existed before.

In reviewing the report for the year 1906-07 the Government were pleased to comment on the absence of any societies in these districts, and expressed the opinion that a large field for the propagation of co-operative principles existed in these parts. I may, however, state that I had, as my quarterly diaries show, visited Shimoga in February 1906 and Chitaldrug in July 1906 but was not able to bring into existence any co-operative societies in those places as the people were afraid of these societies sharing the fate of the Agricultural Banks which had been started in their districts. I met however several persons both individually and at meetings convened for the purpose and explained to them the principles of the Co-operative Act. At Kolar, the attempts made to enlist the sympathy and support of some of the local pleaders and others had failed and hence there was no mention of any society in that district in the report for the previous official year.

5. As in the past year, the majority of the societies started in the year under report were intended for the benefit of agriculturists and artisans. Two of these, Sri Krishnaraja Krishi Silpabhivardhaka Samaja at Mysore and the Kadur Agricultural and Industrial Association at Chikmagalur started under the auspices of Rajakarya Pravina Mr. A. Rangaswami Iyengar, B.A., B.L., Revenue Commissioner in Mysore, combine, with business methods, philanthropic objects also. They not only serve as a sort of bureau for furnishing the inhabitants of the respective districts with information relating to agricultural and industrial improvements, but also undertake to help their members with money-loans or otherwise for procuring good seeds, improved ploughs or other agricultural or industrial appliances which they may need. The societies at Sulikunte in the Kolar District, Sargur and Nanjangud in the Mysore District, Harmaghatta in the Shimoga District, and Molakalmuru in the Chitaldrug District, are purely intended for the benefit of the agriculturists dwelling in the places to which the operations of the societies extend. At Sargur the society was started to overcome the inconveniences which were felt on account of a jungle stream becoming impassable for long periods during the rainy season and the consequent difficulty to the raiyats to make their usual purchases in the *Santes* or weekly fairs at Marhalli and other places. The aims of the society are to maintain a store at Sargur and to help the raiyats by readily providing them with seed-grains, plough-shares, money advances for purchasing bullocks, etc. The society at Harmaghatta deals only in grain-capital, while the Krishikara Sahaya Sangha at Molakalmuru has both grain and money capital. The Zahir-ul-Islam Society at Molakalmuru and the Lakshmi Sahayanidhi Society of Mysore are weaving societies and are entirely intended for the benefit of the persons engaged in that profession. The societies at Basavangudi, Gundlupet and Chamrajnagar are trading and lending societies. The society at Tirumakudlu-Narsipur is entirely concerned with the Silk Industry.

6. *Types of Societies.*—Arranged according to the four types mentioned last year, the 27 societies may be shown thus:—

Type of society.	1906-07.	1907-08.
1. Agricultural	3	9
2. Banking	3	3
3. Productive (Industrial)	3	6
4. Distributive	6	9
Total	15	27

7. All the societies worked on the limited liability basis except the Molakalmuru Krishikara Sahaya Sangha which ventured to adopt unlimited liability. This form of liability does not yet find favour with the people in consequence of the rude shock it received by the failure of the Agricultural Banks in the State, although signs are not wanting that ere long the rural societies intended for the benefit of agriculturists and artisans will adopt unlimited liability.

8. Of the 9 agricultural societies working at the close of the year, four were Grain-Banks; two of them, the Harmaghatta Dharmagola and the Molakalmuru Krishikara Sahaya Sangha, being new. The one at Harmaghatta came into existence in October 1907 and had 81 members, all agriculturists, at the end of June last. The capital collected amounted to 7 candies and 4 kolagas of ragi. The society at Molakalmuru was started only in February last and had 26 members at the end of the official year, the capital collected being 3,440 seers of grain and cash Rs. 45. The life and soul of this society is one Mr. Venkata Rao who though only a Judicial Gumasta in the Taluk Cutcherry, yet possesses much sympathy for raiyats and influence over them.

9. Of the two old Grain-Banks, the one at Kotta in the Sira Taluk gained considerable strength in spite of the bad seasons. The number of members rose from 95 to 123 and the reserve at the end of the year was 9 pallas and $4\frac{1}{4}$ seers of ragi. The loan of Rs. 150 given from His Highness the Maharaja's fund was collected from the members to whom it had been advanced in small sums and is now deposited in the Government Savings Bank at Sira for repayment at the proper time. One of the members has given a site gratis to the society for a granary and attempts are now being made to construct this granary. The Grain-Bank at Maya-

sandra in the Anekal Taluk showed little progress on account of the death of a most promising son of the chief man Dhalappa, who consequently lost all interest in the work.

10. The Sri Krishnaraja Krishi Silpabhivardhaka Samaja at Mysore whose objects are, as already stated, to circulate information relating to agriculture and industry among its members and otherwise be helpful to them, was started in January 1908 and its operations extend to the whole of the Mysore District. At the end of June last it had 180 members and the capital collected amounted to Rs. 813-1-0, of which Rs. 636-8-0 was share-capital. The President of this Association is Mr. V. N. Narasimha Iyengar, Member of the Legislative Council, and the Vice-President is Sirdar Mr. Lakshmikantaraj Urs, brother-in-law of His Highness the Maharaja, Mr. H. Narasinga Rao, Advocate, and Mr. G. Subbasami Iyer, Superintendent of the Industrial School, Mysore, are Secretaries, while Mr. V. Raghavachar, Advocate, is Treasurer, and Mr. M. C. Rangiengar, Advocate and Member of the Legislative Council, is Legal Adviser. The samaja is located in one of the rooms of the Police Lines, Chamarajpet. The Revenue Commissioner supplied this association free with certain improved seeds and manure for experimental purposes, and it is reported that the society also made some purchases on its own account. The Kadur Agricultural and Industrial Association which is on the same lines as that of Mysore was started in the month of March 1908 and its operations extend to the Kadur District. Mr. K. R. Srinivasa Iyengar, Deputy Commissioner, is the President of this association and Mr. C. Srinivasa Rao, Coffee Planter, and Mr. M. S. Ramadasappa, Sub-Registrar, are the Secretaries. At the close of the year, the number of members was 169 and the capital collected amounted to Rs. 1,150-6-0, of which Rs. 570 was share-capital.

11. The Kuderu Annyonya Sahaya Sangha in the Chamrajnagar Taluk showed an increase in the number of its members from 26 to 39, and the capital rose from Rs. 375-8-0 to Rs. 791-8-0. The total loans given to the members amounted to Rs. 6,581 in 93 cases. In 81 of these cases the loans taken were returned before the close of the year and the amount outstanding on the 1st July last was Rs. 631 in 12 cases. The sangha has purchased three American ploughs which it lends to its members on hire levying a small fee. On the 11th July 1907 there was a burglary in the premises of this sangha and property worth Rs. 30 and Rs. 13 in cash, were stolen. The account books of the society were found thrown away near a temple. The culprits could not be traced, but it is surmised that the burglary was due to the mischief of a few men who were opposed to the establishment of a society of the kind in the village. Mr. Venkatramana Srouti, Amildar of Chamrajnagar encouraged the members to carry on the work, and the society is much indebted to him for his good offices.

12. The Nanjangud Agricultural Co-operative Society was started in March 1908 and at the end of the year there were 34 members and the capital collected amounted to Rs. 276-12-0. Mr. Venkatsubbiah, Pleader, is the President, Mr. E. Rama Rao is the Vice-President, and Mr. H. N. Subba Rao, Pleader, is the Secretary. The operations of the society extend to the whole of the Nanjangud Taluk. The objects of the society are stated to be to help agriculturists to build for themselves dwelling-houses, undertake the improvements of lands, to sink irrigation wells, to obtain good seeds for sowing, to procure cattle of improved breed, and to undertake improved methods of cultivation. Mr. S. Dharma Rao, Amildar of the Taluk, has shown keen interest in the development of this society.

13. The Sulikunte Dhanadhanyabhivridhi Annyonya Sahaya Sangha came into existence in February 1908 and there were 60 members at the end of the year. The capital collected amounted to Rs. 115-8-0. A loan of Rs. 200 was advanced to this society, repayable after one year, on the 29th June last from His Highness the Maharaja's Fund placed at my disposal. The total loans given amounted to Rs. 157 in 38 cases. Mr. S. Varadaraj Iyengar, retired Sub-Judge, is the President of this society, and under his careful guidance it is likely to develop into a very useful institution of its kind.

14. *Banking Societies.*—The three Banking Societies are those which existed in the past official year, viz., the Bangalore City Co-operative Bank, the Tumkur Central Co-operative Society and the Kunigal Co-operative Society. The first named institution gained considerably in strength and capital, the number of members increasing from 88 to 223, and its share capital from Rs. 500 to 5,939. The

deposits received amounted to Rs. 9,257 as against Rs. 1,351 of the previous year. The total number of cases in which loans were advanced was 1,247 and the total amount involved was Rs. 20,086-14-3. In 1,021 cases the loans taken had been completely returned amounting to Rs. 12,174-1-3 before the close of the year, and in 30 cases the loans had been partly paid amounting to Rs. 686-12-0.

15. The Central Co-operative Society at Tumkur confined itself during the year to only one of its objects, *viz.*, cash loans to its members. The number of members increased from 118 to 252 and the capital collected from Rs. 496 to Rs. 3,127-9-0. At the beginning of July 1907, the total amount of loans outstanding was Rs. 393 in 12 cases; during the year Rs. 5,963 were distributed in the shape of loans in 84 cases. The loans repaid completely amounted to Rs. 1,783 in 38 cases and those repaid partly to Rs. 620-12-0 in 33 cases. The total amount of interest realized during the year was Rs. 376-15-6. Out of the loan of Rs. 500 granted from His Highness the Maharaja's Fund in April 1907, Rs. 250 has been returned and the balance of Rs. 250 becomes repayable in October next. Among the purposes for which loans were advanced by this society may be mentioned the following:—

	Rs.
1. Improvement of land	150
2. Cultivation expenses	368
3. Purchase of cattle	205
4. Payment of kandayam	65
5. Purchase of raw materials of industry	200
6. Trade	1,095
7. Building and repairing houses	860
8. Purchase of food, etc.	550
9. Discharge of prior debts	1,530
10. Marriages	785

16. In the Kunigal Co-operative Society, the number of members increased from 135 to 138 and the capital collected from Rs. 188-14-0 to Rs. 494-2-0. Excepting a solitary loan of Rs. 24 to one of its members, the society has carried on no transactions during the whole period of its existence. In July last, however, the society was placed on a new footing and active work now appears to have been started to help its members with the loans they require.

17. *Productive Societies.*—Of the six Productive or Industrial Societies, four are in the Mysore District, one in the Hassan District and one in the Chitaldrug District. They are all societies started for the benefit of the weaving class except the one at Tirumakudlu-Narsipur in the Mysore District which is intended for the benefit of those rearing silk-worms and reeling silk. Of these six societies, three were started newly in the year to which this report relates, *viz.*, the Lakshmisahaya Nidhi Co-operative Society at Mysore, Sri Krishnaraja Wodeyar Reshme Kaigarike Co-operative Society at Tirumakudlu-Narsipur, and the Zahir-ul-Islam Society at Molakalmuru.

18. Of the three old societies, the society at Melkote showed much improvement, the number of members increasing from 31 to 55 and the share-capital from Rs. 1,727 to Rs. 4,561-4-0. Of the total number of members five were females, three belonging to the weaver class, and two being Brahmins. The deposits received during the year amounted to Rs. 918-7-2. These deposits are derived mostly from the easy deductions made from the profits or wages of the weaver members of the society who obtain yarn from the society and sell the manufactured article to it. When these deductions total up to a fourth of a share allotted to a member, the deposit is appropriated towards the payment of the share amount. This method appears to be an excellent one for inducing thrift on the part of the members and for creating an interest in them for the progress of the society. Sowcar Karadi Venkatramana Setty, a weaver by caste and profession, is the Secretary of the Society.

19. The Self-Help Society at Saligram in the Yedatore Taluk has not shown as good progress as was expected. The number of members increased only by 4, being 49 against 45 of the previous year and the share-capital from Rs. 1,425-12-0 to Rs. 1,656-12-0. The society at much cost deputed one of its members, Mr. Tirumalachar, to Baroda and other places to become acquainted with the working of the improved looms, and imported some of these also for use. The same member was also present at the All-India Weaving Competition held at Madras in February

last. Unfortunately, however, this member who is a Government School Master has been lately transferred from the place to start a Sloyd class at Tumkur and the members of the society are feeling considerably discouraged thereby. The society exhibited a Sayaji-pit Fly-shuttle loom at the Industrial and Agricultural Exhibition held at Mysore during the last Dasara festivities, and took part in the weaving competition, for which a silver medal was awarded by the Exhibition Committee.

20. The Industrial and Agricultural Co-operative Society at Hole-Narsipur showed a decrease in the number of its members from 46 to 39, although the share-capital increased from Rs. 934 to Rs. 1,046. This society which was mainly intended for the benefit of the weaving community has not gained in popularity among them and is now transforming itself into a Banking Society.

21. Of the three new societies, the Lakshminisahaya Nidhi Co-operative Society at Mysore was started in December 1907 and had at the end of June last 25 members who were mostly weavers. The capital collected amounted to Rs. 2,530-6-0 and the deposits received to Rs. 950-0-0. The society purchased during the year yarn and finished products to the value of Rs. 8,295-7-1. It sold during the same period yarn and finished products to the value of Rs. 5,509-14-6, and the profits realized amounted to Rs. 409-1-6.

22. The Sri Krishnaraja Wodeyar Reshme Kaigarike Society was started in the last month of the year on the auspicious occasion of the birth-day of His Highness the Maharaja. At the end of the month there were 46 members and the capital collected amounted to Rs. 952-0-0. Silk cocoons to the value of Rs. 528-6-11 were purchased during the month for purposes of reeling. The society is under the fostering supervision of Mr. M. Kantaraj Urs, B. A., Deputy Commissioner of Mysore, and is assisted by Mr. N. Rama Rao, B. A., B. L., Amildar of the Tirumakudlu-Narsipur Taluk.

23. The Zahir-ul-Islam Co-operative Society at Molakalmuru was registered in October 1907. At the end of the year there were 129 members, of whom 87 were Mahomedans and 42 were Hindus, the majority of the members being weavers. The capital collected was Rs. 4,371-6-7. The society purchased during the year silk and cotton yarn to the value of Rs. 9,741-7-3 and the cash sales to the members amounted to Rs. 6,542-4-5. The value of yarn given on credit was Rs. 16,375-13-5 in 64 cases and the value returned amounted Rs. 13,844-6-2. The net profits amounted to Rs. 544-11-10. A sum of Rs. 100 was paid as honorarium to the directors of the society. It is pleasing to remark that this society has been instrumental in bringing about a reconciliation between the two factions which existed among the Mahomedans of Molakalmuru, and is maintaining a spirit of friendliness between the Hindus and the Mahomedans. Messrs. Zahiruddin Meccai, Police Superintendent, and Mahomed Baig, Deputy Inspector of Hindustani Schools, took great interest at the time when this society was started. The names may also be mentioned of Messrs. Syed Abdul Khadir, Hindustani Head Master, Masul Khaja Hussain, Masul Sheik Honor Sab, Masul Kabul Hussain Sab, Vardi Madar Sab and Vardi Khaja Hussain Sab, members who have shown very great zeal in developing this society.

24. *Distributive Societies.*—Of the nine distributive societies, four are new, viz., those at Basavangudi, Chamrajnagar, Sargur and Gundlupet respectively. Of the five old societies, the Mysore Co-operative Society showed the largest progress. The number of members increased from 225 to 290 and the share-capital from Rs. 6,747-4-0 to Rs. 15,881-4-0 up to the end of March 1908. The stock purchased during the Society's year from the beginning of April 1907 to the end of March 1908 was of the value of Rs. 16,627-7-1 and the sale proceeds for the same period amounted to Rs. 14,684-2-5. The total amount of loans given to members was Rs. 26,838-0-0 in 800 cases and the amount repaid was Rs. 22,504-0-0 in 750 cases. The net profits amounted to Rs. 1,667-15-10. At the suggestion of the Registrar, this society passed a resolution at the general meeting held on the 29th April last authorizing the Managing Committee to grant loans to such of the rural Co-operative Societies as may be recommended by the Registrar for the same.

25. The Bangalore City Co-operative Society regained in confidence, though its members decreased in number from 213 to 183 and the share-capital was reduced from Rs. 7,946-8-0 to 7,113-0-0. Under the careful guidance of the present Managing Committee, almost the whole of the outstandings has been recovered and the

net profits for the year amounted to Rs. 724-12-8. The reserve fund in the beginning of July 1908 was Rs. 500.

26. The Sri Krishnaraja Mutual Helping Society at Mandya in the Mysore District has furnished no statistics. Some of the working members of the society left the station and as a consequence the results achieved by the society were very meagre.

27. The society at Koppa in the Kadur District incurred loss in carrying on sugar-cane cultivation and therefore transformed itself into a distributive society in February last. In this branch of business the society realized a profit of Rs. 113-13-4 for the five months in which the business of supplying stores to its members was carried on.

28. The society at Sira in the Tumkur District, though classed as distributive, has virtually become a Banking Society. The number of members increased from 59 to 126 and the capital from Rs. 750-8-0 to Rs. 2,680-0-0, the increase both in strength and capital being to some extent due to the amalgamation with it, in November 1907, of an unregistered society which existed at the place. Rs. 5,683-15-4 was given in loans in 283 cases and the amount repaid was Rs. 3,537-15-4 in 210 cases. The net profits amounted to Rs. 286-3-1. Many of the members of this society are Government officials employed in the taluk. To them the society has been of great service as, by becoming members of the society, they are enabled to make their purchases for cash in the market and save themselves from being under obligation to the local traders and money-lenders.

29. Of the new societies, the Bangalore Basavangudi Society was registered in April 1908. The number of members at the end of the year was 112 and the capital collected amounted to Rs. 1,297-8-0. The loans granted amounted to Rs. 2,403-0-0 in 271 cases. The stock purchased was valued at Rs. 5,842-6-5 and that sold at Rs. 6,017-12-2. The total net profits amounted to Rs. 77-9-4. The members of this society are mostly Government officials, all living in the Basavangudi Extension.

30. The Sri Narayana Annyonya Sahaya Sangha at Chamrajnagar was registered in October 1907. The number of members at the end of the year was 69 and the capital amounted to Rs. 1,533-7-0. The stock purchased amounted to Rs. 6,503-0-4 and the sale-proceeds to Rs. 5,740-6-9. The net profit realized was Rs. 105-5-5.

31. The Sri Srinivasaswami Annyonya Sahaya Sangha at Sargur in the same taluk, though registered in April last, commenced work only in July last, after the close of the year to which this report relates.

32. The Society at Gundlupet was started in December 1907. The number of members at the end of June last was 29 and the capital collected was Rs. 477-14-0. The stock purchased amounted to Rs. 515-10-3 and the sale-proceeds to Rs. 316-2-11. The net profit realized was Rs. 17-15-6.

33. *Members.*—The total number of members of all the societies rose from 1,191 at the beginning of the year to 2,521 at its close. There were during the year 1,382 admissions and 117 cessations of membership due either to death or resignation on the part of the members. Of these cessations, no less than 49 were in the Bangalore City Co-operative Society due to the panic which prevailed at one time among its members and to which I made reference in para 4 of my report of the previous year.

34. *Share Capital.*—Excepting the four Grain-Banks which have their capital in grain, all the remaining societies had paid-up share-capital in cash which rose from Rs. 24,893-14-0 to Rs. 55,952-15-10 during the year.

35. *Deposits.*—These seem to be gradually coming in, as can be seen from the subjoined statement:—

	<i>Deposits received.</i>			<i>Deposits returned.</i>			<i>Balance.</i>		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1906-07.									
Opening balance	...	691	4 9						
Received during the year	...	5,450	1 6	3,611	6 0		2,530	0 3	
		<u>6,141</u>	<u>6 3</u>						
1907-08.									
Opening balance	...	2,530	0 3						
Received during the year	...	14,739	5 9						
		<u>17,269</u>	<u>6 0</u>	11,870	3 10		5,399	2 2	

The deposits were mostly from members. The largest amount of deposits, *viz.*, Rs. 9,257-5-6 was received by the Bangalore City Co-operative Bank, and next came the Bangalore City Co-operative Society with Rs. 2,003-5-9. It is pleasing to note that the weaver societies at Melkote and Mysore were able to obtain Rs. 918-7-2 and Rs. 950 respectively in the shape of deposits. Besides the deposits, some of the societies supplemented their working capital by borrowing from outside and the amount so borrowed and due from societies was Rs. 3,028-15-5 at the close of the year.

36. *Other Borrowings.*—Out of Rs. 2,000 placed at my disposal by His Highness the Maharaja for the purpose of financing Co-operative Societies when needed, a sum of Rs. 800 had been advanced in the previous year and Rs. 200 was advanced in the year under report. Of the sum thus advanced, a sum of Rs. 300 was repaid. A sum of Rs. 1,350 out of the fund remained in deposit in the Government Savings Bank.

37. A loan of Rs. 200 was sanctioned by me on the 4th June 1908, in favour of Molakalmuru Krishikara Sahaya Sangha out of Rs. 15,000 from State Funds placed at my disposal for advancing loans to Co-operative Societies as per Government Proceedings No. Fl. 3569-70—B. 48-07-2, dated 20th January 1908. The societies do not however rely entirely on the help which the State can offer in the shape of money-loans. The subjoined table shows how the funds of the societies obtained from different sources stand:—

<i>Amount due by societies.</i>	<i>Amount.</i>			<i>Percentage.</i>
	<i>Rs.</i>	<i>a.</i>	<i>p.</i>	
(i) To members as share-capital and deposits ...	61,052	2	0	94·8
(ii) To non-members ...	3,028	15	5	4·6
(iii) To Government and other sources ...	650	0	0	1·1
Total ...	64,731	1	5	100·0

The want of initial capital is however much felt by all the new societies and the Government will only grant as much amount as the societies are first able to raise by their own independent efforts. A Central Society to advance some capital which can form the basis for a Government loan becoming thus necessary, I am now engaged in starting at Bangalore, a Central Co-operative Bank to lend money to Co-operative Societies alone, whenever needed, at reasonable rates of interest, on the lines of the institutions started at Bombay and Madras. It is intended to include among the objects of this Central Society, the grant of loans for house-building purposes also, and I am hopeful in places like Bangalore and Mysore, where new extensions are being formed and where a desire to build houses on sanitary and other improved lines in healthy localities has sprung up, this help will be greatly appreciated. I have already referred in para 24 to the readiness of the Mysore Society to advance loans to rural agricultural societies on the recommendation of the Registrar.

38. *Loans to Members.*—At the commencement of the year a sum of Rs. 10,300-12-4 was outstanding in the aggregate in 197 cases. During the year loans to the extent of Rs. 95,003-12-11 were disbursed in 2,813 cases. The repayments at the close of the year amounted to Rs. 73,507-2-8 in 2,526 cases, completely in 2,364 cases amounting to Rs. 53,838-0-2 and partly in 162 cases amounting to Rs. 19,669-2-6. Only one case of default was reported to me during the year, on the part of a member of the Tumkur Central Co-operative Society who failed to repay in time a loan of Rs. 250 taken by him. The members were on the whole punctual in repaying their dues, and unless a member persistently defaulted credit was as a rule not withheld from him.

39. It is obvious from statement (VII) that the heaviest disbursements related to loans below Rs. 100 in value which amounted to Rs. 51,332-5-9 in 2,640 cases. This amount was nearly 54 per cent of the total amount of disbursements and the cases were more than 94 per cent of the total number of cases.

40. Coming to the security on which the loans were granted, it has not been possible to obtain complete information from all the societies, but from the figures furnished, it is found that loans on simple bonds of members, or on the security of their shares and deposits preponderated, the total number of such cases being 1,315 and 1,336 respectively, with Rs. 21,833-7-4 and Rs. 57,131-5-7 respectively. There

were only 29 cases in which Rs. 1,121-0-0 was advanced on the pledge of movable properties and 53 cases in which Rs. 9,359-0-0 was granted on the mortgage of immovable property. In 80 cases involving Rs. 5,559-0-0 the borrowing members were required to produce sureties.

41. None of the societies were able to furnish correct statistics about the purposes for which the loans were taken, because most of the societies do not insist upon this information being furnished, as any question on the point is largely resented as being inquisitorial. However the figures as furnished have been given in Table (IX), but from my knowledge of the working of these societies, I may state that the loans are disbursed after very careful inquiries so as to avoid bad debts. The following were some of the purposes for which loans were given during the year:— purchase and improvement of land, cultivation expenses, purchase of cattle, payment of assessment, purchase of raw materials of industry—chiefly yarn, purchase of food-stuffs and other necessaries, marriages and other ceremonies.

42. As regards the period of repayment of loans, in no case was any loan granted for a period exceeding one year, except in the solitary instance of Hole-Narsipur Society where the limit exceeded in some cases one year but was within two years, the amount concerned being Rs. 423.

43. *Rates of Interest.*—The rates of interest on borrowed capital, such as deposits varied from 3 to 6½ % while those charged on loans given to members varied from 6 to 12½ %. The commonest rate adopted by the societies was generally 9%.

44. The volume of work transacted by the Productive Societies are given in the subjoined table:—

Year.	Yarn, etc., purchased and available.			Yarn sold.			Yarn, etc., remaining at the close of the year.		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1906-07	9,979	5	5	8,596	8	2	1,382	13	3
1907-08	41,096	4	8	34,981	1	6	6,115	3	2

45. The work done by the Distributive Societies of which there are 9, may be shown as hereunder:—

	Food-stuff, etc., purchased and available.			Food-stuff, etc., sold.			Food-stuff, etc., remaining at the close of the year.		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1906-07	24,967	11	0	18,100	6	6	6,867	4	6
1907-08	52,542	11	8	38,613	7	11	13,929	3	9

46. *Total receipts and disbursements of all the Societies.*—These were as follows:—

Opening Balance	Rs. a. p.	3,769-11-5
Receipts during 1907-08		2,39,707-6-11
	Total	2,43,477-2-4
Disbursements		2,33,590-8-4
Closing balance		9,886-10-0

47. *Profits.*—Taking the transactions of all the societies together, there was a net profit of about Rs. 5,295-0-8 at the end of the year.

48. *Reserve Fund.*—This increased from Rs. 160-5-11 at the beginning to Rs. 924-15-6 at the end of the year. Every society has recognized the necessity to increase the reserve as fast as possible as a means of increasing its stability. The reserve in the case of the Grain Bank at Kotta was 90½ seers of ragi.

49. *Custody of Funds.*—The funds of the societies remained with the Treasurers, the surplus being held as deposits in the nearest Savings Banks—Postal or Government. In the case of the Mysore Co-operative Society permission has been sought for from the Post Master General under the Postal Rules to open a public account with the Post Office Savings Bank at Mysore, on account of the largeness of the funds.

50. *Disputes.*—Under the additional rules published with Government Notification No. J. 3507—Legis. 21-06 of the 18th May 1907, the Bangalore City Co-operative Society preferred four cases relating to the claims of the year 1906-07. In all these cases the claims were allowed in favor of the society. Generally speaking, there have been very few disputes till now and considering that the management of the societies is characterized by care and caution on the part of the managing committees, it does not appear that there will be any frequent need to act under the rules. As they stand however, they serve a useful purpose in restraining members from making persistent defaults.

51. *Managing Bodies.*—Taking all the societies together, there were 179 meetings of the managing body and 27 meetings of the general body. The meetings appear to have been all of them well attended and the members appear to have shown much interest in the proceedings.

52. *Audit and Inspection.*—I audited the accounts of two societies, the Bangalore City Co-operative Society and the Co-operative Bank, and inspected the accounts of 14 societies in various stages of development.

53. *Accounts, Rules and Bye-Laws.*—The Government were pleased to sanction a set of rules for granting cash loans to Co-operative Societies and these were published in the official Gazette with Notification No. Fl. 6644—B. 48-06, dated 20th June 1908. Every society has been given the fullest possible latitude to frame its own bye-laws so as to suit local conditions and requirements.

54. *Statistical Tables.*—These have been prepared in accordance with instructions issued in Government Order No. 6058—B. 22-07-10, dated 18th May 1908.

55. *Honorary Organizers.*—Mr. M. S. Narayana Rao, pensioned Deputy Commissioner, who was appointed by Government as Honorary Organizer in 1906-07 continued to be so and he visited Molakalmuru and other places in the last official year. His keen interest in the movement continues unabated.

56. *Attitude of the Public.*—At the end of the third year of the working of the Co-operative Credit Societies Act, there were in Bombay 70 societies and in Madras 63 societies, or one society for a population of more than 3½ lakhs and 6½ lakhs, respectively. In Mysore which is surrounded by the above two Presidencies and where the conditions are similar, there were 27 societies at the end of the same period, or one society for a population of about 2 lakhs. On an average a society in Madras possessed 102 members and in Bombay 106 members. The average per society in Mysore was 94. This number is not very far from the numbers of Madras and Bombay and considering the adverse circumstances arising out of the failure of the previously established Agricultural Banks, it may be safely said that the attitude of the public towards the co-operative movement has been an encouraging one. This attitude in the beginning was one of diffidence and suspicion, but of late it has changed into one of favorable acceptance. Many of the capitalists have understood the advantages of investing their funds in these societies and the reluctance on the part of the rural people to combine and form societies has also been overcome to a large extent. Thus facilities have been created for the starting of new societies in larger numbers than hitherto and considering the hopeful progress of the societies till now, it may even be said that we have passed beyond the experimental stage. In Mysore, however, there exists no special audit staff as have been lately sanctioned in the Provinces of British India, and capitalists are unwilling to trust their money to Co-operative Societies without an assurance on the part of the Registrar that provision exists for adequate audit and general scrutiny on the part of Government, an assurance which the Registrar in Mysore, in the absence of a separate audit staff as the Registrars in British Provinces possess, is unable to give to the extent which will satisfy the capitalists. I have in March last submitted certain proposals to the Revenue Commissioner regarding this matter and I can only say that the future progress of the movement will greatly depend upon early provision being made for timely and proper audit of the accounts of the societies for a few years to come, till they are able to undertake the work themselves to the satisfaction of the members and others who are willing to advance capital to them.

57. *Establishment.*—I had the same number of clerks in the year under report, viz., four, as I had when the work was first commenced. I am glad to bear testimony to the good work which they have uniformly done, although the work has considerably increased and has subjected them to great strain.

58. *Conclusion.*—It now only remains for me to take this opportunity of thanking His Highness the Maharaja for the appreciative terms in which he was graciously pleased to refer to the Co-operative movement in his speech on the occasion of the opening of the Industrial and Agricultural Exhibition at Mysore in the Dasara Season of last year. This portion of His Highness' speech describes in such clear and succinct language the objects and usefulness of Co-operative Societies that I take the liberty of quoting it below for the benefit of the general public among whom this report may circulate.

“I make no apology for drawing your attention to the existence of the Co-operative Societies Regulation and of a highly qualified officer, specially deputed to advise and assist those who desire to take advantage of its provisions. I have little doubt in my own mind, that the main difficulty which at present prevents large classes of the community from successful competition in industrial and other enterprises is the deficiency of organized capital and the want of confidence between man and man, of which that deficiency is in no small measure the result. Under the Co-operative system, any local body of craftsmen or agriculturists, however poor and however limited in numbers, has the means of acquiring gradually and from small beginnings, sufficient capital to provide for immediate needs and for future progress, and I would urge on all educated and enlightened men, whether immediately concerned or not, with agriculture, crafts or commerce, the duty of promoting these societies to the extent of their ability. Apart from the material return, which is their immediate object, such societies have, in every country where they have taken root, proved great moral educators and promoters of mutual confidence, self reliance and honest enterprise”.

I have the honor to be,

Sir,

Your most obedient servant,

M. SHAMA RAO,

Registrar, Co-operative Societies in Mysore.

APPENDIX A.



IMPERIAL STATEMENTS
I to IV.

STATEMENT I.

Rural (and Urban) Societies. *

General progress.

Province	Kind of Society	Number of Societies		Number of members		Working capital		Remarks	
		At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year		
1	2	3	4	5	6	7	8	9	
Mysore.	Cash	Limited liability ...	3	3	341	613	Rs. a. p. 2,178 6 0	Rs. a. p. 12,081 14 9	Is a grain-bank.
		Unlimited liability ...	...	...	...	...	...	...
	Other	Limited liability ...	12	23	850	1,882	25,245 8 3	51,999 2 8	
		Unlimited liability ...	...	1	...	26	...	45 0 0
	Total ...		15	27	1,191	2,521	27,423 14 3	64,126 1 5	

* No distinction is maintained in Mysore between these classes

STATEMENT II.
*Rural (and Urban) Societies.**
Receipts and Disbursements.

District or group	Kind of Society	RECEIPTS														
		Share payments	Entrance fees	Deposits by members	Loans from other sources			Loans repaid by members	Loans repaid by other Societies	Interest received	Sale proceeds of stock	Other income	Total income of the year	Opening balance	Grand total receipts including the opening balance	
					Government	Other Societies	Non-members									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
		Rs. a. p.	Rs. a. p.	Rs. a. p.			Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Mysore.	Cash	Limited ...	9,085 8 0	906 10 0	9,747 18 6	...	...	...	15,264 9 8	...	1,094 13 10	...	25 6 8	85,524 7 10	613 12 8	86,389 4 1
		Unlimited ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Other	Limited ...	28,632 6 0	428 8 8	4,741 8 8	...	...	13,112 7 0	58,242 9 5	...	1,686 4 11	82,154 0 7	20,090 7 11	2,04,137 15 1	2,955 15 2	2,07,098 14 3
		Unlimited ...	25 0 0	6 6 0	...	...	...	...	...	...	...	...	2 8 0	45 0 0	...	45 0 0
		Total ...	22,602 9 0	741 5 0	14,489 5 2	...	...	13,112 7 0	73,507 2 8	...	2,781 2 9	82,154 0 7	20,119 6 2	2,89,707 6 11	2,769 11 5	2,43,477 2 4

District or group	Kind of Society	DISBURSEMENTS																	
		Share capital withdrawn	Deposits withdrawn	Loans repaid to			Loans to members	Loans to other Societies	Interest paid on loans and deposits	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	
				Government	Other Societies	Non-members													
		17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	
		Rs. a. p.	Rs. a. p.			Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Mysore.	Cash	Limited ...	184 7 2	2,236 0 0	23,049 14 2	...	25 14 7	42 6 6	...	329 9 11	238 13 4	...	36,172 2 6	1,166 1 7	26,338 4 1	* Advances given for goods, etc., returned. † Advances paid for goods, etc., including furniture.
		Unlimited ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Other	Limited ...	2,039 0 0	2,624 2 10	...	...	11,883 11 9	68,953 14 8	...	14 14 11	465 12 2	79,974 3 2	2,743 8 10	25,297 4 10	636 11 6	1,28,418 5 10	8,675 8 5	2,07,097 14 2
		Unlimited ...	...	...	...	...	...	...	...	...	...	...	...	...	...	45 0 0	45 0 0	...
		Total ...	2,273 7 2	11,870 2 10	...	...	11,883 11 9	96,008 12 11	...	50 12 6	526 2 11	79,974 3 2	2,076 2 9	27,291 2 2	636 11 6	2,38,560 8 4	9,866 10 0	2,43,477 2 4

* No distinction is maintained in Mysore between these classes.

STATEMENT III.

Rural (and Urban) Societies. *

Profit and Loss Account.

District or group	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
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Mysore	Cash {	Limited...	1,094 13 10	.....	274 8 3	1,369 6 1	35 14 7	329 9 11	.....	18 0 0	46 12 8	430 5 2	939 0 11
		Unlimited.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Other {	Limited...	1,593 2 4	5,719 13 9	630 2 6	7,943 2 7	14 14 11	2,731 3 7	15 8 0	76 6 5	*749 1 11	3,587 2 10	4,355 15 9
		Unlimited	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Total ...		2,688 0 2	5,719 13 9	904 10 9	9,312 8 8	50 13 6	3,060 13 6	15 8 0	94 6 5	795 14 7	4,017 8 0	+5,295 0 8

* Includes Railway freight, cart hire, etc., paid on goods.

* No distinction is maintained in Mysore between these classes.

STATEMENT IV.
Rural (and Urban) Societies. *
Balance Sheet as it stood on 30th June 1908.

District or group	Kind of Society	Assets							Liabilities						
		Cash in hand and Bank	Loans due by members	Loans due by other Societies	Interest due on cols. 4 and 5	Value of stock in hand	Other items	Total assets	Loans from non-members	Loans from other Societies	Interest due on loans in columns 10 and 11	Loans from Government	Interest due to Government	Total of cols. 10 to 14	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
		Rs. a. p.	Rs. a. p.	Rs.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs.	Rs.	Rs.	Rs.	Rs. a. p.	
Mysore...	Cash ...	{ Limited ...	1,166 1 7	12,809 5 0	...	8 1 3	.....	258 10 0 †	13,737 1 10	.....	.....	.....	.....	.....
		{ Unlimited ...	.....	.....	...	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Other ...	{ Limited ...	9,630 14 5	19,251 9 7	...	30 15 1	20,019 4 9	11,911 15 4	60,844 11 2	3,028 15 5	3,028 15 5
		{ Unlimited ...	45 0 0	45 0 0
		Total ...	10,642 0 0	31,560 14 7	...	84 0 4	20,019 4 9	12,170 9 4	74,626 13 0	3,028 15 5	3,028 15 5

District or group	Kind of Society	Liabilities—concl'd.											Remarks
		Share capital	Deposits by members	Interest due on members' deposits	Dividends due to members	Total due to members (cols. 16 to 19)	Establishment and contingent charges	Other items	Reserve Fund	Total liabilities	Profit (+) and Loss (-)		
		16	17	18	19	20	21	22	23	24	25	26	
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Mysore...	Cash ...	{ Limited ...	9,496 1 3	2,555 13 6	2 5 6	107 0 3	12,191 4 6	59 14 3	213 7 0	46 4 7	12,510 14 4	1,226 3 6	
		{ Unlimited ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Other ...	{ Limited ...	46,456 14 7	2,513 4 8	14 7 6	262 13 10	49,247 8 7	186 8 0	3,431 14 8 ‡	578 10 11	56,773 9 7	4,071 1 7	
		{ Unlimited ...	.....	.....	.....	.....	.....	.....	45 0 0	.....	45 0 0	.....	.....
		Total ...	55,952 15 10	5,099 2 2	16 13 0	369 14 1	61,438 13 1	246 6 3	3,630 5 8	924 15 6	69,329 7 11	+5,277 5 1	

* No distinction is maintained in Mysore between these classes.

† Includes furniture, cash chest, etc.

‡ Includes dues on goods, entrance fees, etc.