



REPORT

ON THE WORKING OF THE

CO-OPERATIVE SOCIETIES

IN THE

CENTRAL PROVINCES AND BERAR

FOR THE YEAR ENDING

30TH JUNE 1936

NAGPUR  
GOVERNMENT PRINTING, C. P.  
1937

## Agents for the sale of Publications issued by the Central Provinces Government

[NOTE.—Appointments of all official Agents in the United Kingdom and on the Continent for the sale of Government Publications have been terminated with effect from the 1st April 1925.

All publications in future are obtainable either direct from the High Commissioner for India, India House, Aldwych, London, W. C. 2, or through any bookseller.]

### INDIA

#### ◀ KOLA :

The Proprietor, Shri Ramdas Stores,  
Tajnapeth.

Mr. M. G. Bakshi, Law Books Agent.

#### ALLAHABAD :

Mr. Ram Narain Lal, Publisher, etc.,  
1, Bank Road.

The Superintendent, Nazair Kanun  
Hind Press.

#### AMRAOTI :

Thakur & Co., Ltd., Booksellers.

#### BARODA :

Mr. M. C. Kothari, Bookseller and  
Publisher, Raopura Road.

#### BILASPUR :

Mr. M. A. Subhan, Bookseller and  
Publisher.

#### BOMBAY :

D. B. Taraporevala, Sons & Co.,  
Treasure House of Books, Taj  
Building, No. 210, Hornby Road,  
Fort.

Radhabai Atmaram Sagoon.

Sunder Pandurang, 25, Kalbadevi  
Road.

Thacker & Co., Ltd.

The Proprietors, New Book Company.

#### CALCUTTA :

The Book Company, 4/4-A, College  
Street.

Butterworth & Co. (India), Ltd.,  
Avenue House, Post Box No. 251.

The Indian School Supply Depôt.

Mr. M. C. Sircar & Sons, 75, Harrison  
Road.

Newman & Co.

R. Cambray & Co.

S. K. Lahiri & Co.

Thacker, Spink & Co.

#### CAWNPORE :

The Manager, Sampson William and  
Co., 127-B, The Mall.

#### CHHINDWARA :

The Proprietor, Verma Book Depôt.

#### COOCH BEHAR :

Babu S. C. Taluqdar, Proprietor,  
Students & Co.

#### DELHI :

The Oxford Book and Stationery  
Co.

R. S. Tomara & Sons, Opposite Fort  
Gate.

#### JUBBULPORE :

The Manager, Educational Book Depôt.  
The Proprietor, Nerbudda Book Depôt.

#### KARACHI :

The Standard Bookstall.

#### KHAMGAON :

Sakalkale Typewriting Institute.

#### LAHORE :

The Punjab Sanskrit Book Depôt.

Rai Sahib M. Gulab Singh & Sons.

#### LUCKNOW :

The Proprietor, Newal Kishore Press.

The Upper India Publishing House,  
Ltd., 41, Aminabad Park.

#### MADRAS :

Higginbotham & Co.

S. Murthy & Co., Post Box No. 152.

The Proprietor, the City Book  
Co., Post Box No. 283.

#### NAGPUR :

Aidan Binzani, Proprietors, Karmavir  
Book Depot, Mahal.

Mr. G. G. Khot & Sons, Walker Road.

Mr. G. A. Shastri, Bookseller and  
Publisher, Hislop College Road.

The Manager, Educational Book Depôt.

The Manager, "The Hitavada".

The Proprietors, Bhisey Brothers,  
Booksellers and Publishers.

Mr. D. M. Dhupal, Manager, Ex-  
perimental Book Binding Depôt.

The Manager, Nagpur Law Journal,  
Central Law House, Tulsi Bag Road,  
Mahal.

Neston Jacques & Co., Kamptee Road.

#### PATNA :

The Patna Law Press Co.

#### PESHAWAR CANTT. :

Faqr Chand Marwah, Bookseller.

#### POONA :

The Proprietors, New Kitabkhana.

#### RAIPUR :

The Proprietor, Chauhe Printing  
Works.

#### RANGOON :

The Superintendent, American Baptist  
Mission Press.

#### VELLORE :

A. Venkatasubban, Law Bookseller.

#### YEOTMAL :

V. N. Saraswat.

No. 430-273-XIV  
 GOVERNMENT OF THE CENTRAL PROVINCES  
 AGRICULTURE DEPARTMENT

*Nagpur, the 25th March 1937.*

READ—

Report on the working of the Co-operative Societies in  
 the Central Provinces and Berar for the year ending  
 the 30th June 1936.

RESOLUTION

The outturn of all crops was again below the normal and there was a further fall in the price of cotton. Thus with another unfavourable year added to the long series of indifferent harvests and with continuing low prices, substantial improvement could not be expected in the condition of the agriculturist and of the co-operative movement which must depend upon it. Cash recoveries declined to Rs. 12.82 lakhs [Rs. 15.43 lakhs]. The total loans outstanding against members in the Central Provinces rose to Rs. 68.95 lakhs [Rs. 68.32 lakhs], while in Berar they fell slightly to Rs. 107.83 lakhs [Rs. 107.97 lakhs]. The arrears in the whole province increased to Rs. 160.68 lakhs [Rs. 158.54 lakhs]. The arrears represented 85 per cent [79] of the total outstandings in the Central Provinces and 95 per cent [96] in Berar. Excluding the sum due from societies under award and liquidation, the percentage of overdue to the total outstandings was 65 [57] in the Central Provinces and 89 [84] in Berar. If the co-operative movement is to fulfil its proper role, it must tackle first the problem of overdue which have in fact become long-term loans. The success of the movement requires that the frozen assets of the central banks should be released, so that funds may in future be available for short-term cultivation finance, the main function of the movement. Government hopes that every effort will be made to this end.

2. During the year, 171 new societies [71] were registered and 85 [130] were cancelled. For the first time during the last six years the number of societies registered exceeded the number cancelled. Cash advances also slightly increased to Rs. 7.40 lakhs

[Rs. 7.23 lakhs]. This is a hopeful sign. As the Registrar observes "for the continued existence and health of the movement, expansion of business is essential". In view of restriction in credit facilities attributable to various causes, there is greater scope than ever for co-operative institutions to supply "controlled credit" to the agriculturists. In organizing new societies, however, care must be taken to avoid the rock on which the older societies split. In future, loans must be strictly limited to the amount required for cultivation of holdings and recovered from the proceeds of the next harvest.

3. The balance sheet of the movement as a whole, depicted in paragraph 9 of the report, shows that financially the movement is still sound. Its weakness lies in the complete dependence of the village society on the central bank. This is due mainly to the lack of understanding of the fundamental principles of co-operation on the part of members of primary societies. It is to be hoped that this defect will now be remedied by the extensive campaign of education made possible by the grant of the Government of India. Government looks to the Institutes to co-operate whole-heartedly in making the scheme a success, and hopes that all possible measures which would make the village society the pivot of the movement, will be pursued.

4. Government notes with pleasure that the credit of the Provincial Bank stands high in the money market and congratulates the Managing Committee on their sound and businesslike management. The most interesting event of the year was the grant by it of financial assistance to the Mandla, Amraoti and Malkapur banks. Assistance was justified only in the interests of the movement as a whole and not by the position of the banks. It was made only on condition that these banks were entrusted to competent hands by the appointment of managers of the provincial bank's own choice with wide powers. This experiment has already put the Mandla district bank on its feet again and its working in other areas will be watched with interest.

5. Two legislative measures of considerable importance to the agriculturists were put on the statute book during the year, viz., the Central Provinces Tenancy Amendment Act and the Central Provinces Land Mortgage Banks Act. They are calculated to facilitate the

working of land mortgage banks and to extend the advantages of long-term credit to the large number of tenants in the Central Provinces whose land is not transferable. Thus Government has provided machinery to enable the solvent agriculturists to free themselves from the crushing burden of indebtedness by providing easy long-term credit facilities. It is to be hoped that the agriculturists of the province will make the fullest use of them but at present applications for advances have not come up to expectations.

6. The movement has passed through a difficult time, but the end of the period of re-organization is in sight and Government looks forward with confidence to an era of expansion and progress. The thanks of Government are due to all devoted workers in the cause of co-operation, and to Mr. G. S. Bhalja and his officers for their successful administration of the department.

---

ORDER.—Ordered that a copy of the resolution together with the enclosures is submitted to the Government of India in the Department of Education, Health and Lands, that copies be forwarded to the Registrar, Co-operative Societies, and to all Commissioners and Deputy Commissioners, Central Provinces and Berar, for information and guidance and that it be published in Part I of the *Central Provinces Gazette*.

By order of the Government  
(Ministry of Agriculture),  
C. J. W. LILLIE,  
*Revenue Secretary to Government,*  
*Central Provinces.*

## CONTENTS

	Paragraphs
I.—ADMINISTRATION—	
Staff	... 1—2
Touring	... 3
Cost of the movement	... 4
II.—SUMMARY OF GENERAL PROGRESS—	
Character of the agricultural season	... 5
Recoveries	... 6
Cash advances	... 7
Outstanding loans	... 8
Financial balance sheet of the co-operative movement as a whole.	9
Societies and membership	... 10
Education and supervision of societies	... 11
Training and propaganda	... 12
General position	... 13
III.—THE WORKING OF AGRICULTURAL CREDIT SOCIETIES WITH UNLIMITED LIABILITY—	
Number of societies	... 14
Working capital and membership	... 15
Loans and purposes of loans	... 16
Big borrowers	... 17
Repayments and overdues	... 18
Classification of societies	... 19
Re-organization	... 20
Rates of interest	... 21
Deposits in societies	... 22
IV.—LAND MORTGAGE BANKS	... 23
V.—CENTRAL BANKS—	
Number of Central Banks	... 24
Capital and resources, loan outstanding, and bad and doubtful debts.	25
Deposits and Fluid Resource	... 26
Cost: Profits	... 27
Working of Central Banks	... 28
VI.—PROVINCIAL BANK—	
Working of the year	... 29
Surplus funds, share capital, reserve fund, etc....	30

	Paragraphs
VII.—(i) THE CENTRAL PROVINCES AND BERAR CO-OPERATIVE FEDERATION AND (ii) THE CO-OPERATIVE INSTITUTES, NORTHERN, NERBUDDA, CHHATTISGARH, NAGPUR AND BERAR DIVISIONS—	
The Federation	... 31
The Institutes	... 32
VIII.—AGRICULTURAL SOCIETIES FOR PURPOSES OTHER THAN CREDIT.	33
IX.—NON-AGRICULTURAL CREDIT SOCIETIES WITH UNLIMITED LIABILITY.	34
X.—NON-AGRICULTURAL CREDIT SOCIETIES WITH LIMITED LIABILITY.	35
XI.—NON-AGRICULTURAL SOCIETIES FOR PURPOSES OTHER THAN CREDIT.	36
XII.—RESERVE FUND	... 37-38
XIII.—DISPUTES AND LITIGATION—	
Awards	... 39
Liquidation	... 40-42
Loans due from societies and members under awards and societies under liquidation.	43
XIV.—AUDIT AND INSPECTION—	
Audit	... 44
Writing of accounts	... 45
Inspection	... 46
XV.—ATTITUDE OF THE PUBLIC AND GENERAL REMARKS.	47

## APPENDICES

	Pages
A.—Operations of Central Banks	... i-vi
B.—Balance sheet of Central Banks	... vii-xii
C.—Capital, reserve, deposits, loans and cash of the co-operative banks, during the past five years.	xiii-xx
D.—Number, capital, reserve, deposits, and loans received, loans outstanding and cash balance of principal co-operative banks at the end of the year ending the 30th June 1936.	xxi

# MAP OF THE CENTRAL PROVINCES AND BERAR

