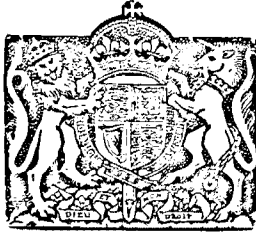


GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT
ON THE WORKING OF THE
CO-OPERATIVE SOCIETIES
IN THE
CENTRAL PROVINCES AND BERAR
FOR THE YEAR ENDING THE
30TH JUNE 1938

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1939

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Central Provinces and Berar**

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No. 2079-2395-X
 GOVERNMENT OF THE
 CENTRAL PROVINCES AND BERAR
 AGRICULTURE DEPARTMENT

Nagpur, the 9th November 1939.

READ—

Report on the working of the Co-operative Societies in the Central Provinces and Berar for the year ending the 30th June 1938.

RESOLUTION

The slight improvement in the economic condition of the people noticed in the previous year, unfortunately proved to be short-lived. The outturn of the principal crops was below the normal and their prices suffered a further decline. These unfavourable circumstances naturally contributed to a setback in the co-operative movement in the province and hampered the efforts to improve the condition of co-operative institutions.

2. The cash recoveries of loans due by societies to central banks decreased from Rs. 14.45 to Rs. 12.37 lakhs, the drop being particularly heavy in case of Berar, where the recoveries fell short of those in the previous year by as much as 34.1 per cent. Inevitably there was an increase in the total loan outstanding against members. In Berar, the figure swelled up from Rs. 105.83 to Rs. 113.02 lakhs, while in the Central Provinces there was a slight decline from Rs. 60.85 to Rs. 59.30 lakhs. The arrears aggregated 80 [84] per cent of the total outstandings in the Central Provinces and 98 [97] per cent in Berar. Even if the sums due from societies under award or liquidation are excluded, the overdues recoverable from the working societies amount to 93 [89] per cent in Berar and 50 [59] per cent in the Central Provinces. These figures indicate the extent of deterioration in Berar.

3. In the matter of big borrowers also there was no improvement. In the Central Provinces, they numbered 247 or 0.61 per cent of the borrowing members, and Rs. 4.40 lakhs, representing 11.6 per cent of the total loans, were outstanding against them. In Berar, on the other hand, their number was 932 or 15.3 per cent of the

total membership and the amount recoverable from them aggregated the large sum of Rs. 34.32 lakhs or 80 per cent of the total outstandings. Government has noted with regret the inadequacy of action against the big defaulters in some banks and desires to record its disapproval of the un-co-operative practice of granting them renewals with a view to evade the salutary rule disqualifying defaulters from membership of managing committees.

4. The only relieving feature of the gloomy situation is the large number of new societies registered during the year. Fresh registrations aggregated 547 [221]. One hundred and five [75] societies were cancelled. As a result, cash advances increased to Rs. 9.70 [Rs. 8.58] lakhs. The quota of the old Chhattisgarh division was 171 fresh registrations.

5. An analysis of the situation described in the report shows that some banks in the Central Provinces and almost all the banks in Berar have undergone serious deterioration, and the Registrar's remark with regard to Berar that the movement is on its last legs there, is amply justified. That this need not have been the case is borne out by the experience of the banks in the old Chhattisgarh division, which with careful financing, good recoveries, the absence of overdues and of coercion and bad and doubtful debts, provide a refreshing contrast. The experience of the banks in the old Chhattisgarh division strengthens the faith of Government in the efficacy of co-operative movement provided it is run on the right lines in genuine co-operative spirit. Shrinkage of credit facilities by moneylenders has created void in rural economy which co-operative institutions, if they are well managed, are pre-eminently fitted to supply.

6. Government is glad to note that the financial position of the provincial bank is strong and that it continues to enjoy excellent credit in the money market. The provincial bank naturally has to follow a policy based on strictly financial and business principles in its dealings with the central banks, and it is its duty to safeguard its own position for on it rests the whole of the co-operative edifice in the province. The thanks of Government are due to the Chairman and the Managing Committee of the provincial bank for their efficient management during a year of considerable stress and strain.

7. Government has noted with pleasure the expansion in the organization of land mortgage banks whose number increased by seven during the year, bringing the total to 19. These institutions have the potentiality of doing immense good to the people by freeing them from the load of indebtedness and improving their cultivation. The progress made by these institutions has necessarily to be slow. Government would, however, like to stress the necessity of establishing sound traditions and practices from the beginning in these infant institutions. Overdues, which have proved the bane of many co-operative institutions in the past, have made an appearance and Government trusts that no effort would be spared to root them out. In order to increase the usefulness of these institutions, provision was made during the year for relaxing the maximum and minimum lending limits with the permission of the Provincial Government. Government trusts that increased advantage will be taken of these institutions by the people.

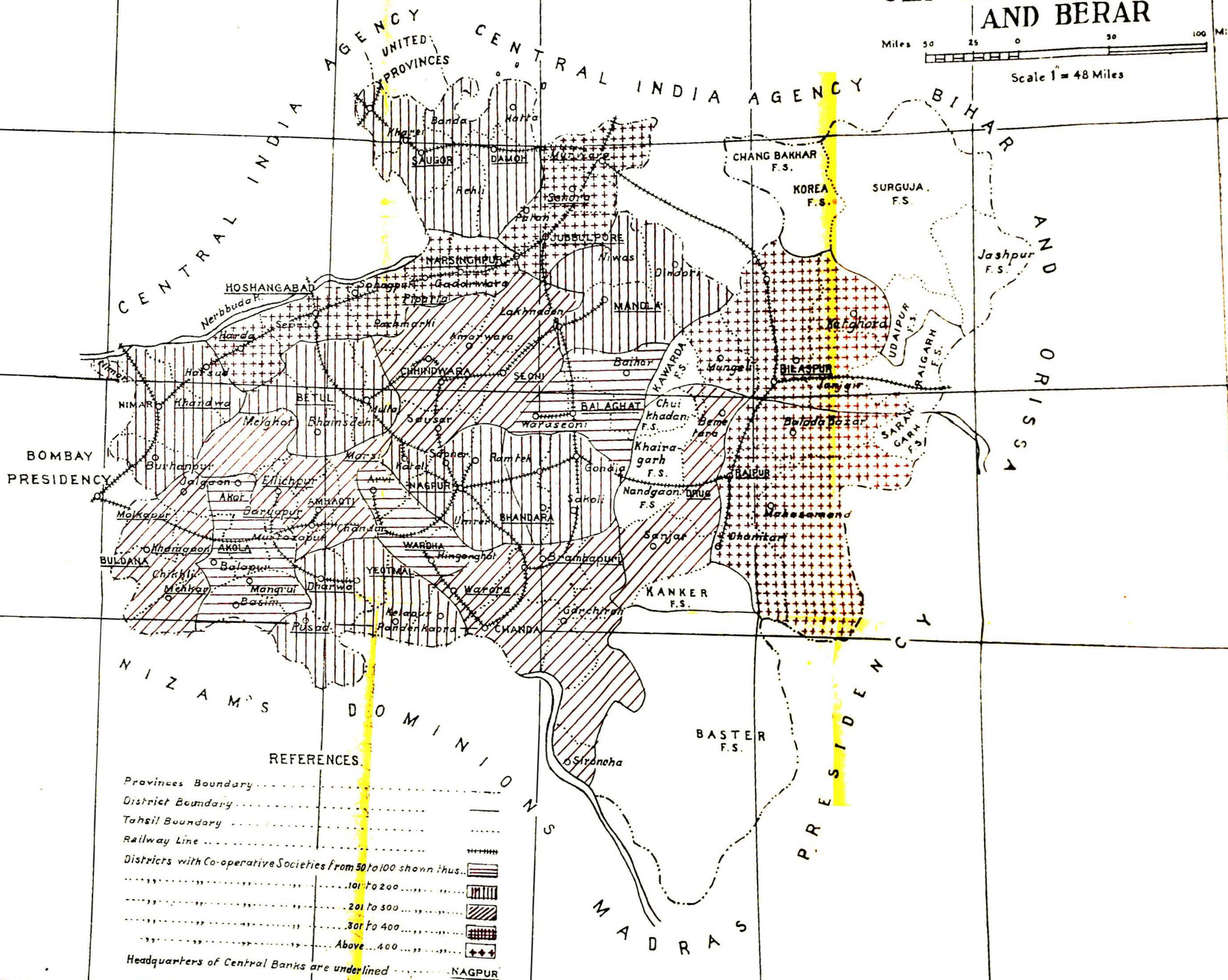
8. Government wishes to place on record its appreciation of the services rendered by the honorary workers on whose genuine and co-operative interest, the well-being of the co-operative movement mainly depends.

ORDER.—Ordered that a copy of the Resolution together with the enclosures 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 and Berar Gazette*.

By order of the Governor,
Central Provinces & Berar,
K. B. L. SETH,
Secy. to Govt., C. P. & Berar,
Agriculture Department.

MAP OF THE CENTRAL PROVINCES AND BERAR

Miles 50 25 0 25 100 Miles
Scale 1" = 48 Miles



REFERENCES

- Provinces Boundary
- District Boundary
- Tahsil Boundary
- Railway Line
- Districts with Co-operative Societies from 50 to 100 shown thus: [diagonal lines]
- 101 to 200 [horizontal lines]
- 201 to 300 [vertical lines]
- 301 to 400 [cross-hatch]
- Above 400 [dotted]
- Headquarters of Central Banks are underlined
- NAGPUR

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